

Stenographic Transcript  
Before the

COMMITTEE ON  
ARMED SERVICES

## **UNITED STATES SENATE**

HEARING TO RECEIVE TESTIMONY ON THE LONG-TERM BUDGETARY  
CHALLENGES FACING THE MILITARY SERVICES AND INNOVATIVE  
SOLUTIONS FOR MAINTAINING OUR MILITARY SUPERIORITY

Thursday, September 15, 2016

Washington, D.C.

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7 Thursday, September 15, 2016

8  
9 U.S. Senate

10 Committee on Armed Services

11 Washington, D.C.

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13 The committee met, pursuant to notice, at 9:34 a.m. in  
14 Room SD-G50, Dirksen Senate Office Building, Hon. John  
15 McCain, chairman of the committee, presiding.

16 Committee Members Present: Senators McCain  
17 [presiding], Inhofe, Wicker, Fischer, Cotton, Rounds, Ernst,  
18 Tillis, Sullivan, Graham, Reed, McCaskill, Manchin, Shaheen,  
19 Gillibrand, Blumenthal, Donnelly, Hirono, King, and  
20 Heinrich.

1           OPENING STATEMENT OF HON. JOHN McCAIN, U.S. SENATOR  
2 FROM ARIZONA

3           Chairman McCain: Good morning. The Senate Armed  
4 Services Committee meets this morning to receive testimony  
5 on the long-term budgetary challenges facing our military.

6           I would like to welcome our witnesses: the Chief of  
7 Staff of the Army, General Milley; the Chief of Naval  
8 Operations, Admiral Richardson; the Commandant of the Marine  
9 Corps, General Neller; and the Chief of Staff of the Air  
10 Force, General Goldfein. I thank each of you for your years  
11 of distinguished service and for your testimony today.

12           Far too often, Washington is governed by crisis and  
13 stop-gap deals like continuing resolutions, omnibus spending  
14 bills, and episodic budget agreements that are a poor  
15 substitute for actually doing our jobs. It has become an,  
16 unfortunately, all too familiar cycle of partisan gridlock,  
17 political brinkmanship, and backroom dealing. Is it any  
18 wonder why Americans say they are losing trust in  
19 government?

20           And through it all, we lose sight of the fact that the  
21 dysfunction of Washington has very real consequences for the  
22 thousands of Americans serving in uniform and sacrificing on  
23 our behalf all around the Nation and the world. From  
24 Afghanistan to Iraq and Syria, from the heart of Europe to  
25 the seas of Asia, our troops are doing everything we ask of

1 them. But we must ask ourselves are we doing everything we  
2 can for them. Are we serving them with a similar degree of  
3 courage in the performance of our duties? The answer I say  
4 with profound sadness is we are not. We are not.

5 Over many years across Presidents and congressional  
6 majorities of both parties, Washington has overseen a steady  
7 explosion of our national debt. This is just a fact. But 5  
8 years ago, rather than confronting the real driver of our  
9 ballooning debt, which is the unsustainable growth of  
10 entitlement spending, we looked the other way. We failed to  
11 make tough choices and necessary reforms, and the result was  
12 the Budget Control Act which imposed arbitrary caps on  
13 discretionary spending, including defense spending for a  
14 decade. And when we failed to fix the real problem, we  
15 doubled down on these reckless cuts with mindless  
16 sequestration. In short, we lied to the American people.

17 The Budget Control Act and sequestration have done  
18 nothing to fix our national debt. This is just mathematics.  
19 And what is worse, the people we have punished for our  
20 failure are none other than the men and women of our armed  
21 services and many other important agencies. The world has  
22 only grown more dangerous over the past 5 years, but the  
23 resources available to our military has continued to  
24 decline.

25 This year's defense budget is more than \$150 billion

1 less than fiscal year 2011. Rising threats and declining  
2 budgets have led to shrinking military forces that are  
3 struggling to sustain higher operational tempo with aging  
4 equipment and depleted readiness, and doing so at the  
5 expense of modernizing to deal with the threats of tomorrow.

6 Our present crisis of military readiness is not just a  
7 matter of training. It is also a capacity problem. Our  
8 Army, Navy, Air Force, and Marine Corps are too small to  
9 train for and meet our growing operational requirements  
10 against low-end threats while simultaneously having enough  
11 spare capacity to prepare for full spectrum warfare against  
12 high-end threats. As it is, our services are cannibalizing  
13 themselves just to keep up with the current pace of  
14 deployments, as recent media reports about the Air Force and  
15 Marine Corps aviation have made clear. And the result is  
16 that our fighting forces are becoming effectively hollow  
17 against great power competitors.

18 And if all of this is not bad enough, there is this.  
19 We are only halfway through the Budget Control Act. There  
20 are 5 more years of arbitrary defense spending cuts. It is  
21 true that last year's Bipartisan Budget Act provided some  
22 much needed relief, but this 2-year deal is coming to an  
23 end. And when it does, those arbitrary caps will return and  
24 remain in place through the next President's entire first  
25 term.

1           The Department of Defense and many of us in the  
2 Congress believe this would devastate our national defense.  
3 And yet, we are fooling ourselves and deceiving the American  
4 people about the true cost of fixing the problem. Just  
5 consider the Department's current 5-year defense plan is  
6 \$100 billion in total above the spending caps set by the  
7 Budget Control Act. In addition, roughly \$30 billion of  
8 annual spending for base defense requirements is buried in  
9 the budget account for emergency operations, requirements  
10 that will remain for our military even if our present  
11 operations immediately ended, which of course they will not.

12           What this means is that over the next 5 years, our  
13 Nation must come up with \$250 billion just to pay for our  
14 current defense strategy and our current programs of record.  
15 \$250 billion just to do what we are planning to do right  
16 now, which I think many of us would agree is insufficient to  
17 meet our present, let alone our future challenges. A  
18 quarter of a trillion dollars. That is the real hidden cost  
19 above our budget caps that we must come up with over the  
20 next 5 years.

21           Put simply, we have no plan as yet to pay for what our  
22 Department of Defense is doing right now, even as most of us  
23 agree that what we are doing at present is not sufficient  
24 for what we really need. And those needs are great indeed,  
25 from maintaining the capability and capacity to wage a

1 generational fight against radical Islamic terrorism, to  
2 rebuilding a ready and modernized force, to deter and, if  
3 necessary, defeat high-end threats, to modernizing our  
4 nuclear deterrent, to investing in the next generation  
5 capabilities that will preserve our military technological  
6 advantage and ensure our troops never find themselves in a  
7 fair fight.

8         The bottom line is this. From the Budget Control Act  
9 caps to the so-called OCO account, to our increasingly  
10 obsolete defense strategy, to the modernization bow wave  
11 that is coming for each of the services, we are lying to  
12 ourselves and the American people about the true cost of  
13 defending the Nation. The result is that our military's  
14 ability to deter conflict is weakening, and should we find  
15 ourselves in conflict, it is becoming increasingly likely  
16 that our Nation will deploy young Americans into battle  
17 without sufficient training or equipment to fight a war that  
18 will take longer, be larger, cost more, and ultimately claim  
19 more American lives than it otherwise would have.

20         And if that comes to pass, who will be responsible?  
21 Who is to blame for the increasing risk to the lives of the  
22 men and women who volunteer to serve and defend our Nation?  
23 The answer is clear. We are, the President and the  
24 Congress, Democrats and Republicans, all of us.

25         With budget debates looming ahead, the question now is

1 whether we will find the courage we have lacked for 5 long  
2 years, the courage to put aside politics, to chart a better  
3 course, to adopt a defense budget worthy of the service and  
4 sacrifice of those who volunteer to put themselves in harm's  
5 way on our behalf.

6 I am committed to doing everything I can as chairman of  
7 this committee to accomplishing this task. I know my  
8 colleagues on this committee are too. And despite the odds,  
9 I am ever hopeful that together we still can.

10 Senator Reed?

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1           STATEMENT OF HON. JACK REED, U.S. SENATOR FROM RHODE  
2 ISLAND

3           Senator Reed: Well, thank you very much, Mr. Chairman.  
4 Let me join you in welcoming the members of the panel and  
5 thank them for their outstanding service to the Nation and  
6 ask them to convey our thanks to the men and women who serve  
7 so proudly in uniform for the United States. Thank you.

8           The focus of today's hearing is the long-term budget  
9 challenges confronting our military services. For 15 years,  
10 our armed forces have been in continuous military  
11 operations. While our men and women in uniform have  
12 performed their duties superbly and doing all that we have  
13 asked them to do and more, the intense operational tempo has  
14 had an impact on our soldiers, sailors, airmen, and marines,  
15 their training and their equipment. On top of all that, the  
16 services have had to grapple with sequestration and  
17 constrained budgets, as the chairman has pointed out.

18           The military leaders before us today have an important  
19 task. As they plan their budgets for fiscal year 2018 and  
20 beyond, they must anticipate emerging threats for the future  
21 and how our military will address and ultimately defeat  
22 those threats. As we are reminded on a daily basis, our  
23 country is facing many complicated and rapidly evolving  
24 challenges that do not offer easy or quick solutions.

25           For example, we have seen our near-peer competitors

1 learn from our past successes and make advancements of their  
2 own, particularly in the areas of precision and long-range  
3 strike, anti-access/area denial, space, and cyber. As a  
4 result, the Department of Defense has embarked on a third  
5 offset strategy to address the steady erosion of U.S.  
6 technological superiority and recapture our qualitative  
7 advantage over our adversaries.

8 We welcome our witnesses' thoughts on how their  
9 respective services plan to confront these critical issues  
10 again in the context of these very difficult budgetary  
11 issues.

12 In addition to anticipating and planning our future  
13 threats, our witnesses today must also ensure targeted  
14 investments are made to rebuild readiness levels, modernize  
15 the force, and maintain the wellbeing of our troops. Over  
16 the course of this year, the committee has repeatedly heard  
17 testimony on these issues, and I hope that our witnesses can  
18 provide this committee an update on the progress that they  
19 have made.

20 Finally, defense budgets should be based on our long-  
21 term military strategy which requires the Department to  
22 focus at least 5 years into the future. Last year, Congress  
23 passed the 2015 Bipartisan Budget Act that established the  
24 discretionary funding level for defense spending for fiscal  
25 year 2016 and 2017. And while the BBA provided the

1 Department with budget stability in the near term, there is  
2 no agreement for fiscal year 2018 and beyond. Therefore,  
3 without another bipartisan agreement that provides relief  
4 from sequestration, the military services will be forced to  
5 submit a fiscal year 2018 budget that adheres to the  
6 sequestration level budget caps and would undermine the  
7 investments made to rebuild readiness and modernization and  
8 other aspects of our military force.

9 Not only is the issue one of budgets, but the issue is  
10 one of the certainty of knowing that you have budget levels  
11 not just for a year but for at least 5 years. That is  
12 another aspect we have to come to grips with.

13 I will, indeed, welcome the witnesses' thoughts and  
14 suggestions as we move forward.

15 Thank you very much, Mr. Chairman.

16 Chairman McCain: General Milley?

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1           STATEMENT OF GENERAL MARK A. MILLEY, USA, CHIEF OF  
2           STAFF OF THE UNITED STATES ARMY

3           General Milley: Thanks, Chairman McCain -- I  
4           appreciate that -- and Ranking Member Reed and other  
5           distinguished members of the committee for the opportunity  
6           to appear before you today to discuss our Army. And thank  
7           you for your consistent support and commitment to our Army's  
8           soldiers, civilians, and families.

9           A ready army, as you know, is manned, trained,  
10          equipped, and well led as the foundation of the joint force  
11          in order to deter and, if deterrence fails, to fight and  
12          defeat a wide range of state and non-state actors today,  
13          tomorrow, and deep into the future.

14          Although there are many challenges, as I outline below,  
15          the most important of which is consistent, sustained, and  
16          predictable funding over time, I still want to be clear.  
17          The United States Army is America's combat force of  
18          decision, and we are more capable, better trained, better  
19          equipped, better led, and more lethal than any other ground  
20          force in the world today. We are highly valued by our  
21          allies, and we are feared by our enemies. And the enemies  
22          know full well we can destroy them. We can destroy any  
23          enemy. We can destroy them anywhere, and we can destroy  
24          them anytime.

25          But having said that, our challenge today is to sustain

1 the counterterrorist and the counterinsurgency capabilities  
2 that we have developed to a high degree of proficiency over  
3 the last 15 consecutive years of war for many years in the  
4 future, the prediction of which is unknown, and  
5 simultaneously rebuild our capability in ground combat  
6 against higher-end, near-peer, great power threats.

7 The Army prioritizes readiness in this NDAA because the  
8 global security environment is increasingly uncertain and  
9 complex. And I anticipate that we will have to continue to  
10 prioritize readiness for many years to come. While we  
11 cannot forecast precisely when and where the next  
12 contingency will arise, it is my professional military view  
13 that if any contingency happens, it will likely require a  
14 significant commitment of U.S. Army forces on the ground.

15 The Army is currently committed to winning our fight  
16 against radical terrorists during conflict in other parts of  
17 the globe. Currently, the Army provides 52 percent of all  
18 the global combatant commander demand for military forces,  
19 and we provide 69 percent of all the emerging combatant  
20 commander demand. And currently, we have 187,000 soldiers  
21 committed in 140 different countries globally conducting the  
22 Nation's business.

23 To sustain current operations at that rate and to  
24 mitigate the risks of deploying an unready force into future  
25 combat operations, the Army will continue to prioritize and

1 fully fund readiness over end strength modernization and  
2 infrastructure. In other words, we are mortgaging future  
3 readiness for current readiness.

4 We request the resources to fully man and equip our  
5 combat formations and conduct realistic combined arms combat  
6 training at both home station and our combat training  
7 centers. We request continued support for our modernization  
8 in five key capability areas that we determined are lagging:  
9 aviation, command and control networks, integrated air and  
10 missile defense, combat vehicles, and emerging threat  
11 programs.

12 Our near-term innovation efforts are focused on  
13 developing overmatch in mobility, lethality, mission  
14 command, and force protection with specific emphasis on the  
15 following systems: long-range precision fires, missile  
16 defense, directed energy weapons, ground vehicles, vertical  
17 lift, cyber, electronic warfare, robotics, networks, and  
18 active protective systems for both ground and air.

19 And we ask your continued support for our soldiers and  
20 our families to recruit and retain the high level and the  
21 high quality of soldiers of character and competence that  
22 you have come to expect from the United States Army. With  
23 your support through sustained long-term, balanced,  
24 predictable resources, the Army will fund readiness at  
25 sufficient levels to meet current demands, build readiness

1 for contingencies, and invest in the readiness of our future  
2 force.

3 Thank you, Senators, for the opportunity to testify,  
4 and I look forward to your questions.

5 [The prepared statement of General Milley follows:]

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1 Chairman McCain: Admiral Richardson?  
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1           STATEMENT OF ADMIRAL JOHN M. RICHARDSON, USN, CHIEF OF  
2           NAVAL OPERATIONS OF THE UNITED STATES NAVY

3           Admiral Richardson: Good morning, Mr. Chairman,  
4           Ranking Member Reed, distinguished members of the committee,  
5           thank you for the opportunity to appear before you today and  
6           thank you for your sustained support to our Navy and our  
7           Nation.

8           I have been traveling around a fair amount recently to  
9           put eyes onto our Navy around the world. And as you know,  
10          the problems they face are getting more complex by the day.  
11          But your naval team is working hard, and our sailors,  
12          marines, and civilians are simply astounding in their skill  
13          and dedication. And we must focus on them with everything  
14          we do to respect their mission and their dedication.

15          I can describe our current challenges in terms of a  
16          triple whammy.

17          The first whammy, as we have said, is the continued  
18          high demand for our naval forces. We just marked the 15th  
19          anniversary of 9/11. And the past 15 years of high OPTEMPO  
20          in support of the wars has put tremendous wear and tear on  
21          our ships and aircraft. It has also taken a toll on the  
22          sailors that take those platforms out to sea, on the skilled  
23          Navy civilians that build and repair them, and on our family  
24          members.

25          The second whammy is budget uncertainty. 8 years of

1 continuing resolutions, including a year of sequestration,  
2 have driven additional cost and time into just about  
3 everything that we do. The services are essentially  
4 operating in three fiscal quarters per year now. Nobody  
5 schedules anything important in the first quarter. The  
6 disruption that this uncertainty imposes translates directly  
7 into risk to our Navy and our Nation.

8 The third whammy is the resource levels in the Budget  
9 Control and Bipartisan Budget Acts. Funding levels require  
10 us to prioritize achieving full readiness only for our  
11 deploying units. These are ready for full spectrum  
12 operations, but we are compromising the readiness of those  
13 ships and aircraft that we will have to surge to achieve  
14 victory in a large conflict. And we have also curtailed our  
15 modernization in a number of areas critical to staying ahead  
16 of our potential adversaries.

17 One more related point. Mr. Chairman, this highlights  
18 a point you brought up. Your Navy thrives on long-term  
19 stability, and when putting together shipbuilding plans, it  
20 is necessary to think in terms of decades. And while I know  
21 we are mostly here to talk about the current challenges, I  
22 feel I must say I was struck by the recent Congressional  
23 Budget Office report updating their long-term budget and  
24 economic outlook. In it, they predict that within the  
25 decade, discretionary spending, which includes defense, will

1 drop to the lowest levels in more than 50 years. It makes  
2 crystal clear that it is vital that we all dive in and get  
3 to work on this problem now for the security of our country.

4 In terms of a solution, we must work as partners. On  
5 one hand, we must work to set sufficient resource levels and  
6 restore stability to the budgeting process. And on the  
7 other hand, we must ensure -- I must ensure that every  
8 dollar that the American taxpayer gives the Navy is spent as  
9 efficiently and effectively as possible. I am committed to  
10 meeting my responsibilities here and in partnering with you  
11 as we go forward.

12 Together with our sister services, your Navy is here to  
13 protect our great Nation. Your sailors and civilians  
14 continue to do everything that is being asked of them, even  
15 as the demands continue to grow. Working together with you,  
16 I am committed to finding a way to address these challenges.

17 Thank you, sir, and I look forward to your questions.

18 [The prepared statement of Admiral Richardson follows:]

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1 Chairman McCain: General Neller?  
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1           STATEMENT OF GENERAL ROBERT B. NELLER, USMC,  
2           COMMANDANT OF THE UNITED STATES MARINE CORPS

3           General Neller: Chairman McCain, Ranking Member Reed,  
4           distinguished members of the committee, thank you for the  
5           opportunity to appear today and talk about your marines.  
6           And I thank you for your support of marines, sailors that  
7           serve with marines, our civilian marines, and our families.

8           Marines have a unique perspective on readiness based on  
9           the intent of Congress. We are the Nation's force in  
10          readiness, and being ready is central to our identity as  
11          part of the Navy/Marine Corps team.

12          That said, Mr. Chairman, my understanding of the  
13          purpose of this hearing is for the service chiefs to provide  
14          our best military advice on our current and future readiness  
15          challenges. My experience in the Marine Corps has been to  
16          make do with what we have been given. That is just the way  
17          I was raised, and I have never been comfortable asking for  
18          anything more. And I also understand there are many  
19          competing fiscal requirements that this Congress has to deal  
20          with.

21          However, based on the current top line in the future  
22          budget projections and though we are meeting our current  
23          requirements, I believe we are now pushing risk and the  
24          long-term health of the force into the future. As an  
25          example, we submitted an unfunded priority list of

1 approximately \$2.6 billion, which is the largest we have  
2 ever submitted.

3 The global security environment drives our  
4 requirements, and requirements equal commitments. Your  
5 marines are as busy and as committed now as during the  
6 height of operations in Iraq and Afghanistan. Current  
7 OPTEMPO balanced against fiscal reductions, instability of  
8 continuing resolutions, and the threat of sequestration  
9 during the past few years have driven us to critically  
10 review the allocation of our resources in order to meet  
11 these commitments.

12 We, like the other services, make tough choices every  
13 day, and we are facing our readiness challenges head on.  
14 Our readiness has been to deployed and next-to-deploy units.  
15 Current readiness shortfalls in aviation, facility  
16 sustainment, future modernization, retention of critical  
17 skills, and building the depth on our ready bench forces at  
18 home are our primary concerns.

19 That said, we have not stood idly by in planning for  
20 our future. I am confident we have identified our  
21 requirements for readiness recovery and improvements, and we  
22 are making progress slowly, but progress nonetheless. Our  
23 Force 2025 initiative is identifying the requirements of our  
24 future Marine Corps, balanced against fiscal reality. Force  
25 2025 addresses current capability shortfalls, sustainment of

1 capacity, and future manpower requirements to fight on the  
2 21st century battlefield.

3 Fiscal constraints necessarily bring tradeoffs, and to  
4 paraphrase one of my predecessors, we will give you the most  
5 ready Marine Corps the Nation can afford. The Marine Corps  
6 remains good stewards of what we are given, and we will  
7 generate the maximum readiness possible with the resources  
8 we are provided. And we will create and generate a Marine  
9 Corps that is agile, ready, and lethal.

10 Working side by side with Congress, the other services,  
11 and our Navy shipmates especially, you can count on your  
12 marines to meet and exceed the standards the American people  
13 have set for us.

14 I look forward to your questions.

15 [The prepared statement of General Neller follows:]

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1 Chairman McCain: Thank you, General.  
2 General Goldfein?  
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1           STATEMENT OF GENERAL DAVID L. GOLDFEIN, USAF, CHIEF OF  
2           STAFF OF THE UNITED STATES AIR FORCE

3           General Goldfein: Thank you, Chairman McCain, Ranking  
4           Member Reed, and distinguished members of the committee. It  
5           is an honor to be here and to be a member of this JCS team,  
6           serving beside men I have known for years, fought with, and  
7           admire.

8           In the interest of brevity, Chairman, you and Ranking  
9           Member Reed asked five key questions in your letter to us  
10          requesting this hearing.

11          You asked, what are the Air Force's modernization  
12          needs? We need to maintain stable, predictable funding for  
13          the F-35, the KC-46, and the B-21 in order to outpace our  
14          adversaries. At the same time, shoulder to shoulder with  
15          the Navy, we must modernize our aging nuclear enterprise.  
16          And while we continue to extend the life of our existing  
17          fleets, we need the flexibility to retire aging weapon  
18          systems and reduce excess infrastructure in order to afford  
19          the technology needed to maintain our advantage, given  
20          adversary advancements in satellite-enabled precision,  
21          stealth, cruise and ballistic missiles, ISR, and other anti-  
22          access/area denial capabilities that continue to proliferate  
23          worldwide.

24          You asked, how will the Air Force regain full spectrum  
25          readiness? It starts with people. Our Bipartisan Budget

1 Act end strength totals 492,000 airmen for fiscal year 2017,  
2 317,000 of which are active duty. Based upon current and  
3 projected global demands for air power to deter and, if  
4 required, defeat challenges presented by China, Russia,  
5 Iran, North Korea, and violent extremism, we respectfully  
6 request your support to grow our force to 321,000 active  
7 duty airmen by the end of fiscal year 2017. This remains  
8 our top priority in the current budget request.

9 You asked, how will the Air Force maintain its  
10 technological edge? We are laser-focused on fighter,  
11 tanker, and bomber recapitalization, nuclear modernization,  
12 preparing for a war that could extend into space, increasing  
13 our capability and capacity in the cyber domain, and  
14 leveraging and improving multi-domain and coalition-friendly  
15 command and control as the foundation of future combined  
16 arms operation.

17 You asked, how will your requirements impact the  
18 budgetary top line from fiscal year 2018 onward? We will be  
19 forced to continually make strategic trades to  
20 simultaneously sustain legacy fleets engaged in the current  
21 fight while smartly investing in modernization and the  
22 future technologies that will be required to meet combatant  
23 commander demands in the information age of warfare.  
24 Repealing sequestration, returning to stable budgets without  
25 extended continuing resolutions, and allowing us the

1 flexibility to reduce excess infrastructure and make  
2 strategic trades are essential to success.

3 Finally, you asked, what solutions are available for  
4 mitigating growing costs such as new acquisition authorities  
5 or innovative solutions to maintaining our military? As the  
6 chief requirements officer, I review every major program to  
7 ensure requirements are clearly published and sustained  
8 throughout the program and by personally signing documents  
9 leading to milestone A and B decisions to ensure we meet  
10 cost, schedule, and performance standards for our  
11 warfighting commanders. Additionally, we aligned our  
12 continuous process improvement efforts with DOD's Better  
13 Buying Power 3.0 initiatives, as well as Secretary James'  
14 Bending the Cost Curve activities.

15 In summary, all of our portfolios depend on steady,  
16 predictable, and timely funding, and the flexibility to make  
17 key trades to balance capability, capacity, and readiness.  
18 Current global security demands remind us that America's  
19 joint team must be ready to engage anytime, anywhere across  
20 the full spectrum of conflict, all while defending the  
21 homeland and providing a safe, secure, and reliable  
22 strategic nuclear deterrent. America expects it. Combatant  
23 commanders require it. And with your support, our soldiers,  
24 sailors, airmen, and marines will continue to deliver it.

25 We look forward to your questions.

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[The prepared statement of General Goldfein follows:]

1 Chairman McCain: Thank you. I thank the witnesses and  
2 thank you for your leadership and service to the Nation.

3 I think we would all agree that the world has changed a  
4 lot since the initiation of sequestration. A simple  
5 question. Do you feel that you would have resources and  
6 ability to defend this Nation against present and future  
7 threats if we continue down this path of sequestration,  
8 beginning with you, General Milley?

9 General Milley: Under sequestration, no, sir, I do  
10 not.

11 Chairman McCain: Admiral Richardson?

12 Admiral Richardson: I agree with General Milley, sir.  
13 Sequestration will prevent us from doing that.

14 Chairman McCain: General Neller?

15 General Neller: No, sir, we would not have the  
16 capability.

17 Chairman McCain: General Goldfein?

18 General Goldfein: The same.

19 Chairman McCain: Thank you.

20 Admiral Richardson, you talk about in your written  
21 statement our people are feeling the strain. We continue to  
22 meet our recruiting and retention goals. But you go on to  
23 talk about SEALs. You begin to talk about surface nuclear  
24 officers not meeting the goals. Naval aviation is another  
25 area of concern. We see declines in officer retention for

1 multiple grades, and bonuses are not proving fully  
2 effective.

3 I guess I would ask, Admiral Richardson, General  
4 Neller, and General Goldfein. It is not a matter of money  
5 with these young pilots. Is that not true? It is a matter  
6 of being able to fly and operate. I mean, when we just talk  
7 about solving this problem with bonuses, we are never going  
8 to compete with the airlines because they can always up the  
9 ante. But when our pilots are flying less hours a month  
10 than Russian and Chinese pilots are, you are going to have a  
11 problem. I will begin with you, Admiral Richardson.

12 Admiral Richardson: Sir, I agree with you. Our pilots  
13 join the Navy to fly naval aircraft. And that is what they  
14 want to do. This is a much bigger problem than money.  
15 Money can help up to a point. We want to make sure we  
16 adequately compensate all of our people. And there is  
17 competition, as you say. But at the heart of the matter,  
18 this is a highly dedicated team that wants to defend the  
19 Nation in high performance aircraft, and that is what they  
20 want to do. They want to fly.

21 Chairman McCain: General Neller?

22 General Neller: Sir, I would agree with that. On  
23 paper our situation looks a little bit better, but it does  
24 not take into account the experience level of those aircrew.  
25 But it is all about the best retention thing we can is

1 provide modern, maintainable, ready-to-fly airplanes.

2 But I would also say it is more than just the aircrew.  
3 It is also the maintainers. We are making it now on the  
4 backs of those sergeants and those staff sergeants out there  
5 that have to do work twice and to get the part from one to  
6 put it on the other. So I am as concerned about maintainers  
7 sticking around. And as we go to depots, we compete not  
8 just with airlines for aircrew, but we compete with  
9 contractors and commercial concerns for the marines that  
10 maintain our airplanes.

11 Chairman McCain: While I have still got you, in your  
12 written statement, you said the Marine Corps is no longer in  
13 a position to generate current readiness and reset our  
14 equipment while sustaining our facilities and modernizing to  
15 ensure our future readiness. That is a pretty strong  
16 statement, General.

17 General Neller: Based on the current fiscal  
18 environment, as was stated I believe by all my fellow  
19 chiefs, we are all making trades, and those trades require  
20 us to accept risk in certain areas. I would like to have  
21 our parts support when you look at the aviation  
22 particularly, but I could say the same thing about ground  
23 equipment. The amount of money we are able to put against  
24 parts and supply support is not what we need to maintain our  
25 legacy aircraft.

1 Chairman McCain: General Goldfein?

2 General Goldfein: Sir, I approach this as a balanced  
3 challenge and opportunity, quality of service, and quality  
4 of life. Removing financial burdens through aviation  
5 bonuses certainly fall in the quality of life category. But  
6 what we have found in the past -- and we have been through  
7 this before because airlines have hired before -- is that  
8 quality of service is as important as quality of life. And  
9 quality of service is making sure that you are given the  
10 opportunity to be the best you can be in your chosen  
11 occupation. Pilots who do not fly, maintainers who do not  
12 maintain, controllers who do not control will walk, and  
13 there is not enough money in the treasury to keep them in if  
14 we do not give them the resources they need to be the best  
15 they can be. In my mind, readiness and morale are  
16 inextricably linked. Where we have high readiness, we tend  
17 to have high morale because they are given the opportunities  
18 to compete. Where we have low readiness, we have our lowest  
19 morale.

20 Chairman McCain: General Milley, in your written  
21 statement, you said our goal is to have regular Army brigade  
22 combat teams achieve 60 to 66 percent full spectrum  
23 readiness, and I estimate that it will take the Army  
24 approximately 4 years to achieve that, assuming no  
25 significant increase in demand and no sequestration levels



1 of funding. That is a pretty alarming statement when you  
2 look at the potential challenges that we are facing. Do you  
3 want to elaborate on that a bit?

4 General Milley: Thanks, Senator.

5 For 15 consecutive years, the Army has been decisively  
6 committed in Iraq and Afghanistan and other  
7 counterterrorist/counterinsurgency type operations. In  
8 order to do that, we essentially came off of a core  
9 warfighting skills of combined arms maneuver against a near-  
10 peer or a higher-end threat.

11 So, for example -- just a couple of examples. An armor  
12 officer today, a tank officer, up through, say, the rank of  
13 major has very little experience in terms of maneuvering  
14 tanks against an opponent who has armor, very little  
15 experience in gunnery. Artillery battalion have not fired  
16 battalion level fires consistently in a decade and a half.  
17 So we have to rebuild that, and that is going to take  
18 considerable time, effort on our part. We have made a lot  
19 of progress, by the way, in the last year.

20 Chairman McCain: And you cannot do it with  
21 sequestration.

22 General Milley: Oh, absolutely not. Sequestration  
23 will take the rug out from underneath us. Absolutely.

24 Chairman McCain: Well, you know, I would just like to  
25 say before I turn to Senator Reed at your confirmation

1 hearings, I asked you to come before this committee and give  
2 us your frank and honest view. I appreciate the testimony  
3 here today, and I think it will be very helpful in our  
4 efforts to eliminate the effect of sequestration and give  
5 you the wherewithal that you need to make sure that we meet  
6 the challenges which are, as I said in the beginning, far  
7 more significant than they were on the day that  
8 sequestration began. We have got a lot of issues, but I  
9 appreciate the fact that you have outlined for this  
10 committee and I hope for the American people the necessity  
11 of us addressing these challenges. I thank the witnesses.

12 Senator Reed?

13 Senator Reed: Well, thank you very much, Mr. Chairman.

14 Again, thank you, gentlemen, for your testimony. It is  
15 very insightful, very sobering, and also reinforces the  
16 point that the chairman made that we just have to move away  
17 from sequestration. And one of the issues that has been  
18 illustrated by your testimony is it is not just the limits  
19 on spending. It is the uncertainty. Admiral Richardson,  
20 you pointed out that you only operate really three quarters  
21 of a year, that one quarter is just sort of standing around  
22 wishing and hoping. Can you elaborate a bit?

23 Admiral Richardson: Well, sir, you know behaviors are  
24 modified to adapt to the reality of the last 8 years. So  
25 big programs that require new funding and that require

1 authorities for new starts -- those are all prohibited in a  
2 continuing resolution environment. And so rather than put  
3 those programs in the first quarter and put them all at  
4 risk, we just live in a three quarter year. That first  
5 quarter is a light touch on just trying to keep things  
6 going.

7 Senator Reed: General Milley and then General Neller,  
8 General Goldfein, your comments too about this uncertainty  
9 factor. In fact, one could argue -- let me get your insight  
10 -- that effectively you are losing lots of money and wasting  
11 lots of money because of this uncertainty, not saving  
12 anything because of sequestration. Is that fair?

13 General Milley: That is correct, Senator, because if  
14 all we are doing is planning things year to year or actually  
15 three quarters of a year to three quarters of a year, things  
16 like multiyear contracts, developing long-term relationships  
17 with industry where they can count on us and so on -- that  
18 becomes very difficult. And what ends up happening is the  
19 price per unit goes up. So it has built in inefficiency.  
20 It has built in cost overruns. It is an un-good situation.  
21 It is not good and it needs to end.

22 Senator Reed: General Neller, your comments?

23 General Neller: It is very much the same, Senator. We  
24 have got some major programs and we would like to have the  
25 certainty and be able to tell the vendor that they have got

1 the funding there and we can press them to drive the cost  
2 down. If we live year to year or month to month, that is  
3 not going to happen.

4 But in line with what General Goldfein said, I think  
5 the force out there -- they are watching us. They are  
6 looking at us and they want to know what the plan is.  
7 People, for all of us, are our center of gravity. That is  
8 the one thing we have to protect. We can buy all the planes  
9 and ships and tanks and vehicles we want, but this is a  
10 volunteer force. This is a recruited and retained force.  
11 And they watch everything that is going on. These young men  
12 and women are very smart, and they want to know that there  
13 is commitment that they can count on as they decide whether  
14 they are going to continue to stay in.

15 Senator Reed: Thank you, sir.

16 General Goldfein?

17 General Goldfein: Thank you, sir.

18 Just perhaps to add some perspective, if we end up in a  
19 long-term continuing resolution, this will be the eighth  
20 that we have had to deal with. So just to give you a scale  
21 then for what will happen in the United States Air Force if  
22 we go beyond 3 months into a long-term CR, that will be  
23 about \$1.3 billion less that is in the fiscal year 2017  
24 budget. Some immediate impacts: KC-46 will go from 15 to  
25 12 aircraft, and we will be procuring munitions at the

1 fiscal year 2016 rates. In the fiscal year 2017 budget, we  
2 were actually able to forecast, based on what we believe we  
3 will be dropping in the current fight. That will go away,  
4 and so we will be procuring preferred munitions at a lower  
5 rate, which not only affects all of us that are engaged in  
6 the campaign, but it also affects our coalition partners who  
7 are relying on us as well for preferred munitions. We will  
8 have 60 acquisition programs that will be affected and 50  
9 MILCON projects, to include those that are new mission bed-  
10 down will also be affected, that just by a long-term CR.

11 Senator Reed: Thank you.

12 One of the issues that you all discussed and the  
13 chairman has made I think appropriate reference to is the  
14 changing situation in terms of unexpected challenges in the  
15 last several years. My sense too is that as we look around,  
16 particularly from technology, you are beginning to discover  
17 unanticipated costs for legacy systems in addition that we  
18 might not even have added into the projection. Is that fair  
19 to say, General Goldfein? And then we will go down the  
20 panel.

21 General Goldfein: Yes, sir. What happens is we do  
22 what we call a service life extension program, or SLEP. And  
23 there is actually a reason it is a four-letter word because  
24 what we do is we put an aircraft and we shake it and we put  
25 it through all kinds of environmental testings. And then we

1 find out what those failure parts are, and then we either  
2 buy those parts or we put them in the bench stock and we try  
3 to predict what we will need. And then we certify that  
4 aircraft will fly to, you know, the next 2,000 hours. The  
5 reality is we only fix what we can accurately predict, and  
6 then we put these aircraft into depot maintenance. We pull  
7 the skin off. What we find are there are things that are  
8 breaking that we never predicted.

9 A classic example. F-15C has a nose wheel steering  
10 problem, and we go look for the part and we have not made  
11 that part in 5 years. And so then we go out to industry and  
12 we find that we have got to hand make now a part that we  
13 have not made in years, and that just causes the costs to go  
14 up. So what we have found over the years is that older  
15 aircraft -- it is actually not a linear path in terms of  
16 cost growth. It actually gets at some point to an  
17 exponential growth. And then that cost per flying hour  
18 requires us to put more money into sustaining systems longer  
19 than putting that money into the modernization which we  
20 desperately need.

21 Senator Reed: Thank you. My time has expired. Thank  
22 you, gentlemen, again for your service.

23 Chairman McCain: Senator Inhofe?

24 Senator Inhofe: Thank you, Mr. Chairman.

25 You know, General Milley, when you were talking about

1 ground troops, I am reminded of my last year in the House.  
2 I was on the House Armed Services Committee. It was 1994  
3 when we had an expert witness sitting out there like you  
4 guys are saying in 10 years we would no longer need ground  
5 troops. I think about often what our needs are going to be  
6 in the future and how we are trying to survive today. And  
7 yet, looking into the future, yes, you talk about the KC-46  
8 and the need. The KC-135 has been around for 57 years, and  
9 it is going to be around for a lot longer. This is not what  
10 the other side, the competition does.

11 I think the chairman is right when he says that he  
12 asked for your honest opinion. I do not have and we do not  
13 have the credibility to go out to the public and adequately  
14 explain the level of risk that we are accepting today and  
15 the fact that we are in the most threatened position in my  
16 opinion we have ever been. They depend on hearing that from  
17 you not from people like me.

18 When General Dempsey said -- and this is some time ago.  
19 He said we are putting our military on a path where the  
20 force is so degraded and so unready that it would be immoral  
21 to use force. Now, that to me was a courageous statement  
22 that I have used. People are shocked when they hear it.  
23 This is some time ago now.

24 Winnifield. He made the statement there could be for  
25 the first time in my career instances where we would be

1 asked to respond to a crisis, and we will have to say that  
2 we cannot. You know, that is a shocker.

3 And then, of course, when our former colleague, Chuck  
4 Hagel, said American dominance of the seas, in the skies,  
5 and in space can no longer be taken for granted.

6 What I am saying is that you folks need to be  
7 outspoken. You need to be heard because you are the  
8 experts. And the public is not aware of the threats that we  
9 have.

10 So I want to ask you in a minute a question just on the  
11 size of the military but let me give you a couple of --  
12 these are quotes from you and other people talking about  
13 just the size. General Goldfein, you said our strategic  
14 capability advantage over competitors is shrinking and our  
15 ability to protect strategic deterrence is being challenged.

16 Your predecessor, General Welch, said virtually every  
17 mission area faces critical manning shortages, and the Air  
18 Force risks burning airmen out.

19 General Milley, you said in light of the threats  
20 confronting our Nation, to include Russia, China, North  
21 Korea, Iran, ISIS -- you know, we need to talk about that --  
22 the Army has accepted high military risk to meet the  
23 requirements of the national security strategy.

24 General Allen. At today's end strength, the Army risks  
25 consuming readiness as fast as it builds it.



1           So I would like to ask each one of you do the realities  
2 of the strategic environment today and the foreseeable  
3 future call for a change in the size of our military. We  
4 will start with you, General Milley.

5           General Milley: Thank you, Senator.

6           I think the Army has got adequate readiness and  
7 adequate size to deal with our current demand which is  
8 fighting terrorists, counterinsurgency operation in Iraq,  
9 Afghanistan, elsewhere around the world, and to meet the  
10 current global combatant commander demand for day-to-day  
11 operations.

12          Senator Inhofe: Now, you are saying the current end  
13 strength or that which is projected?

14          General Milley: The current. The day-to-day, what is  
15 going on today, the national military strategy, given that  
16 we are actively engaged against ISIS, Al Qaeda, and other  
17 groups. So that is current.

18          The risk comes if we have a conflict with a near-peer,  
19 high-end competitor. Those other contingencies that  
20 Secretary of Defense Carter and many others have talked  
21 about with China, Russia, North Korea, or Iran, each of  
22 which is different operationally and tactically, each of  
23 which would require different levels of forces, types of  
24 forces, and methods of operation.

25          But the bottom line is with the size of the U.S. Army

1 today, if one or more of those other contingencies took  
2 place, I maintain that our risk would significantly  
3 increase, as I mentioned before, and if two of them happen  
4 at the same time, I think it is high risk for the Nation.

5 Senator Inhofe: We understand. Of course, that is not  
6 predictable. We do not know.

7 General Milley: Of course, not. But we have to be  
8 prepared for it.

9 And just one last comment. You know, what we want is  
10 to deter. Nobody wants to have these wars with near-peer  
11 competitors, great powers. And the only thing more  
12 expensive than deterrence is actually fighting a war, and  
13 the only thing more expensive than fighting a war is  
14 fighting one and losing one. This stuff is expensive. We  
15 are expensive. We recognize that. But the bottom line is  
16 it is an investment that is worth every nickel.

17 Senator Inhofe: Briefly, Admiral Richardson, size.

18 Admiral Richardson: Sir, philosophically I could not  
19 say it any better than General Milley did. I agree with  
20 him.

21 In terms of the size, we are asking the same question.  
22 When I first came in to be the CNO, our current fleet size  
23 -- and there is more to capability than size, but size does  
24 matter -- is 308 ships. That assessment was done without  
25 considering the emergent threat of Russia, without

1 considering the emergent threat of ISIS. We are completing  
2 a study this month that gets at a new force structure  
3 assessment, and we will be ready to bring that to you very  
4 shortly.

5 Senator Inhofe: You two generally agree with that?

6 General Neller: I think it is two things, Senator.  
7 First, it is the capacity and the size that you talked  
8 about, but it is also -- I think it was mentioned by  
9 everybody else -- the capability sets that we have now. The  
10 future fight, if there is one -- hopefully there is not, but  
11 they deter a future fight. There are capabilities that we  
12 do not in the Marine Corps have that we are going to require  
13 because we focused on the fight against terrorism in the  
14 last 15 years. So how big is that force? What do you do?  
15 Otherwise, you have to trade because there are capabilities  
16 that we have now that we do not want to get rid of. So as  
17 you trade one capability for another, you either give  
18 something up and you accept risk there to get the other  
19 capability. And those are the trades that we are in and  
20 discussing at this time.

21 Senator Inhofe: That is right. You have to accept  
22 risk. I know that.

23 There is not time for you to answer that question, but  
24 I do have another comment to make concerning you, General  
25 Goldfein.

1 I agree with the fact -- and I talked to the pilots.  
2 They want to fly more. That is significant. You cannot  
3 completely eliminate the fact that it costs \$9 million, if  
4 you take someone off the street and make an F-22 pilot out  
5 of them. And yet the bonuses -- you were talking about  
6 what? \$25,000 a year. That has to be considered also I  
7 would say.

8 General Goldfein: Sir, in terms of the fact that we  
9 are moving forward for an aviation bonus --

10 Senator Inhofe: You have to consider that too along  
11 with the flying hours because the expense of taking someone  
12 and putting them in advanced Air Force training and then you  
13 take them all the way up to F-22 capability.

14 General Goldfein: Yes, sir. And as a matter of fact,  
15 our studies that we have done show that. We have not  
16 adjusted the aviation bonus for a number of years.

17 Senator Inhofe: That is right.

18 General Goldfein: And so we are asking for Congress'  
19 support to give us authorization for a higher level based on  
20 the data that we have that shows that it will take more than  
21 what we offer today to be able to provide the quality of  
22 life incentives to be able to allow them to stay in.

23 But at the same time, I will tell you I am laser-  
24 focused on the quality of service aspect to this because  
25 even if I pay them more, if I do not get them in the air,

1 they are going to walk.

2 Senator Inhofe: You are right.

3 Thank you.

4 Senator Reed [presiding]: On behalf of the chairman,  
5 Senator McCaskill.

6 Senator McCaskill: Thank you.

7 I want to associate myself with the opening statement  
8 of Senator McCain in many ways because I think you all  
9 honestly step forward and lead an amazing fighting force. I  
10 think we owe the American people honesty about the military  
11 budget.

12 And what is going on in the House of Representatives  
13 this year is, once again, a phony budget gimmick to pretend  
14 that they are somehow being fiscally conservative because  
15 they are using the overseas contingency operations fund to  
16 fund the base operations of our military. That is dishonest  
17 on its face. It is inefficient and ineffective for our  
18 military.

19 And, General Milley, I would like to bring this home to  
20 my State. Obviously, we have Fort Leonard Wood that dates  
21 back to World War II in terms of some of its buildings, and  
22 we have temporary military construction dating back to that  
23 time. And we are in an aggressive updating of that  
24 facility, which is such a key facility for our Army. And I  
25 noticed that they even had the nerve to put military

1 construction activities at bases in the United States in the  
2 overseas contingency operating fund.

3 Can you comment about how this impacts your ability on  
4 readiness and training when you are being put in a fund that  
5 is year-to-year and not certain and you cannot plan with it?

6 General Milley: Sure, Senator. You are exactly right.  
7 You cannot plan with it and you cannot just go year to year.  
8 And things like multiyear contracts and having relationships  
9 with the commercial industry in order to upgrade either  
10 weapons, equipment, et cetera.

11 Now, specifically what you are talking about is  
12 infrastructure, which is a key component. We often talk  
13 about man, train, and equip sort of thing, but also the  
14 infrastructure on Army bases is atrophying and the training  
15 ranges are not as modern as they should be, throughput  
16 capacities and so on. And we have got a laundry list. It  
17 is not just in Missouri. It is in many other places. That  
18 is of great concern, and we have been robbing that account  
19 for quite a few years now in order to maintain readiness in  
20 order to pay for the war. So that is another area of great  
21 concern is that infrastructure.

22 Senator McCaskill: And our men and women that have  
23 been deployed -- they are not deployed for a half a year.  
24 So we certainly should not fund their money for half a year.

25 General Goldfein, I also had an opportunity to go to

1 the 139th Airlift Wing over the last few weeks. You know,  
2 it is the top gun of airlift in terms of training. And the  
3 frustration there is there seems to be a disconnect, and  
4 only you and people that you interact with can fix this.  
5 And that is, these are strategic level courses. We are  
6 training people from all over the country at this facility  
7 in terms of lift and internationally I might add, our  
8 allies, as you probably well know.

9 But for some reason, they are having to deal with an  
10 annual funding issue instead of getting programmatic  
11 funding. I do not get that. I do not get why the National  
12 Guard Bureau and the Air Mobility Command cannot get  
13 together because you know what they are both doing? They  
14 are doing this. One is saying, oh, we are putting it  
15 programmatic, and the other is saying, well, we do not have  
16 it. And it is really frustrating for that excellent  
17 facility to have to continue to beat on this door and have  
18 nobody answer. I would like your commitment today to look  
19 into this and see if you cannot get this resolved once and  
20 for all.

21 General Goldfein: Yes, ma'am. And I will just tell  
22 you quickly that we had this come also up in the remotely  
23 piloted aircraft business. And what we found was that  
24 because there are so many elements associated with actually  
25 getting a CAP airborne and doing a sortie, that we had not

1 gone through and done the work that built the requirements  
2 that lay out over an entire year. And so the wing  
3 commanders were having to plug holes and go month to month  
4 to month. So as a result of that, we put together a team  
5 and we are actually working with the Director of the Air  
6 National Guard to lay out annual requirements for the MPA  
7 days. And then once we have those annual requirements, then  
8 we are going to fund them on an annual basis so that wing  
9 commanders will not be there. So I will take this on and  
10 make sure that that --

11 Senator McCaskill: That would be terrific.

12 And finally for you, General Neller, I am a big, big  
13 fan of the Marines. But I was struck when I was at Fort  
14 Leonard Wood. I had a chance to visit with recruits who  
15 were in the last 2 weeks of their training. They had done 9  
16 weeks. They were in their AIT training. And I had a chance  
17 to visit with these men and women. I was struck how many  
18 immigrants were in this training class from South Korea,  
19 Honduras, Costa Rica. They had just done a naturalization  
20 ceremony on the base for 67 soldiers becoming United States  
21 citizens. These people are saying they want to cross the  
22 line and die for their country.

23 When I saw the way that the Muslim soldier was treated  
24 in Parris Island, it hurt my heart, and I just want it on  
25 the record for you to commit that you will get to the bottom



1 of this and there will be no question in the Marines that  
2 abusing someone because of their ethnicity or their religion  
3 is absolutely unacceptable or their gender orientation.

4 General Neller: Senator, you have my complete and  
5 total commitment to that.

6 Senator McCaskill: Thank you very much.

7 Thank you, Mr. Chairman.

8 Senator Reed: On behalf of Chairman McCain, Senator  
9 Fischer, please.

10 Senator Fischer: Thank you, Senator Reed.

11 Thank you, gentlemen, for being here today.

12 I am going to pick up a little bit on Senator  
13 McCaskill's expression of frustration and expand that. Many  
14 times the American people -- they hear different stories,  
15 different information from different sources, and I would  
16 like to highlight part of that today and get your response  
17 to that and if you would clarify it.

18 General Milley, the "Wall Street Journal" published an  
19 article by General Petraeus last month, and it was entitled  
20 "The Myth of the U.S. Military Readiness Crisis." And in  
21 it, he characterized the Army's weapons inventory in the  
22 following way. While some categories of aircraft and other  
23 key weapons are aging and will need replacement or major  
24 refurbishment soon, most equipment remains in fairly good  
25 shape. According to our sources in the military, Army

1 equipment has, on average, mission capable rates today  
2 exceeding 90 percent, and that is a historically high level.

3 General, do you believe that General Petraeus was  
4 correct in this assessment that the equipment and the  
5 mission capable rates are what he says they are? And what  
6 does that tell us or possibly what does it not tell us about  
7 the state of the Army?

8 General Milley: Thanks, Senator.

9 I know General Petraeus well and have got a lot of  
10 respect for him, served under him, et cetera, along with Mr.  
11 O'Hanlon who is the co-author. Both of them are very  
12 talented.

13 But as you might expect, I do not necessarily agree  
14 with that. The title of the article is "Readiness Crisis:  
15 A Myth." I do not know if "crisis" is the right word. That  
16 is packed with all kinds of emotion. But there are serious  
17 readiness challenges in the United States Army today. And  
18 the operational readiness rates for our key weapon systems  
19 are not above 90 percent. They are well below 90 percent in  
20 some cases, and that is cause for great concern. They are  
21 improving, but they are below 90 percent. 90 percent is the  
22 standard, 9 out of 10 weapon systems ready to go to war at a  
23 moment in time. Our weapon systems are not in that  
24 condition at this time.

25 Senator Fischer: Thank you, sir, for clarifying that.

1           Also, the column goes on to argue that training for  
2 full spectrum operations is resuming. It claims that by  
3 2017 the Army plans to rotate nearly 20 brigades, about a  
4 third of its force, through national training centers each  
5 year. The Marine Corps plans to put 12 infantry battalions,  
6 about half its force, through large training exercises, and  
7 the Air Force is funding its training and readiness programs  
8 at 80 to 98 percent of what it considers fully resourced  
9 levels.

10           Generals, do you think that accurately portrays your  
11 services and their readiness to conduct the full spectrum  
12 operations? General Milley?

13           General Milley: It is a partial answer. So the  
14 flagship training event for an Army unit, an Army brigade  
15 combat team, is going to a combat training center at the  
16 National Training Center or Joint Readiness Training Center  
17 down in Louisiana. And a few years ago, we were not doing  
18 decisive action operations against higher-end threats. We  
19 changed gears about 24 months ago, and about 12 to 18 months  
20 ago, we started putting brigades through the paces of going  
21 against near-peer competitors unless they were specifically  
22 designated to go into Afghanistan or Iraq.

23           At the end of fiscal year 2017, by the end of next  
24 year, 100 percent of our brigade combat teams on active duty  
25 will have one rotation. It is all about reps. So if you

1 were, back in the day, pre-9/11, a typical battalion  
2 commander or a major, for example, or a company commander,  
3 you would have three, four, five, maybe more rotations  
4 through a training center by the time they reached those  
5 levels. Today we have an entire generation of officers  
6 going into the field grade ranks commanding battalions or  
7 even in some cases companies that have very little or no  
8 experience at a CTC. So by the end of fiscal year 2017, 100  
9 percent of the brigades, but it is a matter of reps. We  
10 have to do it over and over again.

11 So the data I have and the forecast we have is by the  
12 end of 2018, 24 months from now, we will have nine of our  
13 brigades with three rotations, 18 of them with two, and 4  
14 with one. That is not bad. It is better and all that is  
15 good. But there is more to it than just going to the  
16 training centers. That is a key part but there is more to  
17 it.

18 Manning levels are holding us back. We have over  
19 30,000 non-available soldiers in the regular Army today.  
20 That is a corps, an entire corps not available for medical,  
21 legal, and a variety of other reasons. And that is not even  
22 talking about your training account, basic training, or the  
23 overhead it takes to run basic training. So your personnel  
24 piece is big, and then equipment maintenance, which you just  
25 talked about with OR rates. Those are big. Those are all

1 parts of readiness. And that is just readiness with the  
2 equipment, the modernization, the systems we have today. 5  
3 or 10 years from now, there are lots of systems out there  
4 that we need to invest in to get them online to be able to  
5 deal with a near-peer great power, if in fact that day ever  
6 comes.

7 So I do not subscribe 100 percent to what General  
8 Petraeus, as much as I respect him, or Michael O'Hanlon  
9 wrote. And I like them both.

10 Senator Fischer: Thank you. I am out of time. But,  
11 General Neller and General Goldfein, if you could get that  
12 information to me, I would be happy to put that out.

13 And I too respect the service that General Petraeus has  
14 given to this country, but I think it is important that we  
15 get correct information out to the people of this country so  
16 they understand the situation that we are facing with our  
17 military.

18 Thank you.

19 Senator Reed: On behalf of Chairman McCain, Senator  
20 Hirono, please.

21 Senator Hirono: Thank you very much, gentlemen, for  
22 your testimony and for your service and the service of the  
23 men and women whom you lead.

24 Over the course of the many hearings that this  
25 committee has had with regard to the negative impacts of

1 sequestration, we have been provided with objective  
2 information as to those impacts that causes me to question  
3 the article that my colleague just talked about, as much as,  
4 of course, we appreciate the service of General Petraeus.

5 For General Neller, I have been monitoring the progress  
6 with the Marine Corps Pacific laydown, including visits to  
7 Okinawa, Guam, and CNMI. And I know that it will be very  
8 important to have adequate training facilities.

9 So, General, can you talk briefly about the current  
10 status and if you have any concerns about the progress so  
11 far of the Marine Corps specifically to plan? I just read  
12 an article recently about the Governor of CNMI and his  
13 position regarding training in Pagan.

14 General Neller: Well, Senator, we are still in the  
15 execution of the current plan of the Pacific laydown for  
16 marine forces. The Futenma replacement facility has been  
17 separated from the move from Guam, but from the very  
18 beginning our movement to Guam was contingent based on the  
19 fact that we could train and maintain our readiness once  
20 deployed there. And because of actions of others and  
21 environmental impact, right now that is potentially at risk  
22 and has pushed the timeline to the right. So we are still  
23 committed to go to Guam, but to go to Guam, we have to be  
24 able to sustain the readiness of the force, whatever that  
25 force is that we deploy there.

1           So I am concerned with it. I am watching it. I think  
2 there may be some other forces involved in this and that is  
3 causing delays in this. There are also still issues on  
4 Okinawa about building on to the north of the Futenma  
5 replacement facility that are tied up between negotiations  
6 between the Government of Japan and their prefecture of  
7 Okinawa, and we continue to monitor that.

8           Senator Hirono: I share your concerns because there  
9 are a number of moving parts with regard to the move out of  
10 Futenma and Henoko, and there are now delays there.

11           I realize that we are doing the buildup necessary for  
12 Guam, but we cannot send our troops there unless they have a  
13 place to train. So CNMI and the discussions that we are  
14 having and whatever negotiations we are having with that  
15 government is really critical, and I would appreciate your  
16 keeping me apprised as we go along. And anything that this  
17 committee and I can do to help --

18           General Neller: Yes, ma'am, we will certainly do that.

19           Senator Hirono: For General Milley and General  
20 Goldfein, I want to commend you in your leadership of your  
21 respective services, including the National Guard components  
22 in your mission. As you know, a combined force of active,  
23 Guard, and Reserve components is imperative to the defense  
24 of our country.

25           At our full committee hearing on cybersecurity this

1 week, the important role that the National Guard plays in  
2 contributing to total force requirements was discussed. Can  
3 both of you talk about progress in other areas where you  
4 will be depending on your Guard components to fulfill Army  
5 and Air Force requirements?

6 General Goldfein: Senator, I will give General Milley  
7 a break.

8 We are looking across the entire enterprise of the five  
9 core missions that the Air Force does for the joint team in  
10 the Nation to look at where we can partner with Air National  
11 Guard to leverage that component and the Air Force Reserves  
12 across all these mission areas: cyber, intelligence,  
13 command and control, nuclear enterprise, conventional air  
14 power in terms of both bomber and fighter force. We are  
15 looking at all of that. In the mobility portion of our  
16 business, you go into a C-17 and ask the question in the  
17 cockpit today, okay, who is Guard, who is active, who is  
18 Reserve, and very often all three hands will go up because  
19 we are that connected. So we have three components. We  
20 have one Air Force. We have five missions. We are looking  
21 across all of those mission areas.

22 I predict that cyber will be a growth industry when it  
23 comes to including our Air National Guard because it is  
24 ideally suited for that mission set. And so we are looking  
25 across the enterprise at ways we can partner and we can



1 increase that.

2 Senator Hirono: General Milley?

3 General Milley: Thanks, Senator.

4 We have made a lot of strides I think in the last year  
5 in trying to integrate and enhance the readiness of the  
6 National Guard. It is my assessment that we are going to  
7 have to significantly improve the readiness of the United  
8 States Army National Guard and the Army Reserve.

9 We are the only service that has over 50 percent of our  
10 force structure in the reserve component, and we have got  
11 about 53 percent. So a significant chunk of the Army is in  
12 the reserve.

13 And as was designed many, many years ago, the bottom  
14 line is the United States Army cannot conduct sustained land  
15 campaigns overseas without the National Guard and without  
16 the United States Army Reserve. It is not possible. That  
17 is the way the system was designed many, many decades ago.

18 So today what do we rely on? There is a considerable  
19 amount of maneuver force in the Army National Guard. We are  
20 moving to 26 brigades with this President's budget --  
21 maneuver brigades. There is a lot of artillery. So there  
22 is a lot of combat power in the National Guard, a lot of  
23 attack helicopters, and so on. If you look at combat  
24 service support, logistics units, about 60 percent, 62  
25 percent of the United States Army's logistics is all in the

1 reserve component.

2 So the Army, bottom line, could not fight, could not  
3 feed itself, could not maneuver, could not conduct any sort  
4 of extended land campaign anywhere in the world without the  
5 Guard or the Reserve. It is absolutely critical to what we  
6 are doing and we need to increase their readiness as well.

7 Senator Hirono: Thank you.

8 Thank you, Mr. Chairman.

9 Chairman McCain [presiding]: Senator Sullivan?

10 Senator Sullivan: Thank you, Mr. Chairman.

11 Gentlemen, I want to thank you for your service. As a  
12 matter of fact, somebody stated Secretary Carter, when he  
13 testified last time, I know a number of us have had a lot of  
14 criticisms with some of the Obama administration's foreign  
15 policy and national security. But one area where I want to  
16 commend the President is the quality and character of the  
17 men and women he has been nominating that have come before  
18 this committee for confirmation to lead our military. I  
19 think the four of you exemplify that quality and character,  
20 and I just want to commend you for that.

21 Part of the reason -- and the chairman has already  
22 touched on it -- is the frank and honest views that you have  
23 been giving this committee and others since your  
24 confirmations and your important positions leading the men  
25 and women in uniform of our Nation. And I want to commend

1 you on that as well.

2 General Milley, when you were here a couple months ago,  
3 you talked about the issue -- and you already restated it --  
4 of a near-peer, full-spectrum threat in terms of a conflict.  
5 If we had to address that, you stated that the U.S. Army  
6 would be at high military risk and you mentioned again to  
7 meet our national security strategy. Do you continue to  
8 hold that view?

9 And then I would like to have each of the other service  
10 chiefs here give us your assessment of where your service is  
11 in terms of risk. I thought it was remarkable. I thought  
12 it was courageous of you to say that. The press did not  
13 pick up on it, but the fact that the Chief of Staff of the  
14 Army was saying high military risk is pretty remarkable.  
15 And I just want each of the service members in terms of a  
16 full-spectrum conflict, the ability to meet that for our  
17 Nation's security, where are we in terms of risk for your  
18 service?

19 General Milley: Thank you, Senator.

20 My assessment remains the same. Just as a reminder,  
21 what does it mean when I am using that term? I am talking  
22 about the ability to accomplish the military tasks assigned  
23 to Army units. The ability to do it on time and the ability  
24 to do that at an acceptable level of cost expressed in terms  
25 of casualties, troops, killed and wounded. But I maintain

1 my same assessment.

2 Senator Sullivan: High military risk.

3 General Milley: That is correct.

4 Senator Sullivan: Admiral Richardson?

5 Admiral Richardson: Senator, I concur with General  
6 Milley. I have sort of forbidden my team to use the word  
7 "risk" because it has become so overused that you start to  
8 lose a sense of what that means. But it is exactly as  
9 General Milley described. If we get into one of those  
10 conflicts, we will win, but it is going to take a lot longer  
11 than we would like. It is going to cost a lot more in terms  
12 of dollars and in casualties.

13 Senator Sullivan: General Neller?

14 General Neller: Senator, in short, I agree. We built  
15 a force that has been focused on a counterinsurgency fight,  
16 and while we have been doing this effectively, our potential  
17 adversaries have recapitalized and from ground up built a  
18 force that has very significant capability that grows every  
19 day. And so we are in the process now of getting ourselves  
20 back and looking at those capabilities we need to match that  
21 up.

22 So would we win? Yes, we would win. But I would  
23 associate myself that it would take longer and I think the  
24 cost would be higher.

25 Senator Sullivan: So you are putting the Marine Corps

1 at high military risk as well.

2 General Neller: If we had to do, based on the  
3 contingency plans that were one major contingency and then a  
4 near simultaneous of a second one, yes.

5 Senator Sullivan: General Goldfein?

6 General Goldfein: Sir, that is the key for this  
7 discussion, which is ready for what. And what we are all, I  
8 believe, talking about is if the guidance tells us that we  
9 have to be simultaneously ready to defeat a near-peer  
10 adversary in an anti-access/area denial environment, a near-  
11 peer, while at the same time imposing cost in deterring  
12 another adversary, while at the same time ensuring your  
13 safe, secure, reliable nuclear enterprise, while at the same  
14 time defending the homeland to the level that will be  
15 required, then we are at high risk. But you have got to  
16 walk down that line --

17 Senator Sullivan: Right. But that is what we expect  
18 of you. That is your mission.

19 Let me just end by mentioning we talk a lot about  
20 costs. General Milley mentioned it. I know some of you in  
21 the Army and in the Marine Corps -- the book by T.R.  
22 Fehrenbach is still given to our infantry officers to read,  
23 "This Kind of War." When you talk about costs -- maybe this  
24 is for General Milley and General Neller -- when we are  
25 sending less ready units into a near-peer fight, we talk

1 about costs. That sounds like dollars and cents. What is  
2 it? Relate that to "This Kind of War." Relate that to the  
3 first summer in 1950 in Korea. The costs were dead  
4 Americans in the thousands. Is that not correct?

5 General Milley: Well, that is exactly right. I mean,  
6 the butcher's bill is paid in blood with American soldiers  
7 for unready forces. And we have a long history of that.  
8 Kasserine Pass, Guadalcanal, Tarawa, Task Force Smith in the  
9 Korean War. And it goes all the way back to Bull Run.  
10 Lincoln thought he was going to fight a war for 90 days.  
11 Wars are often thought to be short when they begin. They  
12 are not. They are often thought to cost less than then they  
13 end up costing, and they end up with outcomes and take turns  
14 that you never know. It is a dangerous thing.

15 And the best thing I know of is to ensure that you have  
16 forces that are sized, trained, manned, equipped, and very,  
17 very capable to first prevent the war from starting to begin  
18 with, and then once it starts, to win and win fast and win  
19 decisively. And that is the most humane thing to do when  
20 you are engaged in combat. Otherwise, you are expending  
21 lives that I do not think are necessary.

22 In the Korean War, the book you are referring to, in  
23 that war, Task Force Smith, the 21st Infantry Regiment, was  
24 alerted out of Japan, went forward to the peninsula on  
25 relatively short notice, and they were essentially

1 decimated. And it was not because they were bad. It was  
2 not because they were incompetent. The battalion commander  
3 was an experienced World War II guy. It was because they  
4 had two 90 millimeter recoilless rifles. Their mortars did  
5 not work. Their ammo was not done. The training was not  
6 done. They were not properly equipped. They were not in  
7 great shape. They were doing occupation duty in Japan.  
8 They were sent into combat, into harm's way unready, and  
9 they paid for it. And tens of thousands of others paid for  
10 it in those early months, the first 6 months of Korea. It  
11 is not a pretty picture.

12           Readiness matters. Reps at training centers matter.  
13 Equipment matters. Personnel fill matters. And to do  
14 otherwise for us at this table is the ultimate sin to send  
15 someone into combat who is unready.

16           Senator Sullivan: Thank you, Mr. Chairman.

17           Chairman McCain: And that is a risk we are facing  
18 right now.

19           Senator King?

20           Senator King: Thank you.

21           General Milley, I think you have delivered the line of  
22 the day for me. The only thing more expensive than  
23 deterrence is fighting a war, and the only thing more  
24 expensive than fighting a war is losing a war. That sort of  
25 summarizes the situation.

1 I would like to ask a couple of questions of you  
2 specifically about Afghanistan and then go on to the more  
3 general question.

4 I know the President has modified the troop drawdown  
5 schedule in Afghanistan, which I think was an appropriate  
6 response to the situation. Were the authorities maintained  
7 for the forces that we have there that allow them to act  
8 effectively to assist the Afghan forces?

9 General Milley: As I understand it, yes. I am heading  
10 over there next month actually, and I will see General  
11 Nicholson. But with my JCS hat on, as I understand, the  
12 operational authorities are adequate to do his task. But I  
13 will double check that and I can get back with you.

14 Senator King: And the second question is related. Are  
15 the NATO commitments that have been, in a sense,  
16 proportional to ours being maintained?

17 General Milley: I believe yes, but let me get you a  
18 better answer than that. Let me get you a specific answer.

19 Senator King: I would appreciate it. Thank you.

20 This hearing has focused a lot on money, and I think it  
21 is appropriate. There should be some context. In 1967,  
22 defense spending was 8.6 percent of GDP. In 1991, it was  
23 5.2 percent. Today it is 3.3 percent. And I think often  
24 the public and all of us get caught up in these big numbers  
25 of \$560 billion, but the reality is our commitment to



1 defense has fallen dramatically in the last 45 years in part  
2 because of a perception that the world was getting safer and  
3 in part because of budgetary issues.

4 The other thing I would point out is that net interest  
5 on the national debt today is more than a third of the  
6 military budget, and we are at an all-time low in interest  
7 rates. That is going to only go up, which will tend to make  
8 the budget be strained even more.

9 I just think we need to be talking to the American  
10 people about the fundamental responsibility of any  
11 government, which is to keep its people safe, and that the  
12 dramatic reduction in the commitment that we have made to  
13 defending this country.

14 The follow-up point, of course, which has been made  
15 previously, is that since 2011 and the Budget Control Act,  
16 we have had Syria, ISIS, South China Sea, Ukraine, the North  
17 Korea nuclear development, and cyber. And to maintain a  
18 rigid budget structure in the light of those changes, it  
19 just seems to me is dumb. We are trying to protect this  
20 country. We have new threats.

21 And it is similar to the discussion we have had, Mr.  
22 Chairman, about the troop levels in Afghanistan. We have  
23 got to respond to circumstances on the ground, and the  
24 circumstances have dramatically changed in the last 5 years  
25 in terms of threats that this country faces.

1           The other point that has been made by Ranking Member  
2 Reed. Certainty is as important as amount. I think you  
3 testified to that. The other way we are not serving the  
4 public is by the absolutely ridiculous process around here  
5 of not adopting budgets, doing continuing resolutions,  
6 getting you the money in the middle of the year, which does  
7 not allow you to plan, does not allow you to do the capital  
8 planning and the long-term planning that you need to do.

9           I realize I have talked a long time without a question.  
10 I am going to add one more point.

11           The other piece of this financial burden that we are  
12 facing is the nuclear recapitalization, and I have got some  
13 slides that I think make this clear that to me are rather  
14 dramatic. And what we are facing is a very large bulge, if  
15 you will, in the commitment, and if we do not make some  
16 additional overall way of dealing with that issue, it is  
17 going to eat up everything else. We are not going to be  
18 able to maintain aircraft or develop the ships that we need  
19 because all the money is going to go into that. And I just  
20 point this out. It has been 40 years since there has been a  
21 recapitalization, and we are heading into a -- we have got  
22 to have some special way of accounting for this, it seems to  
23 me. And it does not mean borrow for it. But it does mean  
24 fund it in some way. Otherwise, it will crowd out the  
25 necessity of modernization across the rest of the

1 enterprise.

2 If you can find a question in there, gentlemen, you are  
3 welcome to it. Admiral?

4 Admiral Richardson: Senator, I will jump on that  
5 because between General Goldfein and I -- and we are  
6 lockstep on trying to solve this problem in every way we  
7 can. I think that that bulge talks to a number of the  
8 points that you made.

9 One, as General Milley said, it is much cheaper to  
10 deter a war, and this is what this program is all about.  
11 This is about deterrence.

12 Senator King: And it is a theory that has worked for  
13 us for 80 years.

14 Admiral Richardson: It has been absolutely effective  
15 for 80 years not only nuclear war, of course, but also  
16 conflict worldwide. If you look at sort of before and  
17 after, it is a startling difference.

18 The other point is that each of these  
19 recapitalizations, the first one in the 1960s, then in the  
20 1980s, and then now, we are getting that mission done for  
21 less. Each of those peaks is subsequently smaller.

22 And then to your point, we can get that peak even  
23 smaller if we have predictable funding in place. We are  
24 going to recapitalize the undersea leg with 12 submarines.  
25 If we get that to predictable funding to buy that package in

1 a block, we could get those 12 submarines probably for the  
2 cost of 10 or 11. And so you can see real savings that come  
3 through this predictability.

4 But I want to go back to my first point. It is  
5 absolutely essential that we get this done because without  
6 that deterrent effect -- we think things are bad now -- it  
7 would be much worse.

8 Senator King: Thank you, gentlemen. Thank you all for  
9 your service and for your outstanding testimony here today.  
10 Thank you.

11 Thank you, Mr. Chairman.

12 Chairman McCain: Senator Graham?

13 Senator Graham: Thank you, Mr. Chairman.

14 Let us see if we can summarize here.

15 All of you agree that a long-term CR is bad for the  
16 military.

17 General Goldfein: Yes, sir.

18 Senator Graham: So when I hear my House colleagues  
19 wishing for a long-term CR, you do not wish for that.

20 General Goldfein: No.

21 Senator Graham: Okay.

22 To my House colleagues, the OCO account. Do you all  
23 have a problem with what they are doing, taking OCO money to  
24 fund the military?

25 General Goldfein: Sir, I will tell you that our

1 preference is a stable, long-term budget that we can plan  
2 on.

3 Senator Graham: Do you think OCO funding is not  
4 stable?

5 General Goldfein: It is 1-year funding. So it does  
6 not give us long-term stability.

7 Senator Graham: Does everybody agree with that? You  
8 would prefer not to go that route.

9 So why do they do this? They do not want to bust the  
10 caps. They do not want to take on the right and tell them  
11 you all are crazy. You know, this sequestration is not  
12 working.

13 Have you all talked to the President about this? Have  
14 you told the President what you are telling us about the  
15 state of the military under sequestration? Have you had a  
16 conversation with the commander-in-chief telling him what  
17 you just told us, General Milley?

18 General Milley: I have not personally had a  
19 conversation with the President.

20 Senator Graham: What about the Navy?

21 Admiral Richardson: No, sir, not personally.

22 Senator Graham: What about the Marines?

23 General Neller: No, sir, not personally.

24 Senator Graham: What about the Air Force?

25 General Goldfein: No, sir.

1           Senator Graham: What are you doing at the White House,  
2 Mr. President? You are threatening to veto a bill that  
3 would increase defense spending because it does not have  
4 non-defense increases. I will make some suggestions to you.  
5 Go tell the President what you are telling us.

6           I absolutely see the flaws in what the House is doing.  
7 I cannot believe the commander-in-chief is sitting on the  
8 sidelines and watching this happen, taking a laissez-faire  
9 attitude that if you send me a bill that increases defense  
10 spending without increasing non-defense spending, I will  
11 veto it. I find that as repugnant as what the House is  
12 doing.

13           Okay. By the end of 2021, we will be spending what  
14 percent of GDP on defense if sequestration is fully  
15 implemented? Does anybody know? 2.3 percent. Check the  
16 math. Senator King made a very good point.

17           Do you see by the end of 2021, given the threats we  
18 face as a Nation, it is wise to cut defense spending in half  
19 in terms of historical numbers?

20           General Goldfein: No, sir.

21           Senator Graham: Do you, General?

22           General Neller: No, sir, I do not.

23           Admiral Richardson: No, sir.

24           General Milley: No, sir.

25           Senator Graham: Well, somebody should ask, how could

1 your Congress and your President allow that to happen. I  
2 ask that all the time. I do not have a really good answer.

3 If sequestration goes back into effect in 2017, are we  
4 putting people's lives at risk because of the effects of  
5 sequestration in terms of training?

6 General Milley: Yes, sir.

7 General Goldfein: Yes, sir.

8 Senator Graham: Well, does anybody else listen to  
9 these hearings but us? How do you live with yourself? And  
10 I say that. I include me. I am part of this body. I voted  
11 against sequestration, but that is no excuse. Do you want  
12 to do revenue to fix it? I will do revenue. But what I am  
13 not going to do is keep playing this silly game.

14 When you rank threats to our military from nation  
15 states and terrorists, would you say sequestration is a  
16 threat to our military?

17 General Goldfein: Yes, sir.

18 General Milley: Sure.

19 Senator Graham: Would you agree with me, General, that  
20 the Congress is going to shoot down more planes than any  
21 enemy that we can think of in the near term?

22 General Goldfein: Potentially.

23 Senator Graham: Do you agree with me that we are going  
24 to park more marines and take them out of the fight than any  
25 enemy we can think of in the near term here, General, with

1 sequestration?

2 General Neller: Sir, nobody is going to park us. We  
3 are going to fight, but we will be at risk.

4 Senator Graham: So what is your budget in terms of  
5 personnel cost?

6 General Neller: We pay about 61 percent of the green  
7 TOA for personnel.

8 Senator Graham: So let us just walk through that real  
9 quickly. 60 percent of your budget is personnel.

10 General Neller: Yes, sir.

11 Senator Graham: If sequestration goes into effect, are  
12 you going to lose marines?

13 General Neller: Yes, sir, we will.

14 Senator Graham: Okay. So they will be out of the  
15 fight.

16 How many ships will the Navy have if sequestration is  
17 fully implemented, Admiral?

18 Admiral Richardson: Sir, hard to say, but fewer than  
19 the 308.

20 Senator Graham: They say 278. Is that about right?

21 Admiral Richardson: That is in the ball park.

22 Senator Graham: So the Congress is going to sink how  
23 many ships?

24 Admiral Richardson: Sir, I might take you on with the  
25 word "sink," but it will be --



1 Senator Graham: Okay. Well, whatever. They are not  
2 going to be there.

3 Admiral Richardson: 30.

4 Senator Graham: So how many brigades are we going to  
5 wipe out, General, in the Army?

6 General Milley: Our estimation is we will lose between  
7 60,000 and 100,000 troops if sequestration comes out.

8 Senator Graham: Would you agree with me when you rank  
9 the threats to the military, you would have to put Congress  
10 and the President in that mix if we do not fix  
11 sequestration?

12 General Milley: I will not judge either --

13 Chairman McCain: You are not required to answer that  
14 question.

15 [Laughter.]

16 General Milley: I am not judging the President or  
17 Congress.

18 Chairman McCain: Senator Blumenthal?

19 Senator Blumenthal: Thank you, Mr. Chairman.

20 Chairman McCain: I would remind the witnesses. There  
21 are certain questions that you are not required to answer.

22 [Laughter.]

23 Senator Blumenthal: I was about to say that I was  
24 going to reask that question, but it would probably reach  
25 the same result.

1 I just want to say how much I respect your service, and  
2 I think we all do. Regardless of the demanding and tough  
3 questions that have been asked, we approach this as a  
4 collegial effort working together with men and women who  
5 have devoted their lives to the service of our Nation with  
6 extraordinary distinction and bravery. That goes for you  
7 and all who serve with you. And I just want to begin with  
8 my profound thanks for your service.

9 Admiral, I want to talk a little bit about submarines.  
10 I know that we are moving toward building two submarines a  
11 year, Virginia class. In your testimony, you briefly note  
12 your concern for the future shortfall in our attack  
13 submarines. What is the Navy's strategy to deal with that  
14 shortfall when the desired 48-boat minimum in 2025 reaches a  
15 low point in 2029 of 41, potentially placing our Nation in  
16 jeopardy? Do we have a strategy to address that shortfall?

17 Admiral Richardson: Sir, we do. First, that shortfall  
18 highlights sort of a fundamental element of shipbuilding  
19 plans, which is that you have got to think long-term. And  
20 some of these things are very difficult to correct in the  
21 short term. It just takes time to build submarines and  
22 there are capital investments as well.

23 But we are building two per year. We are going to  
24 continue to do that. And we are also going to look to every  
25 possible way to extend the life of the current Los Angeles

1 class submarines that are carrying much of the burden today  
2 so that we can fill in that trough as much as possible. We  
3 are building two Virginia class submarines a year. We are  
4 going to examine continuing that as we bring the Ohio  
5 replacement program online, particularly in the year 2021.  
6 And if you put that submarine in place, it actually starts  
7 to fill in a good percentage of that trough. And so then we  
8 will look forward to more creative deployment options so  
9 that we get more out of every submarine. And we will use  
10 all of these methods together to try and minimize the effect  
11 of that trough, but we are not going to be able to erase it.

12 Senator Blumenthal: Your point about the importance of  
13 planning I think is profoundly important, little understood  
14 by the American people who often think we can snap our  
15 fingers and turn on the spigot for submarines. But we know  
16 and so do the dedicated men and women at Electric Boat in  
17 Groton that planning requires investment in skill training  
18 and the defense industrial base that consists of those men  
19 and women who in many ways are as vital as the men and women  
20 in uniform because they build the platforms, the submarines,  
21 that make our projection of power possible around the world.  
22 Would you agree?

23 Admiral Richardson: I would completely agree. In  
24 terms of their talent and the skill level, I wish we could  
25 take very American through that facility up at Electric Boat

1 and the same at all of our shipbuilding facilities just to  
2 see what America can do when it puts its mind to it. It is  
3 stunning.

4 But as we ramp up to build the Ohio replacement, the  
5 biggest challenge is the workforce and bringing those  
6 skilled laborers on. And so I agree with you 100 percent.  
7 It is a team effort, and it is a tough job.

8 Senator Blumenthal: I hope you will come back. I have  
9 been privileged to go through Electric Boat with you. I  
10 know Senator Reed has on many occasions as well. And this  
11 investment -- it is not spending. It is investment in our  
12 future -- I think is really vital.

13 Likewise, General Milley, on the Blackhawks, as you  
14 know, the National Commission on the Future of the Army  
15 issued aviation recommendations earlier this year, and these  
16 recommendations create some budgetary tension with the  
17 aviation restructure initiative the Army proposed in 2014.  
18 I am concerned that the planned UH-60 Blackhawk procurement,  
19 which is a vital modernization initiative for the active  
20 Army and National Guard across the Nation, will be reduced  
21 to pay for other programs. As you move forward with the  
22 Army aviation fiscal year 2018-2022 budget, are revisions  
23 being made to assure that future aviation modernization  
24 plans will be sustained in light of the commission's  
25 recommendation?

1           General Milley: Aviation is one of our top priorities.  
2           It is one of the ones I mentioned in my opening statement,  
3           Senator. And absolutely we are committed to improving the  
4           modernization, and we have got several initiatives underway.

5           With respect to the National Commission, we have put  
6           some of the aviation requirements into the UFR, into the  
7           unfinanced requirement list. Others we are funding. So we  
8           think the commission did great work, and we intend to  
9           implement their recommendations to the extent we can.

10          Senator Blumenthal: Thanks.

11          Thank you, Mr. Chairman.

12          Chairman McCain: Senator Ernst?

13          Senator Ernst: Thank you, Mr. Chair.

14          Gentlemen, thank you for being here today. It is a  
15          privilege to be in the same room with you.

16          We do have a lot of difficulties coming up, especially  
17          with sequestration, and I do not think I can be any more  
18          eloquent than Senator Graham.

19          Admiral, I would like to start with you. I do  
20          understand the Navy is facing some significant budgetary  
21          challenges, and this is true of all of our services.  
22          However, I was able to visit one of your ships earlier this  
23          year, and I was stunned to learn about the requirement for  
24          up-to-date paper charts aboard U.S. Navy ships and the low  
25          priority of celestial training. And I did send a letter to

1 the Navy on this topic about 2 months ago, as of yesterday,  
2 and I am still waiting for a written response.

3 But what I would like to know from you, what steps are  
4 you taking to increase basic nautical and celestial  
5 navigation training for your sailors and remove dependency  
6 from electronic devices? The way I understand it, they do  
7 use an off-the-shelf product that other civilian navigators  
8 use, as well as a program that is specific to the Navy.  
9 They just do not get those up-to-date downloads, and they do  
10 not have the paper charts necessary. Maybe you can fill me  
11 in a little bit.

12 Admiral Richardson: Well, with respect to navigation,  
13 it is something that, obviously, we take very seriously  
14 every moment that we are underway and looking into the  
15 future.

16 With respect to minimizing our vulnerability to  
17 electronic navigation, global positioning system, and those  
18 sorts of systems, really a multifaceted approach. We have  
19 started teaching celestial navigation, and so those types of  
20 courses are back in the curriculum at the naval academy and  
21 other places. We can use technology to move us beyond the  
22 sextant in terms of proficiency and accuracy there.

23 And then one of the things that I am working hard with  
24 our industrial base partners is there are other ways to get  
25 precision navigation and timing into our systems, which is

1 so critical not only for navigation, but also for weapon  
2 system performance and everything across the board. And so  
3 that is an area of emphasis as well. And these would be  
4 systems that would be independent of GPS and potentially  
5 more precise than GPS. And so we are working very hard  
6 across the full spectrum.

7 Senator Ernst: Okay. That is very encouraging. We  
8 cannot forget that we need to stay a little bit old school.

9 Admiral Richardson: We have got to stay in the  
10 channel, ma'am.

11 Senator Ernst: That is right. Outstanding. Thanks,  
12 Admiral. I appreciate that.

13 General Goldfein, I recently did have the opportunity  
14 to visit one of my Iowa Air National Guard units, 185th Air  
15 Refueling Wing, in Sioux City. And one of the things I  
16 noticed was the pilot shortage. They continue to talk about  
17 that. I know the chairman has already addressed this issue.  
18 But what I would like to maybe know from you is, is there a  
19 solution for the Guard and Reserve force as well? What can  
20 we do to better enable them with our pilot shortage?

21 General Goldfein: Ma'am, actually it is a very similar  
22 solution to what we look at in the active duty because the  
23 motivations are the same and the same pilot who joins  
24 because very often, as you know, a lot of the Air National  
25 Guard actually came from the active duty. So the important

1 part for us is to ensure that they are getting the same  
2 opportunities to train in the Air National Guard as they  
3 have in the active duty.

4 And like General Milley said for the Army, the Air  
5 Force is structured in a way as well that we could not do  
6 the job that we are required to do without the Air National  
7 Guard, the Air Force Reserves, and the active component all  
8 working together. And especially in the mobility community  
9 is where we are actually the most connected in terms of  
10 these associations and how we get together to get the  
11 mission done.

12 So actually what I mentioned in terms of quality of  
13 service, making sure they have the hours to fly, that they  
14 have the resources they need to be able to be competitive,  
15 at the same time, we also provide the financial incentives  
16 they need to stay. All those come together. That is going  
17 to improve our retention rates, and we are fully committed  
18 to that.

19 Senator Ernst: Wonderful. Thank you very much.

20 And just very briefly, in March, the Army announced a  
21 new associated units pilot program partnering National Guard  
22 and Reserve components with an active brigade combat team.  
23 And my understanding is that this could greatly increase the  
24 readiness of our Reserve forces and reduce costs.

25 General Milley, do you have any updates on how this



1 program is working so far? And again, sir, very briefly,  
2 please.

3 General Milley: Yes. We have got 14 associated units  
4 right now in the pilot program. We do think and hope that  
5 it will increase the readiness of the Guard, along with  
6 increased CTC rotations and increased requests for man-days.  
7 In combination, all of those things will help increase the  
8 readiness of the National Guard.

9 Senator Ernst: Outstanding. We love our Guard folks,  
10 do we not?

11 General Milley: Absolutely.

12 Senator Ernst: Okay. Thank you, sir.

13 Thank you, Mr. Chair.

14 Chairman McCain: Senator Tillis?

15 Senator Tillis: Thank you, Mr. Chair.

16 And, General Goldfein, thank you for being here. I  
17 would note I was here for your opening comments. I had two  
18 concurrent committee meetings I had to run to. But you said  
19 something I think made me reflect on the 440th, and I am not  
20 going to focus on it except to say you were saying you need  
21 the flexibility to get to shed excess infrastructure if you  
22 are going to address some of your budget constraints. I  
23 think the 440th was a classic example of that because I know  
24 very well that there were at least five or six other sites  
25 that were either statutorily protected or protected by BRAC

1 that in your opinion would have been a better, more  
2 appropriate way to get to the target that you were hitting.  
3 So I understand the pressure you are under.

4       Hopefully, we will repeal sequestration, but if we do  
5 not, we need to find some other ways to provide you with  
6 flexibility to weather this storm.

7       I have one question for you, and it really has to do  
8 with the NDAA from fiscal year 2016 which has I think a  
9 requirement to retain 1,900 aircraft. How are you going to  
10 comply with that requirement, or can you?

11       General Goldfein: Sir, actually in this FYDP, we will  
12 comply with that. The next FYDP afterward is going to be a  
13 challenge because as we bring on new weapon systems, given  
14 all the other challenges we face, being able to maintain the  
15 1,900 is going to be a challenge as we also increase  
16 investment in some other key areas that the Nation  
17 requires --

18       Senator Tillis: I am not sure I see how you do it. So  
19 we should probably, outside of this committee hearing, talk  
20 about shedding light on that versus putting a requirement in  
21 there that I do not think you are going to be able to  
22 achieve.

23       To the Commandant, General Neller, I have spent a fair  
24 amount of time down in North Carolina at Cherry Point, and I  
25 have had a number of discussions up here. And I continue to

1 hear about challenges facing readiness for your aircraft,  
2 and then you have the second and third order effects on  
3 challenges for pilot flying time, training time.

4 How would you assess the current state of readiness?  
5 And give me an idea of what the trend lines look like.

6 General Neller: The current state of readiness for  
7 Marine aviation is dependent upon what model type series,  
8 but in the aggregate, it is improving but it is not where we  
9 need it to be. It is below an acceptable level. We are not  
10 flying enough. We do not have enough ready basic aircraft,  
11 and that means the aircraft that we fly get turned faster  
12 and so they are harder to maintain. We are at our flight  
13 hour program, not that we are flying a lot of hours, but  
14 that is also where we get our parts.

15 So we are not where we want to be. I do not think we  
16 are going to be where we want to be. Assuming consistent,  
17 stable funding, if we can increase the parts support  
18 funding, it will happen faster. If we can get new airplanes  
19 sooner, it will happen faster. But the trend line is up,  
20 slightly up.

21 Senator Tillis: I tell you one thing I saw down at  
22 Cherry Point where really the rubber hits the road and you  
23 are down there and you see these repair operations. The way  
24 that it works, they can go so far with certain repairs, and  
25 then they are either waiting for parts or they are relying

1 on some other part of the supply chain to finish the  
2 repairs. So we got planes that could probably be ready to  
3 go but for changes in some of the processes, some other  
4 things that we may need to do to provide you with the  
5 flexibility or the funding to do it. And I know that has to  
6 do with funding in some of the accounts that have been  
7 depleted over time. So we have got to shed light on that as  
8 we go into planning for next year.

9 General Milley, you made a comment about we are  
10 mortgaging our future readiness to be ready today. I mean,  
11 we are creating a debt. Would you mind getting into  
12 specific examples of what that looks like?

13 General Milley: Well, specifically with respect to the  
14 budget, we have, over many, many years now, undercut or  
15 reduced our S&T and R&D parts in the modernization accounts.  
16 That part of the budget, that part of the pie has been  
17 reduced over time. That is the part of the pie that is  
18 future readiness because 10 years from now, 15 years from  
19 now, those R&D projects, those S&T projects -- they become  
20 real weapons or real equipment. That is what I am talking  
21 about. So that part of the pie has been reduced.

22 We are trying to, in this President's budget, make some  
23 hard choices as a service given a top line and given  
24 basically a fixed amount on the compensation piece of it to  
25 try to balance the readiness today versus modernization,

1 S&T, and infrastructure, et cetera for tomorrow. And these  
2 are hard, tough choices. And in the Army's piece of it, we  
3 are preferencing, we are biasing today's readiness because  
4 of the gaps from the last 15 years. We got to get them back  
5 up to speed because of the threats we have all been talking  
6 about.

7 Senator Tillis: Well, thank you all for your service.  
8 And I thank Senator McCain for opening his question about  
9 your position on the deleterious effects that sequestration  
10 is going to continue to have. If we take nothing away from  
11 this, we have to be unified and end this ridiculous way to  
12 budget and protect our Nation. Thank you all.

13 Thank you, Mr. Chair.

14 Chairman McCain: Senator Donnelly?

15 Senator Donnelly: Thank you, Mr. Chairman.

16 Thank you all for being here.

17 In 2014, the Jacob Sexton Military Suicide Prevention  
18 Act was signed into law through the fiscal year 2015 NDAA.  
19 It was the first bill I introduced after joining the Senate,  
20 and it is named after a Hoosier soldier we lost to suicide  
21 in 2009. Last year was the fourth straight year we lost  
22 more service members to suicide than to combat.

23 My colleague, Senator King, is sponsoring a showing of  
24 a movie, "Thank you for Your Service," which touches upon  
25 this very subject. And when we talk about taking care of

1 our troops, when we talk about readiness, when we talk about  
2 maintaining the strongest fighting force the world has ever  
3 known, I cannot think of anything more fundamental than  
4 ensuring the physical and mental health of our men and women  
5 in uniform.

6 The Sexton Act mandated that each of the services  
7 provide a robust mental health assessment to every service  
8 member, active or Guard or Reserve, every year. And I would  
9 like to know how each of your branches are doing in  
10 implementing this requirement. General Milley, if you could  
11 touch on that.

12 General Milley: Thank you, Senator.

13 Within the Army we are seeing in the last year an  
14 improvement, meaning a reduced number of suicides, slight  
15 but significant enough to be noticeable across the force.  
16 And that is important. So all the efforts that we have done  
17 with your help and Congress' help and lots of folks' help  
18 over the last several years we think are showing leading  
19 indicators of improvement in suicide, which we recognize is  
20 a component of readiness because it is a tragic event.

21 Specific to your question, we are implementing through  
22 MEDCOM annual mental health assessments for the force in the  
23 regular Army. I would have to check on the Guard and  
24 Reserve on how that is being done. But we are doing that  
25 throughout the force.

1           We also do routine post-deployment health assessments.  
2    So if you go to Iraq, Afghanistan, come back, we do TBI  
3    checks. So we have got a lot of programs right now  
4    throughout the force to focus on the very thing that you are  
5    talking about. We are taking it serious, and we think we  
6    are making some improvement.

7           Senator Donnelly: Thank you.

8           Admiral Richardson and General Neller, I know you are a  
9    team in many ways on this. If you could touch upon it.

10          Admiral Richardson: Sir, exactly the same commitment.  
11    We are on track to implement that completely in compliance  
12    with your intent. We share your deep commitment to the  
13    mental health of our sailors.

14          With respect to the other measures to prevent, we find  
15    that the more that we can make our sailors feel like a  
16    member of a team that they have got, a network of support  
17    that they can fall back on, that seems to be one of the most  
18    effective things. So that, in combination with an  
19    assessment, we hope to turn this thing downward.

20          Senator Donnelly: Thank you.

21          General Neller?

22          General Neller: According to the senior medical  
23    officer, who is a Navy admiral that is for the Marine Corps,  
24    we are in the process of implementation. He estimates on  
25    the active side by the end of fiscal year 2017, it will be

1 implemented. The Reserve will probably take longer just  
2 because of the nature of their drilling on weekends and  
3 having access. But as far as filling out the questionnaire  
4 online and then having a care provider contact them and have  
5 a conversation with all the intentions of the legislation  
6 and the law, we are planning on being fully implemented by  
7 the end of fiscal year 2017, Senator.

8 Senator Donnelly: Thank you so much.

9 General Goldfein?

10 General Goldfein: Sir, I will just say we are in the  
11 same boat, and we will be fully implemented by about the mid  
12 part of fiscal year 2017.

13 But I will also add we are taking a little bit  
14 different approach as well. It is fairly new. We are  
15 actually taking the SOCOM approach that they have approached  
16 it with. And their approach is if we would take an aircraft  
17 on the schedule at a certain periodic time to do periodic  
18 maintenance and then take an aircraft off the schedule at  
19 longer periods of time to do depot maintenance and make sure  
20 they are in good shape and put them back in the fight, why  
21 would we not do the same thing for airmen? So we are  
22 actually looking at taking your initiative to the next  
23 level, which is a periodic maintenance schedule for the  
24 human to increase performance. That takes the stigma off  
25 because if you are having to go in based on a schedule and



1 everybody is having to do it, we think it will have profound  
2 effects.

3 Senator Donnelly: Okay.

4 Admiral Richardson, you were kind enough to visit Crane  
5 Naval Base. And it is integral to several modernization  
6 efforts we have going, most prominently the Ohio replacement  
7 program. How does our pattern of reliance on continuing  
8 resolutions impact your ability to modernize the Navy?

9 Admiral Richardson: Sir, I think that we all sort of  
10 feel this pain in some way or another. This continuing  
11 resolution business really undercuts the trust and  
12 confidence that we have with our suppliers, with the  
13 industrial base that are so key to providing not only at the  
14 ship level, particularly in the strategic deterrent  
15 business, but also down at the component level. And when  
16 you disrupt that trust and confidence, when you double the  
17 amount of contracts that you have to write just to get  
18 through the year, when you prevent the ability to buy things  
19 in blocks over a long period of time, the only thing you are  
20 doing is increasing cost, increasing time, and that  
21 translates to increasing risk to our warfighter.

22 Senator Donnelly: Thank you all for your hard work and  
23 dedication.

24 Thank you, Mr. Chairman.

25 Chairman McCain: Senator Manchin?

1 Senator Manchin: Thank you, Mr. Chairman.

2 I thank all of you for your service and for being here  
3 today.

4 The one question I wanted to ask -- and I know it has  
5 been batted around quite a bit, but the United States Air  
6 Force -- I will start, General Goldfein, with you, but it is  
7 really for all of you. Standing tradition of leadership and  
8 coalition building, which you all do, and it is evident  
9 today in the significant role in the 20-nation air coalition  
10 aligned against ISIL, which you all have done quite  
11 effectively. As you may know, only four of our fellow NATO  
12 coalition members spend at least 2 percent of their GDP on  
13 defense spending. And the target for NATO countries --  
14 there are 28, and it should be at 2 percent. There is only  
15 five, including the U.S. That leaves 23 that do not seem to  
16 care or make any attempt whatsoever. I cannot figure why  
17 that condition was even put in if it was not intended to be  
18 kept or met.

19 So I think I would just like to hear your all's  
20 assessment of this and what effect it is having. I know  
21 there have been some wild political statements made about  
22 what would be done. I do not subscribe to any of that. But  
23 I am thinking why do we still have that condition if we are  
24 not going to force anyone or there is no retribution if you  
25 do not. How is it affecting I think, sir, is what I would

1 ask.

2 General Goldfein: Sir, I will just tell you the  
3 Secretary has been over there and talking to NATO  
4 significantly about their contribution and increasing their  
5 investment in defense. And that was certainly something I  
6 think all of us at the table would want to see not only in  
7 the air domain but in all the domains.

8 One of the areas that we are focused on in the Air  
9 Force specifically over the next several years is coalition-  
10 friendly command and control because the information age of  
11 warfare is more about data sharing. It is more about  
12 information sharing, and it is more about being able to  
13 connect into a common network and architecture. And  
14 technology has increased security over time and has actually  
15 made that harder. And so as we partner with not only our  
16 NATO allies but other allies and partners around the globe,  
17 being able to have them connect into a common framework, a  
18 common network, share information, and be able to fight as a  
19 coalition is going to become more important in the future,  
20 not less.

21 Senator Manchin: I know that, but I am just saying how  
22 much of a strain does that put? We know with our challenges  
23 we have financially and everybody else's challenges around  
24 the world. But if they are basically able to just neglect  
25 that, thinking we are going to do all the heavy lifting,

1 which we have done and I understand, but also come up with  
2 the financial wherewithal to do it too. Is there anything  
3 that we could do that kind of -- do you see any movement in  
4 a positive direction? I mean, I understand Germany kind of  
5 takes the lead on this and the rest of them follow Germany.  
6 And if Germany does not take it serious, it is not going to  
7 happen.

8           General Goldfein: Sir, one of the areas that would be  
9 very helpful I think -- and we have had this conversation.  
10 I know I do it as an air chief, as a global air chief, and  
11 my partners here do as well -- and that is, you know, we  
12 call something high-demand, low-density, and then we tend to  
13 admire it over time. And we do the best we can to be able  
14 to increase the density or decrease the demand, but it does  
15 not often happen. It would be very helpful if our NATO  
16 partners and others could actually contribute in those key  
17 mission areas and enablers, which would raise the bar for  
18 everyone as opposed to sometimes what they choose to invest  
19 in.

20           Senator Manchin: Would anybody else have any comments?

21           General Neller: Senator, I would just add that, first,  
22 this is not a new problem. I was a NATO officer in the  
23 1990s, and after the end of the Cold War, they took a peace  
24 dividend and they have not reinvested.

25           Second, our military counterparts -- they want to

1 participate and they want to play, and they play within  
2 their capability. And I think we need to provide them  
3 opportunities to do that, whatever their percentage of GDP  
4 is for investment.

5         And lastly, I think it is changing. I think it is  
6 changing. I think the world environment and the strategic  
7 environment you see particularly in Europe is causing them  
8 to recognize that they have under-invested particularly if  
9 the Eastern European countries are going the point. And so  
10 I think there will be some change. I think we should  
11 encourage them. I think if there are foreign sales, that we  
12 should facilitate their purchase of U.S. equipment, which  
13 would increase our interoperability. And then whatever way,  
14 whether it is FMS or their own money, we encourage them to  
15 increase their capability.

16         Admiral Richardson: Sir, I will just add onto that.

17         First, just like General Neller said, my counterparts  
18 in NATO -- they are as frustrated as anybody about this.  
19 They want to be full participants in securing not only their  
20 nation but Europe and contributing to global security and  
21 stability. And to that end, again, the importance of  
22 American leadership to provide an example, be there is  
23 another thing that they comment on consistently. And so as  
24 a team, whether it is equipment interoperability, command  
25 and control, they want to participate and they are as

1 frustrated at these policy decisions as anybody.

2 Senator Manchin: General?

3 General Milley: As you know, Senator, we have had a  
4 long history in Europe with Army. We have still got 30,000  
5 troops over there doing a lot of exercises. We are putting  
6 out APS systems, et cetera.

7 With respect to the NATO partner spending, et cetera,  
8 what I have read is that their defense spending is actually  
9 increasing with many of these countries lately, perhaps not  
10 at 2 percent yet, but Lithuania, Latvia, Estonia, Poland,  
11 even Germany, Sweden, Finland, Norway, to include the U.K.  
12 recently -- they are reversing some of these trends because  
13 of what they have seen in Ukraine, in Crimea, and elsewhere.  
14 So they are investing and they are expanding.

15 The key now is interoperability and work as a team.

16 NATO is a critical alliance. There has been a long  
17 peace in Europe since 1945, so going on 7 decades. Part of  
18 that is because of nuclear weapons but also because 300,000  
19 soldiers stood on a wall up until 1989-1990, but also  
20 because of those European allies all shoulder to shoulder  
21 facing down the Soviet Union. So that alliance is key. It  
22 is critical, and I think it is mutually interdependent  
23 between us and them in order to achieve effect on any kind  
24 of future battlefield.

25 Senator Manchin: I will just finally wrap up real

1 quick. If this is one of the conditions that the NATO  
2 member nations had when they formed NATO, how many other  
3 conditions are not being met?

4 There is no enforcement, no policing. There is no  
5 retribution. I mean, it just seems that if you are not  
6 going to do anything, why do we have it there? And they are  
7 going to say do not worry about that. The Americans will  
8 pick it up. They will pay.

9 You know, you understand when we go to our  
10 constituents, it is pretty hard to explain why is it there  
11 if you are not going to make them do something, if there is  
12 no retribution. I am not saying we are not going to help,  
13 not going to defend. But maybe, you know, the World Bank,  
14 interest rates, things of this sort that gives them  
15 privileges being a NATO member, that there might be a little  
16 bit of a penalty. It might give them a little bit of a  
17 push. I am understanding it is not from the military. It  
18 must be coming from the policymakers and state departments.

19 But thank you all again for your service. I really  
20 appreciate it.

21 Senator Reed [presiding]: Thank you.

22 On behalf of Chairman McCain, Senator Wicker, please.

23 Senator Wicker: Thank you, sir.

24 For General Neller, on April 6th, Secretary Stackley  
25 testified that the required number of amphibious ships

1 necessary to provide the lift of two Marine expeditionary  
2 brigades to conduct joint forcible entry operations is 38  
3 ships. But he also said that number is fiscally constrained  
4 to 34 ships, with an operational availability of 90 percent.

5 We often hear about combatant commander requirements  
6 concerning amphibious ships.

7 General, you are the man who provides the marines who  
8 operate off those ships. What is the right number in your  
9 opinion? And what mix of ships should that include, sir?

10 General Neller: Well, Senator, you are correct. The  
11 combatant commanders -- if we could meet all the  
12 requirements, it would take 50 ships. The fiscally  
13 constrained requirement is 38 with 90 percent availability.  
14 Right now, we are at 31. We are going to go to 34 by 2022.

15 Senator Wicker: We will get to 34?

16 General Neller: We will get to 34 by 2022.

17 Senator Wicker: Where would that leave us? What would  
18 that not permit us to do, sir?

19 General Neller: It will not give us, based on the  
20 average availability, the ability to embark two Marine  
21 expeditionary brigades which is the minimum requirement for  
22 forcible entry.

23 So ultimately we will get to 38, but it will be beyond  
24 multiple FYDPs, I believe 33, and then it will start to go  
25 down if we do not sustain it.



1           So what is the right mix? The right mix is ideally a  
2 minimum of 12 big deck amphibs that can handle F-35 and  
3 Osprey, 12 LPD-17 class, and then a 12 other comparable hull  
4 forms, ideally either an LPD-17 repeat or what we are  
5 calling the LXR, which uses the LPD-17 hull form as its  
6 base.

7           Senator Wicker: That is only 36.

8           General Neller: You have also got two LHARs and other  
9 ships that would get you to 38. So we have two non-well  
10 deck, big deck ships which would actually get you 14 big  
11 decks.

12          Senator Wicker: Between the LDP-28 and the LXR, can  
13 you get more ship at less cost if the schedule is  
14 accelerated?

15          General Neller: Well, first, Senator, I thank the  
16 Congress for giving us the 12th LPD.

17          But absolutely. It is similar to what the CNO said  
18 about submarines. Anything that we block buy and that we  
19 can give the shipyard, whatever shipyard it is, certainty  
20 where they can get the workforce, they can train the  
21 workforce and they can learn as they build the ships, they  
22 can build these ships faster for less money. So if we were  
23 to block buy five LPD-17 replacements or LXR, we could  
24 probably get three and a half ships for the cost of five.  
25 But that is a big number. And I know Mr. Stackley would

1 agree with that. And it goes with any type of ship or any  
2 type of platform, whether it is an airplane. The more we  
3 can provide certainty to not just to the primary vendor but  
4 all the subs that build the parts, we can drive the cost  
5 down, and the workforce gets better. They get smarter.  
6 They get faster.

7 Senator Wicker: Thank you, sir.

8 General Milley, about Afghanistan, my understanding of  
9 our goal in Afghanistan is to participate in a sustained  
10 partnership with the elected leadership there. And I would  
11 observe that we have had a sustained partnership for decades  
12 with our friends in Europe and a successful sustained  
13 partnership in Korea. Although there is not much kinetic  
14 warfare going on in Korea at this point, we are there. We  
15 have had a sustained partnership, and I think it has been  
16 successful for the people there and for Americans also.

17 What is the understanding in your opinion of the Afghan  
18 people about our purpose in being there and our long-term  
19 relationship?

20 General Milley: Senator, thanks.

21 As you know, I have got a fair amount of time in  
22 Afghanistan.

23 In general, the Afghan people are very supportive of  
24 the United States military being there. And they would be  
25 fearful of us withdrawing completely, at least in the near

1 term.

2           So what we are trying to do is working by, with, and  
3 through the Afghan Security Forces, who have been built up  
4 to a significant size now -- what we are trying to do is  
5 train, advise, assist them in order to maintain stability  
6 against their enemy, their internal enemies, so that the  
7 government and the other elements of the campaign plan, the  
8 economy, and rule of law, et cetera can be sustained over  
9 time. I think that is going to take a considerable length  
10 of time. The attitude of the Afghan people is, at least  
11 from my experience, that they would prefer that we continue  
12 to stick with them. And I think that is our plan, our  
13 current U.S. Government plan, and I think that is also the  
14 NATO plan is to continue to sustain that effort.

15           Senator Wicker: I for one concur in your conclusion  
16 there, sir.

17           Is it unsettling to the Afghan people when they hear  
18 that we might leave early?

19           General Milley: I would say yes, but I think that we,  
20 the United States, and NATO have been very firm in our  
21 commitment now, and we have said what we are going to have  
22 going forward. And I think that the government, the  
23 military, and the people understand that message, that we  
24 are not going to abandon Afghanistan.

25           Senator Wicker: Mr. Ranking Member, I understand we

1 have had some discussion about sequestration. But my  
2 understanding is no one has asked these panelists if they  
3 are designing a FYDP that reflects the return to  
4 sequestration. I realize I am a bit over my time, but I  
5 think it would be important for us to hear. I know they are  
6 horrified at the thought of sequestration returning.

7 But if each of you could tell us, are you designing a  
8 future years defense plan to reflect going back to  
9 sequestration? General Goldfein?

10 General Goldfein: Sir, we are not.

11 Senator Wicker: You are not?

12 General Goldfein: We are not.

13 Senator Wicker: But you are aware it is the law of the  
14 land.

15 General Goldfein: Yes, sir. We absolutely are.

16 Senator Wicker: Okay.

17 General Neller?

18 General Neller: Sir, we are not designing one, but we  
19 have had discussions about what might be the consequences  
20 and some actions we could possibly have to take if it went  
21 into effect.

22 Senator Wicker: And Admiral Richardson?

23 Admiral Richardson: Sir, I would say our design is  
24 based on providing the security that the Americans expect of  
25 the United States Navy. But we have always got to start

1 that conversation with the sequestration levels, which puts  
2 us in a terrific bind to be able to meet that mission.

3 Senator Wicker: So no FYDP, though, that actually  
4 reflects the draconian things that you would have to  
5 implement.

6 Admiral Richardson: No, sir. We would have to adapt.

7 Senator Wicker: And finally, General Milley.

8 General Milley: We have done some preliminary  
9 planning, Senator. So I understand what the order of  
10 magnitude actions that would have to take place in the event  
11 of full sequestration. However, no, we have not developed a  
12 POM or a FYDP to that level of detail that would be  
13 submitted to the President and the Congress.

14 Senator Wicker: Well, I certainly we can avoid it, but  
15 as I said years ago, Senator Reed, it is the law of the land  
16 and it surprised us all the last time when we got to that  
17 point and it actually went into effect. I hope we can avoid  
18 it.

19 And thank you all for your service.

20 Senator Reed: Thank you very much.

21 On behalf of the chairman, Senator Shaheen, please.

22 Senator Shaheen: Thank you, Mr. Chairman.

23 Thank you all very much for being here and for your  
24 service to our country.

25 And I apologize. I had two other hearings this

1 morning. So I am sorry that I missed much of the  
2 discussion. And I am sure you may have already answered  
3 this question, but I think it is important to ask again.

4 As I have traveled around the month of August, when we  
5 were not here in Washington, and met with businesses, one of  
6 the things I consistently heard from many of our businesses  
7 in New Hampshire -- and we have a significant number that  
8 have contracts with the Department of Defense that provide  
9 equipment and technology to our military -- was concern  
10 about two things. One was about the budgeting process and  
11 about the fact that we are going in again with no budget for  
12 the upcoming year and a short-term continuing resolution.  
13 Hopefully, we will have a longer-term budget after the  
14 election. And the other was about the reduced investment in  
15 research and development.

16 And so can I ask you to speak to what the impact is not  
17 just of your budgets in the military but also of the  
18 industrial base that supports our military that we need to  
19 maintain if we are to keep our technological edge? And,  
20 General Goldfein, I see you nodding. So maybe you could  
21 begin.

22 General Goldfein: Yes, ma'am. You know, the impact to  
23 industry, when we cannot provide some stable budget and  
24 projection for them, probably hits them the hardest in their  
25 technical workforce. So what I see as a rather technical

1 force is when I am talking to a company that is building,  
2 for instance, let us just say, an air-to-air or an exquisite  
3 air-to-ground missile or munition, they have got to keep a  
4 certain amount of that workforce engaged over time. And so  
5 then when I go to them with 1-year budgets and tell them my  
6 procurement quantities now are going to be here and the next  
7 year, because of trades, they are going to be down here, and  
8 I go jack them around back and forth, it causes an  
9 incredible challenge for industry to be able to sustain  
10 their workforce that we need. And that does not even go  
11 into at what point do I go to them and say because of the  
12 global security environment, I need you to surge and build  
13 even more capability and produce more weapons over the  
14 period of time. And what they tell me is, hey, we got rid  
15 of that workforce because you told me that you were coming  
16 down this year. So everything that we deal with in terms of  
17 an unstable budget and 1-year budgets actually gets  
18 accelerated into industry as well.

19 Senator Shaheen: And you alluded to the impact that  
20 has on our national security and our ability to be prepared.  
21 But can I get you to elaborate a little more on that?

22 General Goldfein: Well, ma'am, it goes to what kind of  
23 weapon systems that we need to modernize. So for the Air  
24 Force, like all the services, we have got aircraft that have  
25 already exceeded their service life or are at the end of

1 their service life and they have got to be replaced. And so  
2 we rely on industry to be able to support us with our  
3 acquisition programs going forward. If we do not have  
4 stable budgets, if we do not have the research and  
5 development dollars to be able to develop that technology  
6 for the future, then what happens to us is we continue to  
7 push that to the right. And like General Milley said, you  
8 start mortgaging the future to pay for the current readiness  
9 in the fight you have.

10 And the other challenge you have is as the aircraft age  
11 over time, they actually become more and more expensive to  
12 fly. And so you take even more of those dollars that you  
13 need for research, development, and modernization, and you  
14 shift them left into sustainment of older weapon systems.  
15 This all adds up to an increased risk.

16 Senator Shaheen: Thank you.

17 Admiral Richardson: Ma'am, if I can pile onto that --

18 Senator Shaheen: Please.

19 Admiral Richardson: -- in support of my fellow chief.  
20 This is really a team effort, and this message of stability  
21 is critical because it is not just government R&D but those  
22 businesses that you visited -- they are investing their own  
23 dollars in IRAD. And they need to know if they are going to  
24 get anything back on that investment. And when we do not  
25 give them that signal of stability and confidence, they are



1 simply not going to invest. They are going to cash out and  
2 they are going to be out of the business.

3 The other thing is that particularly with technology  
4 changing so quickly today -- and Senator Reed highlighted it  
5 in his opening statement -- what used to be long-term  
6 future, that is becoming a more short-term future. And so  
7 we are not talking decades into the future anymore. We are  
8 talking single digits of years because things are moving so  
9 fast in directed energy, additive manufacturing, electronic  
10 magnetic maneuver warfare, artificial intelligence,  
11 biotechnologies. We have got to keep on the step with this  
12 because we are not the only team out there looking to  
13 capture these capabilities.

14 Senator Shaheen: Thank you. Well, hopefully that is  
15 an admonition to Congress that we get our act together and  
16 produce a budget and some certainty for the long term.

17 Mr. Chairman, could I ask one more question?

18 Senator Reed: Senator King will have one too if you  
19 let him. So you go first.

20 Senator Shaheen: Okay.

21 I know this on budget, but I just came from a hearing  
22 in the Foreign Relations Committee on Afghanistan, and I  
23 heard Senator Wicker asking about Afghanistan. I wanted to  
24 ask you all about the special immigrant visa program for the  
25 Afghans because, as I am sure you are aware, it is about to

1 expire, and Congress so far has declined to extend that  
2 program. Therefore, we have several thousand Afghans in the  
3 pipeline who it is questionable whether they will get visas,  
4 and many of them are under immediate threat or their  
5 families are being threatened. So can I ask you to speak to  
6 the importance of that program to our men and women on the  
7 ground and why it would be important for Congress to extend  
8 it? General Milley, do you want to start?

9 General Milley: Yes. Thank you, Senator.

10 Lots, hundreds of thousands, of Afghans work for us,  
11 the United States military since 9/11, since we went in in  
12 2001. They have been interpreters. They have been  
13 analysts. They have been doing a lot of things. Many of  
14 them have asked to become American citizens and get visas,  
15 et cetera. So I personally would be in favor of extending  
16 that because those are brave men and women who have fought  
17 along our side, and there are American men and women in  
18 uniform who are alive today because of a lot of those  
19 Afghans were putting their life on the line, for their own  
20 country, to be sure, but with us. And now they want to  
21 become American citizens. I for one would like to afford  
22 them that opportunity.

23 Senator Shaheen: Thank you.

24 Would anybody else like to add? General Neller?

25 General Neller: Yes, Senator. We saw a similar thing

1 in Iraq and the very same thing that General Milley  
2 described where they are out there shoulder to shoulder with  
3 marines, soldiers, sailors, and airmen risking their lives  
4 and sharing the risk and providing great services to keep  
5 our citizens alive, our folks alive. And I used to  
6 interview them myself and make sure they understood that  
7 this is not what you might have seen on TV but you are going  
8 to come here, you are going to work because you have an  
9 opportunity.

10 So I think there is a proper vetting process. I know  
11 commanders up to the rank of flag and general officers are  
12 involved in this. I signed off on all of these myself. And  
13 I know there are background checks. And I fully support,  
14 with the proper vetting process, that this program be  
15 allowed to continue.

16 Senator Shaheen: Thank you all very much.

17 Thank you, Mr. Chairman.

18 Senator Reed: On behalf of Chair McCain, Senator King,  
19 please.

20 Senator King: Just briefly, Senator.

21 One of the privileges of serving on this committee is  
22 the relationship that we have with our services, and one of  
23 those relationships is the military fellows that are  
24 assigned to our offices. Today marks probably the last  
25 hearing for Lieutenant Commander Dennis Wishmeyer, a naval

1 officer who has served in my office for this year. And I  
2 just want to recognize the importance of that program,  
3 recognize the work that Lieutenant Commander Wishmeyer has  
4 made. If I have asked good questions, they have been his.  
5 If I have asked stupid questions, they are mine. And I just  
6 wanted to provide that recognition.

7 Thank you, Mr. Chairman.

8 Senator Reed: He must have been here today, Senator  
9 King.

10 On behalf of Chairman McCain, let me thank you,  
11 gentlemen, for your testimony, forthright and very sobering.  
12 Thank you for your service individually and please extend  
13 our thanks and gratitude to the men and women that you lead  
14 so proudly.

15 With that, I would adjourn the hearing.

16 [Whereupon, at 11:45 a.m., the hearing was adjourned.]

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