

STATEMENT OF  
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JOINT CHIEFS OF STAFF  
BEFORE THE 106<sup>TH</sup> CONGRESS  
ARMED SERVICES COMMITTEE  
UNITED STATES SENATE

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Mr. Chairman, Senator Levin, and distinguished senators, thank you for the opportunity to appear before this committee. We welcome the chance to meet with you today to give our assessment of the readiness of our Armed Forces. At the outset, let me acknowledge and thank the Congress for your sustained and significant support of our Armed Forces. Let me join you in paying tribute to our men and women in uniform who are doing the tough work that must be done to keep the peace, maintaining stability in an increasingly disordered world and, when required, going in harm's way.

Over the past year, I have visited U.S. forces in the Balkans, in the Middle East, in the Western Pacific and Southeast Asia, and throughout America--and I can tell you their confidence and infectious optimism is inspiring. The Joint Chiefs are honored to be their representatives here in Washington and we know you are as proud of them as we are.

In your invitation for this hearing, Mr. Chairman, you and Senator Levin asked the Joint Chiefs to provide our assessment of the readiness of our Armed Forces to meet our national security challenges. The starting point for any such assessment must be our ability to execute the National Security Strategy, including the most demanding scenario--fighting and winning nearly two simultaneous major theater wars.

As I have testified before this Committee from almost the day I took office as Chairman, and as we reported to the Congress as

recently as this last quarter, our review of overall force readiness indicates that our forward and "first-to-fight" forces remain capable of executing the National Military Strategy. But, as I have also told the Committee, the risk associated with the most demanding scenario has increased. Specifically, we assess the risk factors for fighting and winning the first Major Theater War (MTW) as moderate and for the second MTW as high.

Mr. Chairman, this does not mean that U.S. forces would not prevail in either contingency. What it does mean is that it will take longer to respond to hostilities which, in turn, means territory lost and an increased potential for casualties.

As Department of Defense reported in our last Quarterly Readiness Report to Congress: "Overall unit readiness is satisfactory, although continued weaknesses in key indicators for some segments of the force is a concern. This is reflected in declining unit readiness ratings, mission capable rates, and equipment readiness resulting from aging equipment and parts shortages in those segments. It is also a result of manning and experience gaps in certain units resulting from recruiting and retention shortfalls. While the readiness deficiencies are most visible in later-deploying and non-deploying forces, some forward deployed and "first-to-fight" forces, although they remain ready, continue to require attention. While recent funding increases should begin to arrest our most critical readiness declines, the impact of operations in Kosovo will delay the expected recovery of heavily deployed units."

Two factors that erode military readiness are the pace of operations and funding shortfalls. There is no doubt that the force is much smaller than it was a decade ago, and also much busier. This Committee is fully aware that we have reduced our force by almost 40 percent, yet there has been no commensurate decrease in our requirements. Indeed, our commitments have increased. We are a very busy force and I know the members of this Committee hear that refrain from the troops when you visit them in the Fleet and in the field.

In addition to the more than 120,000 troops deployed worldwide--on any given day--in support of exercises, theater engagement activities, forward presence commitments, and 20 ongoing operations, we also have 200,000 troops permanently stationed overseas in Europe and the Asia Pacific region.

We have been and continue to aggressively manage the force with close tracking of Low Density/High Demand assets and global sourcing of military requirements. But unless we get a handle on increasing long-term commitments, we will continue to face retention and readiness problems across the force.

On funding, there are two major issues that need to be addressed. The first concerns the \$112 Billion program increase. The Administration has committed to this over the Fiscal Year Defense Plan (FYDP), but it has not been locked in yet. As the Chiefs and I said at the time, this increase represents a vital and essential first step that will meet the Services' most critical readiness requirements while protecting personnel and

procurement priorities. This \$112 Billion is embedded in our programs and our progress on readiness would be severely hampered without it!

That increase assumed almost \$28 Billion in adjustments, including inflation and fuel savings. It appears that inflation is remaining as low as projected, at about 2 percent--and this is good news. However, not all of the projected \$3.6 Billion in fuel savings is expected to materialize, because fuel costs have increased over the past year above projections. I know members of this Committee expressed concern that this might happen, and indeed it has.

The second concern is Kosovo. The Fiscal Year 2000 (FY00) budget does not include the approximately \$2 Billion required to sustain the U.S. commitment to NATO's Kosovo operation. The Department is preparing a supplemental appropriations request to cover this operation and I would ask this Committee to give that request HIGH PRIORITY upon arrival to avoid a shortfall in our O&M account that will seriously degrade military readiness. I need to emphasize that this supplemental is critical for our FY00 O&M account.

The previous number of commitments and increased pace of operations, coupled with funding shortfalls, continue to adversely affect our readiness, both on the personnel side and to some extent on the materiel side, given the age of most of our combat systems and the demands we have placed on them in the last 10 years. As you know, the additional funding for readiness that was

provided in last year's supplemental is just now taking effect and has not yet been reflected in our current readiness ratings, due to long lead times from factory to fielding for some systems such as aircraft engines. The Service Chiefs will have more to say on this in a moment.

On many occasions in the past year, we have expressed concern over the recruiting and retention challenges we face. As this Committee well knows, these two issues are often related but they are not identical. Though the jury is still out and we are still walking a personnel tightrope, it appears we may be turning the corner on retention, thanks to the Administration's and Congress' efforts to improve pay and fix the military retirement system.

Mr. Chairman, I can tell you that the troops are grateful for the support of the Congress and the Administration on this issue. We hear it everywhere we go, as I am sure many of you do.

The pay and compensation package is starting to show some "traction" with our retention challenges, but it is still too early to declare this problem fixed. Certainly, we are better off today than we were last year. And even though the pay increases haven't gone into effect yet, your support for pay and retirement changes sent a powerful signal to the troops in the field.

While retention shows signs of recovering, recruiting remains a tremendous challenge. Here the problem is complex and driven by a number of factors including a robust, job-rich economy, lower propensity to serve, the much larger number of high school students pursuing college degrees, and the smallest cohort of 18-

23 year olds to recruit from in the history of the all-volunteer force. The Services have devoted great effort and resources to improve the outlook for recruiting and, thanks to help from Congress, we are seeing positive signs in some cases.

Although we have done much over the past year to improve readiness, much more needs to be done to sustain the momentum. This year, for example, we intend to focus on another component that affects personnel readiness, the quality of our military medical system. Mr. Rudy de Leon is Secretary Cohen's point person on this and the Department is making real progress in some areas. The Joint Chiefs are committed to supporting the Department of Defense efforts to improve both the fact and the perception of military health care for the beneficiaries. Those who serve or have served proudly deserve quality care.

#### **CONCLUSION**

Mr. Chairman, in summary, we are on firmer footing than at this time last year. Though I won't go as far as to say that we have completely arrested the decline of the past several years-- thanks to the tremendous and steadfast support of the President and his Administration, this Committee, and the Congress as a whole--we are applying the kind of corrective action needed to get us on the right track. As you know, readiness is a fragile thing, and if lost, takes considerable resources and time to regain.

Mr. Chairman, I appreciate the opportunity to meet with the committee today to share my views with you and I look forward to

amplifying on my comments in the question and answer session later.

At this time, I would like to give the Service Chiefs a chance to present their opening statements and their specific concerns, beginning with General Shinseki.

Thank you very much.