

Stenographic Transcript

Before the

COMMITTEE ON

ARMED SERVICES

UNITED STATES SENATE

To Receive Testimony on the Impact of the Budget Control Act of 2011

Wednesday, January 28, 2015

Washington, D.C.

ALDERSON REPORTING COMPANY

1155 CONNECTICUT AVENUE, N.W.

SUITE 200

WASHINGTON, D.C. 20036

(202) 289-2260

1 HEARING TO RECEIVE TESTIMONY ON
2 THE IMPACT OF THE BUDGET CONTROL ACT OF 2011
3 AND SEQUESTRATION ON NATIONAL SECURITY
4

5 Wednesday, January 28, 2015
6

7 U.S. Senate

8 Committee on Armed Services

9 Washington, D.C.
10

11 The committee met, pursuant to notice, at 9:30 a.m. in
12 Room SD-106, Dirksen Senate Office Building, Hon. John
13 McCain, chairman of the committee, presiding.

14 Committee Members Present: Senators McCain, Inhofe,
15 Wicker, Ayotte, Fischer, Cotton, Rounds, Ernst, Tillis,
16 Sullivan, Lee, Graham, Reed, McCaskill, Manchin, Shaheen,
17 Gillibrand, Blumenthal, Donnelly, Hirono, Kaine, King, and
18 Heinrich.
19
20
21
22
23
24
25

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

3 Chairman McCain: The hearing will come to order.

4 I will ask all spectators who are here to observe the
5 hearing today to observe the courtesy of allowing us to hear
6 from the witnesses and for the hearing to proceed. And, of
7 course, if you decide to disrupt the hearing, as you usually
8 do, we will have to pause until you are removed. I do not
9 see what the point is, but I would ask your courtesy to the
10 witnesses and to the committee and to your fellow citizens
11 who are very interested in hearing what our distinguished
12 panelists have to say who have served our country with honor
13 and distinction. And I hope you would respect that.

14 So we will move forward.

15 The Senate Armed Services Committee meets today to
16 receive testimony on the impacts of the Budget Control Act
17 and sequestration on U.S. national security. I am grateful
18 to our witnesses not only for appearing before us today but
19 also for their many decades of distinguished service to our
20 country in uniform. I also appreciate their sincere and
21 earnest attempts over many years to warn the Congress and
22 the American people of what is happening to their services,
23 the brave men and women they represent, and our national
24 security if we do not roll back sequestration and return to
25 a strategy-based budget. We look forward to their candid

1 testimony on this subject today.

2 Such warnings from our senior military and national
3 security leaders have become frustratingly familiar to many
4 of us. Despite an accumulating array of complex threats to
5 our national interests, a number of which arose after our
6 current 2012 strategy was developed and then adjusted in the
7 2014 QDR, we are on track now to cut \$1 trillion from
8 America's defense budget by the year 2021.

9 And while the Ryan-Murray budget agreement of 2013
10 provided some welcome relief from the mindlessness of
11 sequestration, that relief was partial, temporary, and
12 ultimately did little to provide the kind of fiscal
13 certainty that our military needs to plan for the future and
14 make longer-term investments for our national defense. And
15 yet, here we go again. If we in Congress do not act,
16 sequestration will return in full in fiscal year 2016,
17 setting our military on a far more dangerous course.

18 Why should we do this to ourselves now? Just consider
19 what has happened in the world in just this past year:

20 Russia launched the first cross-border invasion of
21 another country on the European continent in 7 decades.

22 A terrorist army with tens of thousands of fighters,
23 ISIS, has taken over a swath of territory the size of
24 Indiana in the Middle East. We are now on track to having
25 nearly 3,000 U.S. troops back in Iraq, and we are flying

1 hundreds of airstrikes a month against ISIS in Iraq and
2 Syria.

3 Yemen is on the verge of collapse, as an Iranian-backed
4 insurgency has swept into Sana'a and al Qaeda continues to
5 use the country's ungoverned spaces to plan attacks against
6 the West.

7 China has increased its aggressive challenge to America
8 and our allies in the Asia-Pacific region where geopolitical
9 tensions and the potential for miscalculations are high.

10 And, of course, just last month, North Korea carried
11 off the most brazen cyberattack ever on U.S. territory.

12 Let us be clear. If we continue with these arbitrary
13 defense cuts, we will harm our military's ability to keep us
14 safe. Our Army and Marine Corps will be too small. Our Air
15 Force will have too few aircraft, and many of those will be
16 too old. Our Navy will have too few ships. Our soldiers,
17 sailors, airmen, and marines will not get the training or
18 equipment they need. And it will become increasingly
19 difficult for them to respond to any of a number of
20 contingencies that could threaten our national interests
21 around the world.

22 We have heard all of this from our top military
23 commanders before. Yet, there are still those who would say
24 never fear. The sky did not fall under sequester. What a
25 tragically low standard for evaluating the wisdom of

1 Government policy.

2 The impacts of sequestration will not always be
3 immediate or obvious. But the sky does not need to fall for
4 military readiness to be eroded, for military capabilities
5 to atrophy, or for critical investments in maintaining
6 American military superiority to be delayed, cut, or
7 canceled. These will be the results of sequestration's
8 quiet and cumulative disruptions that are every bit as
9 dangerous for our national security.

10 I will say candidly that it is deeply frustrating that
11 a hearing of this kind is still necessary. It is
12 frustrating because of what Dr. Ash Carter, President
13 Obama's nominee for Secretary of Defense, said before this
14 committee 2 years ago. And I quote Dr. Carter.

15 "What is particularly tragic is that sequestration is
16 not a result of an economic emergency or a recession. It's
17 not because discretionary spending cuts are the answer to
18 our Nation's fiscal challenge; do the math. It's not in
19 reaction to a change to a more peaceful world. It's not due
20 to a breakthrough in military technology or a new strategic
21 insight. It's not because paths of revenue growth and
22 entitlement spending have been explored and exhausted. It's
23 purely the collateral damage of political gridlock."

24 I would also like to echo what General James Mattis
25 told this committee yesterday. Quote: "No foe in the field

1 can wreck such havoc on our security that mindless
2 sequestration is achieving."

3 America's national defense can no longer be held
4 hostage to domestic political disputes totally separated
5 from the reality of the threats we face. More than 3 years
6 after the passage of the Budget Control Act, it is time to
7 put an end to this senseless policy, do away with budget-
8 driven strategy, and return to a strategy-driven budget.
9 Our troops and the Nation they defend deserve no less.

10 Senator Reed?

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

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

3 Senator Reed: Well, thank you very much, Mr. Chairman.
4 Thank you for calling this very important hearing and for
5 your very timely and insightful remarks.

6 I would also like to welcome our witnesses and thank
7 these gentlemen for their extraordinary service to the
8 Nation and to the soldiers, sailors, marines, and airmen
9 that they every day represent and lead. Thank you.

10 This hearing takes place as the administration and
11 Congress continue to wrestle with two intersecting policy
12 problems and our debate on how to solve them.

13 Because of sequester, we have a strategic problem,
14 which Senator McCain has illustrated very well. Every
15 senior civilian and military leader in the Department of
16 Defense has told us that if defense budgets continue to be
17 capped at sequestration levels, we will likely not be able
18 to meet the national defense strategy without an
19 unacceptable level of risk.

20 As Senator McCain has indicated, we face a variety of
21 new and continuing threats around the world, from the
22 Ukraine to Syrian, to Yemen, and beyond. If we do not
23 address the problem of sequestration, we will severely limit
24 the range of available military options to address these
25 threats and protect our national interests.

1 For the last 3 years, in numerous rounds of
2 congressional hearings and testimony, our witnesses have
3 described the increased strategic risk and damaging impact
4 of Budget Control Act top-line caps and sequestration
5 restrictions on our military readiness, modernization, and
6 the welfare of our service members and their families. And
7 I am sure that we will hear a similar message today.

8 Compromise and difficult choices will be required to
9 provide sequestration relief for the Department of Defense
10 and for other critical national priorities, including public
11 safety, infrastructure, health, and education.

12 Mr. Chairman, I know you are committed to working with
13 our Budget Committee to find a way to work through these
14 challenges, and I am eager to help in this effort. In the
15 meantime, I look forward to the testimony of our witnesses.

16 Thank you.

17 Chairman McCain: Thank you, Senator Reed.

18 Just for a moment, since a quorum is now present, I ask
19 the committee to consider a list of 41 pending military
20 nominations. All of these nominations have been before the
21 committee the required length of time.

22 Is there a motion to favorably report these
23 nominations?

24 Senator Reed: So moved.

25 Chairman McCain: Second?

1 Senator Manchin: Second.

2 Chairman McCain: All in favor, say aye.

3 [Chorus of ayes.]

4 Chairman McCain: The ayes have it.

5 Welcome to all of our witnesses, and we will begin with
6 you, General Odierno.

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 STATEMENT OF GENERAL RAYMOND T. ODIERNO, USA, CHIEF OF
2 STAFF OF THE ARMY

3 General Odierno: Thank you, Chairman McCain, Ranking
4 Member Reed, other distinguished members of the Senate Armed
5 Services Committee. Thank you for allowing us the
6 opportunity to talk about this important topic today.

7 As I sit here before you today as sequestration looms
8 in 2016, I am truly concerned about our future and how we
9 are investing in our Nation's defense. I believe this is
10 the most uncertain I have seen the national security
11 environment in my nearly 40 years of service. The amount
12 and velocity of instability continues to increase around the
13 world. The Islamic State in Iraq and the Levant's
14 unforeseen expansion, the rapid disintegration of order in
15 Iraq and Syria have dramatically escalated conflict in the
16 region. Order within Yemen is splintering. The al Qaeda
17 insurgency Shia expansion continues there. And the country
18 is quickly approaching a civil war.

19 In north and west Africa, anarchy, extremism, and
20 terrorism continue to threaten the interest of the United
21 States, as well as our allies and partners.

22 In Europe, Russia's intervention in the Ukraine
23 challenges the resolve of the European Union and the
24 effectiveness of the North Atlantic Treaty Organization.

25 Across the Pacific, China's military modernization

1 efforts raise concerns with our allies and our regional
2 interests while the cycle of North Korean provocation
3 continues to increase.

4 The rate of humanitarian and disaster relief missions,
5 such as the recent threat of Ebola, heightens the level of
6 uncertainty we face around the world, along with constant
7 evolving threats to the homeland.

8 Despite all of this, we continue to reduce our military
9 capabilities. I would like to remind everyone that over the
10 last 3 years, we have already significantly reduced the
11 capabilities of the United States Army and this is before
12 sequestration will begin again in 2016. In the last 3
13 years, the Army's active component end strength has been
14 reduced by 80,000, the reserve component by 18,000. We have
15 13 less active component brigade combat teams. We have
16 eliminated three active aviation brigades. We are removing
17 over 800 rotary wing aircraft from the Army inventory. We
18 have already slashed investments in modernization by 25
19 percent. We have eliminated our much-needed entry fighting
20 vehicle modernization program, and we have eliminated our
21 Scout helicopter development program. We have significantly
22 delayed other upgrades for many of our systems and aging
23 platforms.

24 Readiness has been degraded to its lowest level in 20
25 years. In fiscal year 2013 under sequestration, only 10

1 percent of our brigade combat teams were ready. Our combat
2 training center rotations for seven brigades were canceled,
3 and almost over a half a billion dollars of maintenance has
4 been deferred, both affecting training and readiness of our
5 units. Even after additional support from the BBA, today we
6 only have 33 percent of our brigades ready to the extent we
7 would expect them to be if asked to fight. And our soldiers
8 have undergone separation boards, forcing us to
9 involuntarily separate quality soldiers, some while serving
10 in combat zones.

11 Again, this is just a sample of what we have already
12 done before sequestration even kicks in again in 2016. When
13 it returns, we will be forced to reduce another 70,000 out
14 of the active component, another 35,000 out of the National
15 Guard, another 10,000 out of the Army Reserve. We will cut
16 an additional 10 to 12 brigade combat teams. We will be
17 forced to further reduce modernization and readiness levels
18 over the next 5 years because we simply cannot draw down end
19 strength any quicker to generate the required savings.

20 The impacts will be much more severe across our
21 acquisition programs, requiring us to end, restructure, or
22 delay every program with an overall modernization investment
23 decrease of 40 percent. Home station training will be
24 severely underfunded, resulting in decreased training
25 levels. Within our institutional support, we will be forced

1 to drop over 5,000 seats from initial military training,
2 85,000 seats from specialized training, and over 1,000 seats
3 in our pilot training programs. Our soldier and family
4 readiness programs will be weakened, and our investments in
5 installation, training, and readiness facility upgrades will
6 be affected, impacting our long-term readiness strategies.

7 Therefore, a sustainable readiness will remain out of
8 reach with our individual and unit readiness rapidly
9 deteriorating between 2016 and 2020.

10 Additionally, overall the mechanism of sequestration
11 has and will continue to reduce our ability to efficiently
12 manage the dollars we, in fact, do have. The system itself
13 has proved to be very inefficient and increases costs across
14 the board, whether it be in acquisition or training.

15 So how does all of this translate strategically? It
16 will challenge us to meet even our current level of
17 commitments to our allies and partners around the world. It
18 will eliminate our capability on any scale to conduct
19 simultaneous operations, specifically deterring in one
20 region while defeating in another. Essentially for ground
21 forces, sequestration even puts into question our ability to
22 conduct even one long, prolonged, multi-phased, combined
23 arms campaign against a determined enemy. We would
24 significantly degrade our capability to shape the security
25 environment in multiple regions simultaneously. It puts

1 into question our ability to deter and compel multiple
2 adversaries simultaneously. Ultimately, sequestration
3 limits strategic flexibility and requires us to hope we are
4 able to predict the future with great accuracy, something we
5 have never been able to do.

6 Our soldiers have done everything that we have asked of
7 them and more over the past 14 years, and they continue to
8 do it today. Today our soldiers are supporting five named
9 operations on six continents with nearly 140,000 soldiers
10 committed, deployed, or forward-stationed in over 140
11 countries. They remain professional and dedicated to the
12 mission, to the Army, and to the Nation, with the very
13 foundation of our soldiers and our profession being built on
14 trust.

15 But at what point do we, the institution, and our
16 Nation lose our soldiers' trust to trust that we will
17 provide them the right resources, the training and
18 equipment, to properly prepare them and lead them into
19 harm's way, trust that we will appropriately take care of
20 our soldiers and their families and our civilians who so
21 selflessly sacrifice so much? In the end, it is up to us
22 not to lose that trust. Today they have faith in us, trust
23 in us to give them the tools necessary to do their job. But
24 we must never forget our soldiers will bear the burden of
25 our decisions with their lives.

1 I love this Army I have been a part of for over 38
2 years. I want to ensure it remains the greatest land force
3 the world has ever known. To do that, though, it is our
4 shared responsibility to provide our soldiers and our Army
5 with the necessary resources for success. It is our
6 decisions, those that we make today and in the near future,
7 that will impact our soldiers, our Army, and the joint force
8 and our Nation's security posture for the next 10 years. We
9 do not want to return to the days of a hollow Army.

10 Thank you so much for allowing me to testify today and
11 I look forward to your questions.

12 [The prepared statement of General Odierno follows:]

13
14
15
16
17
18
19
20
21
22
23
24
25

1 Chairman McCain: Thank you, General.
2 Admiral Greenert?
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

1 STATEMENT OF ADMIRAL JONATHAN W. GREENERT, USN, CHIEF
2 OF NAVAL OPERATIONS

3 Admiral Greenert: Chairman McCain, Ranking Member
4 Reed, and distinguished members of the committee, thank you
5 for the opportunity to testify about the impact of
6 sequestration on our Navy thus far and the impact of a
7 potential return to that in 2016.

8 Mr. Chairman, presence remains the mandate of our Navy.
9 We must operate forward where it matters and we need to be
10 ready when it matters. I have provided a chartlette to show
11 you where it matters around the world to us and where it
12 matters to our combatant commanders that we be.

13 Now, recent events testify to the value of forward
14 presence. For example, when tasked in August, the George
15 H.W. Bush strike group relocated from the Arabian Sea to the
16 north Arabian Gulf and was on station within 30 hours ready
17 for combat operations in Iraq and Syria. Navy and Marine
18 strike fighters from the carrier generated 20 to 30 combat
19 sorties per day and for 54 days represented the only
20 coalition option, strike option, to project power against
21 ISIL.

22 The United States shipped trucks that arrived in the
23 Black Sea to establish a U.S. presence and reassure our
24 allies within a week after Russia invaded the Crimea.

25 Over a dozen U.S. ships led by the USS George

1 Washington strike group provided disaster relief to the
2 Philippines in the wake of the super typhoon Hayan just
3 about a year ago.

4 And the USS Fort Worth and the USS Sampson were among
5 the first to support the Indonesian-led search effort for
6 the AirAsia aircraft recovery.

7 Mr. Chairman, we have been where it matters when it
8 matters with deployed forces.

9 However, due to sequestration in 2013, our contingency
10 response force -- that is what is on call from the United
11 States -- is one-third of what it should be and what it
12 needs to be. Sequestration resulted in a \$9 billion
13 shortfall in 2013 below our budget submission. This
14 shortfall degraded fleet readiness and created consequences
15 from which we are still recovering.

16 The first round of sequestration forced reductions in
17 afloat and shore operations. It generated ship and aircraft
18 maintenance backlogs, and it compelled us to extend unit
19 deployments.

20 Now, since 2013, our carrier strike groups, our
21 amphibious ready groups, and most of our destroyers have
22 been on deployments lasting 8 to 10 months or longer. This
23 comes at a cost of our sailors' and our families'
24 resiliency. It reduces the performance of the equipment and
25 it will reduce the service lives of our ships.

1 Navy's fleet readiness will likely not recover from the
2 ship and aircraft maintenance backlogs until about 2018.
3 Now, that is 5 years after the first round of sequestration.
4 This is just a small glimpse of the readiness price that is
5 caused by sequestration.

6 Although the funding levels provided to us under the
7 Bipartisan Budget Act of 2013 -- they were \$13 billion above
8 sequestration -- those budgets were \$16 billion below the
9 resources we described in our submission as necessary to
10 sustain the Navy. So now to deal with these shortfalls, we
11 slowed -- that means we just pushed out -- modernization
12 that we had scheduled to be done during this future year
13 defense plan. We reduced procurement of advanced weapons
14 and aircraft. We delayed upgrades to all but the most
15 critical shore infrastructure.

16 The end result has been higher risk, particularly in
17 two of the missions that are articulated in our Defense
18 Strategic Guidance. That is our defense strategy, and I
19 also provided a copy of that. It has got a synopsis of the
20 10 missions and what is the impact of sequestration. The
21 missions with the highest risk are those missions requiring
22 us to deter and defeat aggression and the mission to project
23 power despite an anti-access area denial challenge.

24 Now, a return to sequestration in 2016 would
25 necessitate a revisit and a revision of our defense

1 strategy. We have been saying this for years. That would
2 be a budget-based strategy for sure. We would further delay
3 critical warfighting capabilities, further reduce readiness
4 of contingency response forces, the ones that are only at a
5 one-third level, and perhaps forgo our stretched procurement
6 of ships and submarines and further downsize our munitions.

7 In terms of warfighting, the sequestered Navy of 2020
8 would be left in a position where it could not execute those
9 two missions I referred to. We go from high risk to we
10 cannot execute those missions, and we would face higher risk
11 in five additional missions of those 10. So that is 7 out
12 of 10. More detail on the impact, as I just described, is
13 on a handout in front of you and it is outlined in my
14 written statement, which I request be added for the record.

15 Now, although we can model and we can analyze and we
16 can quantify warfighting impacts, as General Odierno said,
17 what is less easy to quantify is sequestration's impact on
18 people. People underwrite our security. We call them our
19 asymmetric advantage. They are the difference in the Navy
20 for sure between us and even the most technologically
21 advanced navy close to us. We have enjoyed meeting our
22 recruiting goals, and until recently, our retention has been
23 remarkable.

24 However, the chaotic and indiscriminate excursion of
25 sequestration in 2013 -- it really left a bitter taste with

1 our sailors, with our civilians, and with our families. And
2 the threat of looming sequestration, along with a recovering
3 economy, is a troubling combination to me. We are already
4 seeing disconcerting trends in our retention, particularly
5 our strike fighter pilots, our nuclear trained officers, our
6 SEAL's, cyber warriors, and some of our highly skilled
7 sailors in information technology, our Aegis radar, and our
8 nuclear fields.

9 These retention symptoms that I just described remind
10 me of the challenges that I had as a junior officer after
11 the Vietnam War period on the downsize, and it reminds me of
12 when I was in command of a submarine in the mid-1990's by
13 downsize, periods that took decades to correct. However,
14 the world was more stable then, Mr. Chairman, than it is
15 today, and I would say we cannot create that same
16 circumstance. Sequestration will set us right on that same
17 course that I just described and, frankly, I have been
18 before. And as General Odierno said, I do not think we need
19 to go there again.

20 Now, the shipbuilding and related industrial base also
21 stand to suffer from a sequestered environment. Companies,
22 not necessarily the big primes, but the companies that make
23 the key valves, the key circuit cards, and the things that
24 put us together, make us the great sea power we are might be
25 forced to close their businesses, and it takes a long time

1 to build a ship and longer yet to recover from the losses of
2 these skilled workers or the materials that some of these
3 companies provide. The critical infrastructure in this
4 vital section of our Nation's economy is key to sea power.

5 So, Mr. Chairman, I understand the pressing need for
6 our Nation to get the fiscal house in order. I do. It is
7 imperative we do so, I say, in a thoughtful and a deliberate
8 manner to ensure we retain the trust of our people -- we
9 have to retain that trust -- and to sustain the appropriate
10 warfighting capability for your Navy, the forward presence,
11 and its readiness. So unless naval forces are properly
12 sized, modernized at the right pace with regard to the
13 adversaries that we might have, ready to deploy with
14 adequate training and equipment, and capable to respond in
15 the numbers and at the speed required by the combatant
16 commanders, they will not be able to answer the call.

17 I look forward to working with this committee, with the
18 Congress to find the solutions that will ensure that our
19 Navy retains the ability to organize, to train, and to equip
20 our great sailors and marines and soldiers and airmen and
21 Coast Guardsmen in defense of this Nation. Thank you.

22 [The prepared statement of Admiral Greenert follows:]

23

24

25

1 Chairman McCain: Thank you.

2 General Welsh?

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 STATEMENT OF GENERAL MARK A. WELSH III, USAF, CHIEF OF
2 STAFF OF THE AIR FORCE

3 General Welsh: Thank you, Mr. Chairman, Ranking Member
4 Reed, and members of the committee. It is always an honor
5 to be here. It is a special honor to sit before you today
6 with three people I consider to be friends and mentors and
7 literally heroes.

8 My pride in our Air Force and the airmen who give it
9 life has not changed since the last time I appeared before
10 you, but what has changed is that we are now the smallest
11 Air Force that we have ever been.

12 Chairman McCain: Repeat that again. Repeat that. We
13 are now the smallest Air Force --

14 General Welsh: We are now the smallest Air Force we
15 have ever been, Chairman.

16 When we deployed to Operation Desert Storm in 1990, the
17 Air Force had 188 fighter squadrons. Today we have 54 and
18 we are headed to 49 in the next couple of years. In 1990,
19 there were 511,000 active duty airmen alone. Today we have
20 200,000 fewer than that. And as those numbers came down,
21 the operational tempo went up. Your Air Force is fully
22 engaged. All the excess capacity is gone and now, more than
23 ever, we need a capable, fully ready force. We simply do
24 not have a bench to go to, and we cannot continue to cut
25 force structure, as we have been doing for the last few

1 years, to pay the cost of readiness and modernization or we
2 will risk being too small to succeed in the tasks we have
3 already been given.

4 But BCA level funding will force us to do exactly that.
5 We will have to consider divestiture of things like the
6 KC-10 fleet, the U-2 fleet, the Global Hawk block 40 fleet,
7 and portions of our airborne command and control fleet. We
8 would also have to consider reducing our MQ-1 and MQ-9 fleet
9 by up to 10 orbits. The real-world impact of those choices
10 on current U.S. military operations would be significant.
11 In the ISR mission area alone, 50 percent of the high
12 altitude ISR missions being flown today would no longer be
13 available. Commanders would lose 30 percent of their
14 ability to collect intelligence and targeting data against
15 moving vehicles on the battlefield, and we would lose a
16 medium altitude ISR force, the size of the one doing such
17 great work in Iraq and Syria today. The Air Force would be
18 even smaller and less able to do the things that we are
19 routinely expected to do.

20 And I would like to say that that smaller Air Force
21 would be more ready than it has ever been, but that is not
22 the case. 24 years of combat operations have taken a toll.
23 In fiscal year 2014 and 2015, we used the short-term funding
24 relief of the Balanced Budget Act to target individual and
25 unit readiness and the readiness of our combat squadrons has

1 improved over the past year. Today just under 50 percent of
2 those units are fully combat-ready -- under 50 percent.
3 Sequestration would reverse that trend instantly. Just like
4 in fiscal year 2013, squadrons would be grounded. Readiness
5 rates would plummet. Red and green flag training exercises
6 would have to be canceled. Weapon school classes would be
7 limited, and our aircrew members' frustration and their
8 families' frustration will rise again just as the major
9 airlines begin a hiring push expected to target 20,000
10 pilots over the next 10 years.

11 We also have a broader readiness issue in that the
12 infrastructure that produces combat capability over time,
13 things like training ranges, test ranges, space launch
14 infrastructure, simulation infrastructure, nuclear
15 infrastructure, have all been intentionally underfunded over
16 the last few years to focus spending on individual and unit
17 readiness. That bill is now due. But BCA caps will make it
18 impossible to pay. The casualty will be Air Force readiness
19 and capability well into the future.

20 I would also like to tell you that your smaller Air
21 Force is younger and fresher than it has ever been, but
22 would not be true either. Our smaller aircraft fleet is
23 also older than it has ever been. If World War II's
24 venerable B-17 bomber had flown in the first Gulf War, it
25 would have been younger than the B-52, the KC-135, and the

1 U-2 are today. We currently have 12 fleets -- 12 fleets --
2 of airplanes that qualify for antique license plates in the
3 State of Virginia. We must modernize our Air Force. We
4 want to work with you to do it within our top line. It
5 certainly will not be easy and it will require accepting
6 prudent operational risk in some mission areas for a time.

7 But the option of not modernizing really is not an
8 option at all. Air forces that fall behind technology fail,
9 and joint forces that do not have the breadth of the
10 airspace and cyber capabilities that comprise modern air
11 power will lose.

12 Speaking of winning and losing, at the BCA funding
13 levels, the Air Force will no longer be able to meet the
14 operational requirements of the Defense Strategic Guidance.
15 We will not be able to simultaneously defeat an adversary,
16 deny a second adversary, and defend the homeland. And I do
17 not think that is good for America no matter what angle you
18 look at it from.

19 We do need your help to be ready for today's fight and
20 still able to win in 2025 and beyond. I believe our airmen
21 deserve it. I think our joint team needs it, and I
22 certainly believe that our Nation still expects that of us.

23 I would like to offer my personal thanks to the members
24 of this committee for your dedicated support of airmen and
25 their families.

1 And I look forward to your questions.

2 [The prepared statement of General Welsh follows:]

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 Chairman McCain: Thank you.

2 General Dunford?

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 STATEMENT OF GENERAL JOSEPH F. DUNFORD, JR., USMC,
2 COMMANDANT OF THE MARINE CORPS

3 General Dunford: Chairman McCain, Ranking Member Reed,
4 and distinguished members of the committee, thank you for
5 the opportunity to appear before you today. I am honored to
6 represent your marines and testify on the impact of
7 sequestration.

8 I would like to begin by thanking the committee for
9 your steadfast support for the past 13 years. Due to your
10 leadership, we fielded the best trained and equipped Marine
11 Corps our Nation has ever sent to war.

12 I know this committee and the American people have high
13 expectations for marines as our Nation's naval expeditionary
14 force-in-readiness. You expect the marines to operate
15 forward, engage with partners, deter potential adversaries,
16 and respond to crises. And when we fight, you expect us to
17 win. You expect a lot of your marines and you should.

18 This morning, as you hold this hearing, your marines
19 are doing just what you expect them to be doing. Over
20 31,000 are forward-deployed and engaged. And, Chairman, I
21 have captured what those 31,000 are doing in my statement.
22 I just ask that that be accepted for the record in the
23 interest of time.

24 Our role as the Nation's expeditionary force-in-
25 readiness informs how we man, train, and equip the Marine

1 Corps. It also prioritizes the allocation of resources that
2 we receive from Congress. Before I address what would
3 happen if a Budget Control Act level of funding with
4 sequestration, let me quickly outline where we are today.

5 As we have experienced budget cuts and fiscal
6 uncertainty over the past few years, we prioritized the
7 readiness of our forward-deployed forces. But in order to
8 maintain the readiness of our forward-deployed forces, we
9 have assumed risk in our home station readiness,
10 modernization, infrastructure sustainment, and quality of
11 life programs. As a result, approximately half of our non-
12 deployed units, those who provide the bench to respond to
13 the unexpected, are suffering personnel, equipment, and
14 training shortfalls. In a major conflict, those shortfalls
15 will result in a delayed response and/or additional
16 casualties.

17 We are investing in modernization at an historically
18 low level. We know that we must maintain at least 10 to 12
19 percent of our resources on modernization to field a ready
20 force for tomorrow. To pay today's bills, we are currently
21 investing 7 to 8 percent. Over time, that will result in
22 maintaining older or obsolete equipment at higher cost and
23 more operational risk.

24 And we are funding our infrastructure sustainment below
25 the DOD standard across the future years defense program.

1 At the projected levels, we will not be properly maintaining
2 our enlisted barracks, training ranges, and other key
3 facilities.

4 While we can meet the requirements of the Defense
5 Strategic Guidance today, there is no margin, and even
6 without sequestration, we will need several years to recover
7 from over a decade of war and the last 3 years of flat
8 budgets and fiscal uncertainty. In that context, BCA
9 funding levels with sequester rules will preclude the Marine
10 Corps from meeting the requirements for the Defense
11 Strategic Guidance. Sequester will exacerbate the
12 challenges we have today. It will also result in a Marine
13 Corps with fewer active duty battalions and squadrons than
14 would be required for a single major contingency. Perhaps
15 as concerning, it will result in fewer marines and sailors
16 being forward deployed and in position to immediately
17 respond to crises involving our diplomatic posts, American
18 citizens, or interests overseas.

19 While many of the challenges associated with
20 sequestration can be quantified, there is also a human
21 dimension to what we have been discussing today, and the
22 other chiefs have addressed that. Our soldiers, sailors,
23 airmen, and marines and their families should never have to
24 face doubts about whether they will be deployed without
25 proper training and equipment. The foundation of the all-

1 volunteer force, as General Odierno has said, is trust.
2 Sequestration will erode the trust that our young men and
3 women in uniform, civil servants, and families have in their
4 leadership. And the cost of losing that trust is
5 incalculable.

6 Given the numerous and complex security challenges we
7 face today, I believe DOD funding at the Budget Control Act
8 level with sequestration will result in the need to develop
9 a new strategy. We simply will not be able to execute the
10 strategy with the implications of that cut.

11 Thank you once again for the opportunity to appear
12 before you this morning, and I look forward to your
13 questions.

14 [The prepared statement of General Dunford follows:]

15
16
17
18
19
20
21
22
23
24
25

1 Chairman McCain: Well, thank you and I thank you all
2 for very compelling statements. And I hope that all of our
3 colleagues and, in fact, all the American people could hear
4 the statements and see the statements that you made today,
5 our most respected members of our society.

6 I would also have an additional request, and that is
7 that if you could provide for the record, all of you, a list
8 of some of the decisions you would have to make if
9 sequestration continues to be enacted and there is no
10 amelioration of the situation that you are in.

11 [The information follows:]

12 [COMMITTEE INSERT]

13

14

15

16

17

18

19

20

21

22

23

24

25

1 Chairman McCain: I guess the only other comment I
2 would like for you to answer because I would like all my
3 colleagues to be able to have time to answer questions is
4 the old line about those of us that ignore the lessons of
5 history. And, General Odierno, you made reference to it.
6 When General Shy Meyer came before this committee and said
7 that we had a hollow Army -- I know that my friend, Senator
8 Reed, remembers that also. And we were able to recover
9 hardware-wise and ships and airplanes and guns, but it took
10 a lot longer than that to restore the readiness and even the
11 morale of members of our military. And all four of you made
12 reference to it.

13 But I would like you to perhaps elaborate a little bit
14 on the personnel side of this because it seems that there is
15 always the best and the brightest that leave first when you
16 are a pilot that cannot fly and you are on a ship that does
17 not leave port and you are in a Marine or Army outfit that
18 does not exercise and does not have equipment. So maybe
19 each of you could give a brief comment about this intangible
20 that makes us the greatest military on earth. I will begin
21 with you, General Odierno.

22 General Odierno: Thank you, Senator.

23 The center of everything we do is our soldiers. The
24 Army is our soldiers, and without them and their
25 capabilities, our ability to do our job becomes very, very

1 difficult. And it is something that happens over time. My
2 concern is when you are funding readiness, you are funding
3 leader development. You are funding the development of our
4 young soldiers. And you cannot just do that episodically.
5 You have to do it in a sustained manner because it is a
6 continuous learning cycle that allows them to execute the
7 most difficult and complex missions that we face. And in
8 today's world, those missions are becoming more complex and
9 more difficult.

10 My concern is as they see that maybe we are not going
11 to invest in that, they start to lose faith and trust that
12 we will give them the resources necessary for them to be
13 successful in this incredibly complex world that we face.
14 And I think sometimes we take for granted the levels of
15 capability that our soldiers bring and the investment that
16 we have made into their education and training, which is
17 central to everything that we do, and we cannot lose sight
18 of that.

19 And unfortunately, with sequestration, we are going to
20 have to reduce that over the next 4 to 5 years for sure
21 because we cannot take end strength out fast enough to get
22 to the right balance because of our commitments that we
23 have. And so, therefore, you have to then look at
24 readiness, training, and modernization. And so we are
25 losing cycles of this training that develops these young men

1 and women to be the best at what they are and the best at
2 what they do. And so for us, we can never ever forget that.

3 Admiral Greenert: Mr. Chairman, I bring something to
4 everybody's attention. When we had sequestration, we said,
5 well, we exempted personnel as if, hey, that is good. That
6 means they got paid, but that does not mean that they got --
7 that is kind of their quality of life and we gave them their
8 housing allotment and all. That is good. But the quality
9 of their work, which is what you are alluding to, when they
10 go to work and what the General was alluding to -- they are
11 not proficient at what they do. Therefore, they are not
12 confident. And as a sailor, you are out to sea. You are on
13 your own. You have to have that confidence, know that you
14 can be proficient.

15 You alluded to pilots. You kind of have a have and a
16 have-not. If you are deployed, you are flying 60 hours a
17 week sometimes. If you are not deployed, you may be flying
18 10 hours a week, and some of that, by the way, may be in the
19 simulator. So you are sitting around the classroom looking
20 out the window at your strike fighter Hornet. It looks
21 really great, but it is on the tarmac. And that is not why
22 you joined. And the same goes at sea if you are a destroyer
23 man and the same in the submarine. So you are not
24 operating.

25 That becomes behavioral problems eventually because the

1 idle mind is the devil's workshop. So we are out and about.
2 Our alcohol problems go up. I alluded to it. I saw it in
3 command. I saw it as a JO. And this is what happens. Then
4 that gets to family problems. It just starts cascading.

5 So you bring all that together. We have an all-
6 volunteer force that wants to contribute and they want to do
7 things. They want to be professionally supported in that
8 regard.

9 Thank you.

10 Chairman McCain: General Welsh?

11 General Welsh: Chairman, during the first round of
12 sequestration, our civilian airmen felt like we committed a
13 breach of faith with them. They have still not recovered
14 completely from that, and if it happened again, it would be
15 absolutely horrible and I believe we would see the effect
16 immediately in retention.

17 I cannot emphasize enough my agreement with what John
18 just said about people not joining this business to sit
19 around. Pilots sitting in a squadron looking out at their
20 airplanes parked on the ramp certainly feel like a hollow
21 force, whether we define it that way or not. The same thing
22 with the people who want to fix those airplanes, load
23 weapons on them, support them from the storage areas. They
24 join to be really good at what they do. In fact, all they
25 want is to be the best in the world at whatever it is they

1 do. All of our people are that way. And if they do not
2 think that we will educate them and train them and equip
3 them to do that and to fill that role, then they will walk.
4 They are proud of who they are. They are proud of who they
5 stand beside, and they are proud of what they represent.
6 And when they lose that pride, we will lose them, and if we
7 lose them, we lose everything.

8 Chairman McCain: And also, we are going to have, as
9 you made reference to, a significant draw from the airlines
10 as the Vietnam era pilots retire from the airlines. I think
11 that is an additional issue that we are going to have to
12 face up to anyway without sequestration.

13 Admiral Greenert: We see it today, sir.

14 General Dunford: Mr. Chairman, thank you.

15 You alluded to the hollow force in the 1970's, and like
16 the other chiefs, I was on active duty during that time. I
17 was a platoon commander. We had an organization of about
18 190,000 marines, but we did not have proper manning. We did
19 not have proper training. We did not have proper equipment.
20 And where we saw the impact was in poor reenlistments. We
21 saw it in discipline rates. We saw it in poor maintenance
22 of our equipment and the lack of professionalism. We were
23 unable to maintain the quality of people that we wanted to
24 have and, quite frankly, I know myself and many of my
25 counterparts at the time had a very difficult decision to

1 stay in the Marine Corps. And many of us only made the
2 decision to stay once the Marine Corps started to turn
3 around in the 1980's. And as you alluded to, it actually
4 took 5 to 7 years, even after we started to make an
5 investment, for the morale to catch up.

6 The thing that I would add to what the other chiefs
7 have said, though, is that I think most of us would not have
8 been able to predict the quality of the all-volunteer force
9 and its ability to sustain now over 13 years at war. And
10 there is nothing that has allowed that force to sustain
11 except for intangible factors. It has not been how much we
12 have paid them. It has been their sense of job
13 satisfaction, their sense of purpose, their sense of mission
14 and, as I alluded to in my opening statement, their sense of
15 trust. And I think I probably speak for all the chiefs.
16 None of us on our last tour on active duty want to be a part
17 of returning back to those days of the 1970's when we did
18 have, in fact, a hollow force. And I think we are fortunate
19 that we were not tested at that time.

20 Chairman McCain: Senator Reed?

21 Senator Reed: Thank you very much, Mr. Chairman, and
22 thank you, gentlemen, again for your testimony and for your
23 great service to the Nation.

24 You have already reduced end strength. You have
25 already reduced training. You have already reduced

1 maintenance. You have already stretched out acquisition
2 programs, et cetera. And whatever we do, I think you will
3 manage, which presents the interesting problem that we could
4 be in a period of a steady accelerating but invisible
5 decline until a crisis, and then the reckoning will be
6 severe. So we have to, I think, take appropriate action
7 now, and the chairman's leadership is absolutely critical in
8 that.

9 But let me just go and ask you individually. With all
10 these cuts you have already made, with all the losses,
11 looking forward, what are the one or two capabilities that
12 you will see leaving or lost if sequester goes into effect?
13 And I will ask each of you gentlemen. General Odierno?

14 General Odierno: I often get asked the question,
15 Senator, what keeps me up at night. And the number one
16 thing that keeps me up at night is that if we are asked to
17 respond to an unknown contingency, I will send soldiers to
18 that contingency not properly trained and ready. We simply
19 are not used to doing that. The American people and we
20 expect our soldiers to be prepared and that they have had
21 the ability to train, that they understand their equipment,
22 they have been able to integrate and synchronize their
23 activities so they are very successful on the ground. That
24 is the one thing that I really worry about as we move to the
25 future.

1 The second thing is our ability to do simultaneous
2 things. We are coming to the point now where we will be
3 able to do one thing. We will be able to do it pretty well,
4 but that is it. But this world we have today is requiring
5 us to do many, many things, maybe smaller, but many, many
6 things simultaneous. I worry about our ability to do that.

7 Senator Reed: Admiral Greenert, please.

8 Admiral Greenert: We are at a time of modernization.
9 So our benchmark is the year 2020 and our ability to do
10 these missions that I referred to. And for the Navy, a lot
11 of those missions require joint access to areas around the
12 world against an advanced adversary. So what I am talking
13 about, as I look in the future, is perhaps the inability --
14 we will fall further behind in what I call electromagnetic
15 maneuver warfare. It is an emerging issue. It is
16 electronic attack, the ability to jam, the ability to detect
17 seekers, radars, satellites, and that business. And we are
18 slipping behind and our advantage is shrinking very fast,
19 Senator.

20 Also anti-air warfare. Our potential adversaries are
21 advancing in that. We are losing that. If we do not have
22 that advantage, we just do not get the job done in the 2020
23 time frame.

24 The undersea domain. We dominate in it today. But
25 again, we have to hold that advantage, and that includes the

1 Ohio replacement, the sea-based strategic deterrent, in
2 addition to anti-submarine warfare.

3 So it is about access and the ability to get that
4 access where we need.

5 Cyber is also another one that we talk about a lot.

6 Lastly, I cannot underestimate the fact that we are
7 good and we will continue. As General Dunford said, our
8 forces we put forward we will put forward and they will be
9 the most ready. But we are required to have a response
10 force, a contingency force. We owe that to the combatant
11 commanders. And it has to be there on time and it has to be
12 proficient. We are not there today, and we will just never
13 get there if we go to sequestration. We will remain at
14 about one-third of what we need to be.

15 Thank you.

16 Senator Reed: Thank you.

17 General Welsh, if you could be succinct.

18 General Welsh: Infrastructure that gives you long-term
19 capability, training ranges, test facilities, those kind of
20 things over time. We have not been investing. It will cost
21 us the ability to operate in the future. Multiple
22 simultaneous operations. We simply do not have the capacity
23 anymore to conduct that, particularly in areas like ISR, air
24 refueling, et cetera. The capability gap is closing, as
25 John mentioned, between the people trying to catch up with

1 us technologically and they have momentum. If we let the
2 gap get too close, we will not be able to recover before
3 they pass us.

4 Space and nuclear business. In the space business, we
5 cannot forget that that is one of the fastest growing and
6 closing technological gaps. And in the cyber arena, if we
7 do not try and get ahead in that particular race, we will be
8 behind for the next 50 years, as everybody else has been
9 behind us in other areas.

10 Those are my biggest concerns.

11 Senator Reed: Thank you.

12 Commandant?

13 General Dunford: Thank you, Senator Reed.

14 The two capability areas. First would be our ability
15 to come ship to shore. We are in a vehicle right now that
16 is over 40 years old, and replacing that is both an issue of
17 operational capability as well as safety.

18 Also our airframes. The AV-8 and the F-18 are both
19 over 20 years old. Once again, an issue of both operational
20 capability and safety.

21 But I would say, Senator -- and you alluded to it --
22 that my greatest concern, in addition to those two
23 capability areas, is actually the cumulative effect of the
24 cuts that we have made to date and the cuts that we would
25 make in the future. And quite frankly, every day I am still

1 finding out second and third order effects of the cuts that
2 have been made to date in the sequestration that was put in
3 effect in 2013.

4 Senator Reed: Thank you very much.

5 Further complicating your lives and our lives is that
6 this is a focus today on the Department of Defense, but the
7 ramifications go across this Government and the impacts will
8 roll back on you. One of the more obvious examples is if
9 the State Department is subject to sequestration, they will
10 not be able to assist you in the field. And General Mattis,
11 who was brilliant yesterday in his testimony, said last
12 March that if you do not fund fully the State Department,
13 then I need to buy more ammunition. So that is one effect.

14 But there are even more subtle effects. We provide
15 Impact Aid to the Department of Education. They administer
16 it. If the Department of Education is subject to
17 sequestration, then there will be an impact. In fact,
18 Secretary of Education Duncan before the Appropriations
19 Committee last year said the Killeen Independent School
20 District in Texas, which has 22,000 federally connected
21 children, including 18,000 military dependents in Fort Hood,
22 would lose an estimated \$2.6 million.

23 So we have to take not only a view towards the
24 Department of Defense but across the whole Government
25 because you all talked about retaining troops. When those

1 young soldiers down at Fort Hood do not think their
2 education opportunities for their children are as good as
3 they were, they are going to vote with their feet.

4 So that is not your responsibility. That is our
5 responsibility. And this has to be a comprehensive solution
6 to this issue because it will affect you in so many
7 different ways. You, as General Dunford, will be waking up
8 getting complaints about how the schools are bad and I am
9 leaving. And that is not Title 10.

10 So, gentlemen, thank you for your service and your
11 testimony.

12 Chairman McCain: Senator Wicker?

13 Senator Wicker: Thank you, gentlemen. This is very
14 profound testimony today and very helpful to us.

15 There are members of this committee who are also going
16 back and forth today to the Budget Committee hearing. We
17 have a debt problem in this country. General Mattis spoke
18 about it yesterday with another distinguished panel. No
19 nation in history has maintained its military power if it
20 failed to keep its fiscal house in order. So we are
21 balancing a spending problem we have in the Government
22 overall with really, frankly, the lack of funds in the
23 Defense Department that you have talked about today.

24 General Odierno, you said in your 40 years or so of
25 service, this is the most uncertain time you have seen as a

1 professional military person.

2 Admiral Greenert, this is the fewest number of ships we
3 have had since World War I. Is that correct?

4 Admiral Greenert: That is correct, sir.

5 Senator Wicker: And, General Welsh, as an Air Force
6 veteran myself, it is astonishing to hear that this is the
7 smallest Air Force ever in the history of the United States.

8 General Welsh: Since we were formed in 1947, yes, sir.

9 Senator Wicker: Right.

10 And, General Dunford, in talking about sequestration,
11 you say it is the funding levels and also it is the rules of
12 sequestration. So I thought I would start with you and then
13 we would go back up the panel here.

14 If we were able a little more easily and quickly to
15 give you flexibility within the funding levels and some
16 relief from the rules, to what extent would that help you in
17 the short run or in the long run?

18 General Dunford: Thanks, Senator, for that question.

19 Just the funding caps alone would reduce our overall
20 budget by about \$4 billion to \$5 billion a year from where
21 we were in President's budget 2012. And so that is for us
22 about 18 to 20 percent. It would certainly be better if we
23 did not have the rules associated with sequestration. And
24 what I can guarantee you, Senator, is whatever amount of
25 money the Congress provides to the United States Marine

1 Corps, we will build the very best Marine Corps we can. But
2 even at the Budget Control Act levels without sequestration,
3 we will reduce the capacity to the point where we will be
4 challenged to meet the current strategy.

5 Senator Wicker: General Welsh, to what extent would
6 flexibility within these very low levels be somewhat of a
7 help?

8 General Welsh: Senator, I think all of us understand
9 that our services and the Department has to be part of the
10 debt solution for the Nation. We do not live in a mushroom
11 farm and not believe that that has to be true.

12 The things that we would need, though, with any kind of
13 reduced levels of funding as we have been looking at is
14 stability and predictability in funding over time and then
15 the ability to make the decisions that will let us shape our
16 services to operate at those funding levels that are less
17 than predicted.

18 For the Air Force, if you look back to the 2012 budget,
19 which is where we kind of came out of and said, okay, we can
20 execute this new Strategic Guidance, the 2012 budget
21 projected then for fiscal year 2016 was \$21 billion more per
22 year than we will have at BCA levels. \$21 billion a year
23 requires some very tough decisions to be made, some very
24 hard and unpopular decisions to be made, but without the
25 ability to make those decisions, we will continue to be

1 stuck not sure of where we are going in the future.

2 Senator Wicker: The clock is ticking away on that
3 predictability. Is it not, General?

4 General Welsh: Yes, sir, it is.

5 Senator Wicker: Admiral?

6 Admiral Greenert: My colleagues have spoken to the
7 number, that is, the dollar value. But I would say if the
8 verb "sequestered" -- as you know, that is an algorithm.
9 And all accounts -- and we have been through this -- they
10 get decremented, and then we spend months reprogramming with
11 your help up here on the Hill. And we lose months. We lose
12 4, 5, 6 months on a program like for us the Ohio replacement
13 program where we do not have time. So shipbuilding gets
14 held up. Projects get held up. People are not hired. And
15 that loses that trust with industry. So precluding getting
16 sequestered is helpful and continuing resolutions have a
17 similar effect in that we are not doing any new projects and
18 some of these are pretty critical as we go into the years
19 and need to modernize.

20 General Odierno: Senator, the first comment I would
21 make is over the last 2 years, we have been given money
22 above the level of sequestration. And in the Army, we are
23 still only 33 percent ready. And so, yes, flexibility will
24 give us the ability to manage insufficient funds in our
25 department, but that is all it does. It allows us to better

1 manage because today we have had to extend all our aviation
2 programs. So the cost for every Apache has gone up. The
3 cost for every UH-60 has gone up. The cost for every CH-47
4 has gone up because we have had to extend the programs
5 longer and longer and longer. So we are paying more money
6 per system. And so we are inefficient with the less dollars
7 we have. So that even exacerbates the readiness problems
8 even more. So flexibility would help, but it is not going
9 to solve the problem we have, which is a problem of
10 insufficient funds to sustain the right level of readiness.

11 Senator Wicker: Thank you.

12 And let me just ask briefly. You know, there was a
13 decision we were going to pivot to Asia-Pacific. To what
14 extent were the Joint Chiefs of Staff consulted on that? We
15 have got eastern Europe. We have got Russia. We still have
16 the Middle East and everything going on there. It does not
17 seem to have calmed down as some people thought. To what
18 extent was this a Pentagon decision that we could even have
19 a re-pivot to Asia-Pacific and afford it?

20 Admiral Greenert: That was part of our discussions.
21 We had numerous discussions with the White House and within
22 the Pentagon when we did the Defense Strategic Guidance in
23 2012. So that was one of kind of the foundations of that
24 strategy. So I would say, Senator, I felt we had a good
25 discussion on what we call the rebalance to Asia-Pacific.

1 General Odierno: I would just comment I agree with
2 that. We had thorough discussions and we thought the rise
3 of China -- this was 2012 -- was very important, and we had
4 to be able to have the capability to respond potentially to
5 that and also the problems with North Korea and other
6 problems in the Asia-Pacific. And we made some assumptions
7 about where we would be in the rest of the world. Those
8 have not quite played out the way we thought with Iraq,
9 ISIS, and specifically Russia and their increased
10 aggression.

11 The strategy is still good. We just have to recognize
12 that there are some additional threats out there that we did
13 not expect and that we are going to have to deal with those.
14 And that increases the risk as we look at sequestration and
15 other budget cuts.

16 Senator Wicker: Thank you, gentlemen.

17 Chairman McCain: Senator Donnelly?

18 Senator Donnelly: Thank you, Mr. Chairman.

19 Thank you all for your service.

20 General Welsh, I wanted to ask you in regards to our
21 nuclear mission. It is a very, very critical mission
22 obviously. What impact is sequestration going to have on
23 your efforts in this area?

24 General Welsh: Sir, two specific areas I think are at
25 the top of the list. The first is that nuclear

1 infrastructure I mentioned before. We are at a point in
2 time where we have got to start modernizing and
3 recapitalizing some of that infrastructure in terms of
4 facilities that were built 50 years ago now. We have an
5 investment plan designed. It is prepared to be put into
6 place. We actually have it in the President's budget this
7 year. If we go to sequestration, all of the facility
8 maintenance and new buildings that we have put into that
9 proposal will fall off the table except for a single weapons
10 storage area at one of the bases. So that is the first
11 point.

12 The second one is that we do have a requirement as a
13 Nation to make decisions on what do we want to recapitalize
14 and modernize in terms of nuclear weapons and nuclear
15 command and control capability over the next 15 to 20 years.
16 And it affects the Air Force and the Navy. The decisions on
17 that need to be made in the near future. Sequestration and
18 BCA caps will limit the amount of things you can do in that
19 arena, and they will make those decisions more important to
20 make earlier so we do not waste money leading into the time
21 when those things have to be done.

22 Senator Donnelly: Admiral, how will this affect the
23 plans you have for the Ohio class?

24 Admiral Greenert: I get back to the verb. If we are
25 "sequestered," we lose months, as I was saying before,

1 hiring engineers. And we are on a very tight timetable to
2 start building the first Ohio in 2021. So that is kind of
3 one piece. We have to continue to do that. The sea-based
4 strategic deterrent, including the Ohio replacement, is my
5 number one program.

6 But in fiscal years 2017 through 2020, we have \$5
7 billion invested as advanced procurement for the first Ohio
8 which in 2021 is \$9 billion built, on top of the
9 shipbuilding plan that we have now. Very difficult to do.
10 We have to do it, though, Senator, so we will have to
11 continue to work in that regard.

12 Senator Donnelly: Thank you.

13 And I obviously have the same concern you all do on our
14 warfighting capabilities. When you look at the difficulties
15 in Syria and Iraq and that area, what are the kind of things
16 we are not able to do there that you look and you go if we
17 were doing this and this, it would really help move the ball
18 forward? Where are you being placed in a tighter spot right
19 now? General Odierno, if you would give us a start.

20 General Odierno: Well, I would just say it is -- the
21 first thing is this fight against ISIL in Iraq and Syria is
22 a long-term issue. So this is not something that is going
23 to be resolved in weeks and months. It is something that is
24 going to have to be resolved in years. And it is going to
25 require a combination of efforts with the local indigenous

1 governments. It is going to require efforts from training
2 indigenous forces, and it is going to require support from
3 us for a very long period of time. It is going to require
4 continued assessments and adjustments on how we believe we
5 will continue to support that effort. And I think over
6 time, if that threat continues, we will have to reassess
7 what our strategy is.

8 So that is the hard part about it. This is not a
9 short-term problem. It is a long-term problem, and it is
10 going to take a long-term, dedicated effort to solve it
11 across many different lines of effort, whether it be through
12 diplomatic efforts, whether it be through a combination of
13 joint capability and enabling indigenous forces, our ability
14 to train indigenous forces, and the capability that we will
15 need to do that for long periods of time.

16 Senator Donnelly: So, in effect, you are facing a
17 long-term challenge, and as you look long-term, you may have
18 less tools in the toolbox to deal with it.

19 General Odierno: That is correct.

20 Senator Donnelly: General Dunford?

21 General Dunford: Senator, thanks for that question.

22 Right now, as I mentioned earlier, we are taking all
23 the risk not with our deployed units but our units in home
24 station. So everything that General Austin has asked us to
25 do from a Marine Corps perspective we are able to do right

1 now.

2 But as General Odierno said, should this continue on,
3 really for us it is a question of capacity to do everything
4 that we are doing at a sustainable deployment-to-dwell rate.
5 Just to give you some idea of how fast our marines are
6 turning right now, they are all deploying for about 7
7 months. They are home for 14 months or in some cases less
8 and then back out for 7 months in perpetuity. So that
9 sustained level of operational tempo is something that
10 concerns me, and ISIL is really just a part of that.

11 Senator Donnelly: And that also makes it pretty
12 difficult on the home front. Does it not?

13 General Dunford: Senator, there are really two issues.
14 One is the time available to train for all of your missions,
15 and the second is obviously the time available to spend time
16 with your family. And we are particularly concerned with
17 our mid-grade enlisted marines when it comes to that
18 particular challenge.

19 Senator Donnelly: General Odierno, as you look
20 forward, how are you planning to mix with the National Guard
21 and how does that figure into your plans as we look forward?

22 General Odierno: So clearly if you look at what we
23 have done -- so in the end, if we go to full sequestration,
24 we are taking 150,000 people out of the active Army. So the
25 large majority of our cuts are coming out of the active

1 Army. So because of that, we are going to have to rely more
2 on the National Guard and U.S. Army Reserves.

3 And we have to remember what we are trying to achieve
4 is our National Guard and Reserve provides us a depth to
5 respond to complex problems. So the issue becomes we are
6 going to have to rely in some areas more on them in the
7 beginning such as in logistics and areas like that where we
8 do not have enough structure in the active component now
9 because of these reductions. We are going to have to rely
10 more heavily on the National Guard and U.S. Army Reserve for
11 things such as that.

12 And in terms of the combat capability, they are still
13 going to have to provide us the depth. And we might have to
14 use that depth earlier because we are going to have less
15 capability in the active component. So this all gets to
16 this balance that we are trying to achieve.

17 I worry about the fact that if we reduce the active
18 component too much, our ability to respond quickly is going
19 to be affected because the world today spins much quicker
20 than it used to. Instability happens quicker and the
21 necessity for us to respond has to be quicker. And I worry
22 that we are going to lose that capability because that is
23 what we expect our active component to do, and then we
24 expect our National Guard and Reserves to be right behind us
25 helping us as we move forward with this. And I worry about

1 that as we go forward.

2 Senator Donnelly: Thank you all for your leadership.

3 Thank you, Mr. Chairman.

4 Chairman McCain: Chairwoman Ayotte?

5 Senator Ayotte: Thank you, Chairman. Appreciate it.

6 I want to thank all of you for your leadership and what
7 you are doing for the country and most importantly this
8 discussion about sequestration. And I think it is very
9 clear the impact that it is going to have, and our ability
10 to defend the Nation is one that calls all of us to act to
11 address this for each of you. And so I thank you for being
12 so clear about what the impacts will be today.

13 And yesterday we heard the same thing from General
14 Mattis and General Keane and Admiral Fallon about the
15 impacts of sequester, and I think there is a clear consensus
16 among those who have served and have formerly served in the
17 military, the devastating impact on our ability to defend
18 the Nation and our men and women in uniform.

19 I want to ask each of you. When our men and women
20 volunteer for service in the armed services, they give up a
21 number of rights that the rest of us enjoy. They volunteer
22 to tell our Government -- we tell them what to wear, what to
23 do, where to live, and to some extent they give up to some
24 degree what they can say. And most importantly, they
25 obviously are willing to sacrifice their lives to defend our

1 Nation.

2 In return for these restrictions and expectations,
3 Congress has guaranteed these brave men and women the
4 ability to communicate with us. And I believe that this is
5 very important. In fact, Congress put in place a law, 10
6 U.S. Code 1034, that prohibits anyone from restricting a
7 member of the armed forces in communicating with a Member of
8 Congress. Do all of you agree that this law is important?
9 Yes or no.

10 General Odierno: Yes.

11 Admiral Greenert: Yes, ma'am.

12 General Welsh: Absolutely.

13 General Dunford: Yes, Senator.

14 Senator Ayotte: Thank you.

15 General Welsh, I want to ask you about comments that
16 have come to my attention that were reported to have been
17 made by Major General James Post, the Vice Commander of Air
18 Combat Command. And he is reported to make these comments
19 when addressing a group of airmen this month, and what he is
20 said to have made in comments to the airmen was anyone who
21 is passing information to Congress about A-10 capabilities
22 is committing treason. And as part of those comments, he
23 also said: if anyone accuses me of saying this, I will deny
24 it.

25 Let me just ask you this, General Welsh. Do you find

1 those comments to be acceptable in any way, to accuse our
2 men and women in uniform to say you are committing treason
3 if you communicate with Congress about the capabilities of
4 the A-10 or the capabilities of any other of our weapon
5 systems? Yes or no.

6 General Welsh: No, ma'am, not at all. And there is an
7 investigation currently ongoing into that incident. When I
8 read the newspaper article, I actually contacted the general
9 officer involved and his commander. The Department of
10 Defense IG is overseeing an investigation being run by SAF-
11 IG and will present the facts to the committee as soon as
12 that investigation is completed.

13 Senator Ayotte: Well, I hope that this is a very
14 thorough investigation because, obviously, I think this is
15 very serious to accuse people of treason for communicating
16 with Congress.

17 One thing I would like your commitment on that I think
18 is very important. Do you unconditionally denounce, if it
19 is found to be true? And by the way, Air Combat Command in
20 responding to press inquiries about this, has not denied
21 that the general made those comments. But do you denounce
22 those comments, and do you support the legal rights of
23 members of the Air Force to communicate lawfully with
24 Congress about the A-10 or any other issue? And do you
25 commit that the Air Force will take no punitive action

1 against airmen who are exercising their lawful right to
2 communicate with Congress?

3 General Welsh: Senator, I completely commit to the
4 lawfulness of communication with Congress. I support any
5 airman's right to discuss anything that you would like to
6 discuss with them and to give you their honest opinion.

7 In this particular case, with the investigation
8 ongoing, my job is to wait until the facts are known, make
9 recommendations to my secretary, and then we will report the
10 decisions that she makes as a result of that when it is
11 done.

12 Senator Ayotte: I appreciate that, General Welsh,
13 because it worries me about the climate and the tone that is
14 set if airmen/airwomen are told that they would be
15 committing treason for communicating with us. And I just
16 want to be clear because what I am hearing is that there is
17 actually an investigation going on in reverse to find out
18 who has communicated with Congress. And to me that seems
19 the opposite of what we would be trying to accomplish in
20 looking at what General Post said and whether it was lawful
21 or not. So I hope that there will be no punishment or any
22 kind of pursuit of people trying to communicate with
23 Congress. Will you commit to me with that?

24 General Welsh: Senator, I know of nothing along those
25 lines at all. I would be astonished by that. And certainly

1 I am not part of it. The secretary is not part of it, and I
2 would not condone it.

3 Senator Ayotte: Thank you.

4 Chairman McCain: Senator Shaheen, happy birthday.

5 Senator Shaheen: Thank you, Mr. Chairman. We will not
6 talk about which birthday it is.

7 [Laughter.]

8 Senator Shaheen: But it is certainly better than the
9 alternative. So I appreciate that.

10 Thank you very much for being here, gentlemen, and for
11 your service to the country.

12 Apropos Senator Ayotte's questions, one of the things I
13 would hope is that our men and women in the military would
14 let Members of Congress know about their concerns with
15 respect to sequestration because I do think it is helpful
16 for each of us to hear from people serving what they see
17 firsthand about the impacts of some of these policy
18 decisions. So I am hopeful that we will hear more of those
19 discussions.

20 Now, I have been pleased that Chairman McCain has
21 started the Armed Services Committee hearings this year with
22 a broader view of national security policy. And one of the
23 issues that has been brought up with respect to national
24 security policy is that one of the concerns is the fact that
25 we have not had an ongoing budget process that people can

1 count on, that we have a debt that in the future is a
2 concern, and that it would be important for us to address
3 that. I certainly put sequestration in that category that
4 it is important for us to address this and to do it in a way
5 that provides certainty that deals with the shortfalls that
6 our military is facing and that it is important for us to do
7 that with respect to all of the agencies of the Federal
8 Government that deal with national security. I wonder,
9 gentlemen, if you would agree that that is an important goal
10 that we should be working towards in Congress. General
11 Odierno?

12 General Odierno: Well, I think, you know, again the
13 strength of our country is based on many different factors.
14 It is important that we understand that as we go forward.
15 We certainly understand that.

16 What I would just say to that is that the important
17 part of our defense spending, the important role that plays
18 in ensuring our security should also be considered as we do
19 that. And I know you know that, Senator.

20 Senator Shaheen: Thank you. And does everyone agree
21 with that?

22 Admiral Greenert: Yes, ma'am.

23 General Welsh: Yes, ma'am.

24 General Dunford: Yes, Senator.

25 Senator Shaheen: So to be a little parochial this

1 morning, as I think most of you are aware, the Portsmouth
2 Naval Shipyard is a shipyard that is shared between New
3 Hampshire and Maine and is, I think, one of our very
4 important public shipyards. Admiral Greenert, I know you
5 know this. And I wonder if you could talk about the
6 importance and the impact of sequestration on our shipyards,
7 on our depots and the concern that that provides. We have
8 talked a lot about the impact on our active duty military,
9 but our civilian workforce is also affected.

10 Admiral Greenert: Thank you, Senator.

11 I would say the impact was very much underestimated and
12 that is part of your point.

13 So a few facts. We lost 75,000 man-days of planned
14 shipyard work that we had to defer because we had no
15 overtime. We could not hire, and then, of course, on top of
16 that we furloughed them. So how do they feel about the
17 importance of it?

18 But what did we lose in that? We lost -- you
19 understand this -- 1,700 submarine days. So that is like
20 taking five submarines and tying them up for a year. So, I
21 mean, that is the kind of impact.

22 So I worry about -- and as I said, it takes 5 years to
23 recover from that collectively.

24 We talked about the importance of the nuclear
25 deterrence. Well, these public shipyards underwrite all

1 that. That is our SSBN's. And because of Portsmouth, I can
2 do work in the other shipyards on the other SSBN's.
3 Portsmouth is a major, major part of a ship maintenance
4 enterprise that we must have, and I worry about it in
5 sequestration.

6 Senator Shaheen: Thank you very much.

7 Does anybody want to add to the impact on depots in the
8 country?

9 General Dunford: Senator, I can add from an aviation
10 perspective. When we did furlough folks, we lost a lot of
11 engineers and artisans. And right now, 50 percent of our
12 F-18's are out of reporting, and we are having a very
13 difficult time recovering from the loss of maintenance
14 throughput capacity as a result of those furloughs.

15 And also importantly, because it was mentioned in most
16 of our opening statements, when we talk about trust and we
17 talk about retaining high quality people, predictability is
18 very important to people. And I fear that some of those
19 folks that were furloughed will not come back because they
20 do have other opportunities.

21 Senator Shaheen: I certainly share that. And, Admiral
22 Greenert, I know you appreciate this with respect to the
23 shipyard. One of the things that I have heard from some of
24 our shipyard employees is that as we are looking at an aging
25 workforce and the need to hire new people and the shortage

1 of STEM-educated people, that engineers, mathematicians,
2 scientists -- they are all in very short supply. And if
3 they do not feel like there is certainty about Government
4 work, then they are going to look in the private sector, and
5 that creates a real issue for all of us.

6 Admiral Greenert: Senator, if I could add. We have
7 already reduced about 4,500 out of our depots, contractors,
8 civilian employees. What we found following the furlough,
9 as you just pointed out, is our doctors, our engineers, our
10 behavioral health specialists, all of these people, because
11 now they are worried about the uncertainty and there are
12 jobs available for them other places -- they are taking
13 those jobs at a higher rate than they have in the past.
14 That is the impact that this has. This capability that we
15 have developed and experience that we are developing we are
16 losing, and it is a big concern for us specifically in the
17 STEM area that you are talking about.

18 Senator Shaheen: Yes. Thank you all very much. My
19 time has expired.

20 Chairman McCain: Colonel Ernst?

21 Senator Ernst: Thank you, Mr. Chair.

22 Gentlemen, thank you all for being here today. I do
23 appreciate your continued service to the United States.

24 General Odierno, thank you for mentioning in your brief
25 the Reserve and National Guard forces and also to Senator

1 Donnelly for bringing that point up as well. We do feel the
2 impact. We are hurting. We are hurting too through
3 sequestration.

4 With respect to the DOD and sequestration, General, you
5 mentioned just this morning that we must appropriately care
6 for our soldiers. And our soldiers and their families are
7 bearing the burden of our decisions. We must train,
8 maintain, and sustain a force and our equipment. But with
9 sequestration in place, we also recognize that we have to
10 utilize taxpayer dollars to the best of our ability.

11 So could you please give examples to the panel on where
12 we are holding our military leaders accountable and how they
13 are best utilizing taxpayer dollars in such a time as this?

14 General Odierno: So there are a couple of things that
15 we continue to do that I think are important. We are
16 reducing all our headquarters. And the reason we are doing
17 that, so we can get more capability to the soldiers that are
18 serving. So we made a decision in the Army to reduce all
19 our headquarters down to the two-star level by 25 percent to
20 free up dollars in order to train our soldiers which helps.
21 We have reorganized our brigade combat teams and eliminated
22 headquarters. So we are able to fund and train the best we
23 can.

24 We are trying to reorganize in our aviation capability.
25 So we are getting rid of aircraft that are no longer capable

1 of doing the things we need them to do.

2 We are transforming our training strategies. We have
3 just now developed a total force strategy and forces command
4 where we are training every -- all training we do is a
5 combination of active, Guard, and U.S. Army Reserve so we
6 can maintain that capacity. So we are trying to make it as
7 efficient as possible.

8 We are also looking at how we are making the most out
9 of our training dollars in live training, virtual training,
10 and constructive training.

11 So all of those things are the kind of things we are
12 doing.

13 We are also streamlining some of our sustainment
14 activity because we became too over-reliant on contractors,
15 especially during peak years in Iraq and Afghanistan. We
16 want to retrain our green suit capability because we have to
17 sustain that at very high levels. And that also will reduce
18 our dollars we are spending on contracts that allow us to do
19 this.

20 So these are just a sample of the kind of things we are
21 trying to do to put money back in that allow us to take care
22 of our soldiers. And the best way to take care of our
23 soldiers in my opinion is to make sure they are prepared and
24 trained to do their jobs.

25 Senator Ernst: Very good. Thank you, General.

1 As a follow-on to that -- and maybe all of you can just
2 very briefly respond -- just last week we had the State of
3 the Union. I had invited a friend of mine from Iowa State
4 -- we were cadets together -- to attend. He lives here in
5 Washington, D.C., at least temporarily. And he responded,
6 Joni, I would love to but I cannot. I am being fitted for
7 my new leg. Well, he is stationed at Fort Bragg but he
8 lives here right now at Walter Reed. A great friend of
9 mine. I was able to visit with him on Monday. So his last
10 tour to Afghanistan was a little more difficult than most,
11 and because of that, he has lost his left leg.

12 We have a lot of soldiers, a lot of members that are
13 going through difficulties and challenges. And I would like
14 to know, just briefly from each of you, the impact of
15 sequestration in regard to our medical care and follow-on
16 for soldiers and their families. Just very briefly,
17 gentlemen.

18 General Odierno: One of the issues that we are working
19 through that we have to watch very carefully is we have to
20 consolidate our medical capability and facilities. As we do
21 that, we have to make sure that every soldier and their
22 family member gets provided the same level of support no
23 matter where they are stationed, and that becomes a
24 challenge as you start to reduce. And so we have to be
25 careful to ensure that. We will still have the best,

1 highest level care.

2 The issue becomes the sustained care over time across
3 the country and overseas where our people are serving and
4 making sure that they get the right coverage for themselves
5 and their families. And there are some difficult decisions
6 that are going to have to be made. And I do worry that they
7 should be able to rely on is the best medical care for them
8 and their families as we move forward. So this is something
9 that we are going to have to watch very carefully as we move
10 forward.

11 Senator Ernst: Admiral?

12 Admiral Greenert: I think the General got the key
13 points there.

14 For us, it is about the resiliency programs and the
15 Wounded Warrior care and recovery programs. We have to fund
16 them and we have to make sure they do not get caught up in
17 some overall reduction. So we have to be very vigilant in
18 that. For us, it is a program called Safe Harbor. I watch
19 it myself to make sure that we do not inadvertently --
20 heaven help us we do it consciously, but inadvertently have
21 these kinds of things caught up and -- again the verb --
22 they get sequestered. So we got to watch that.

23 Senator Ernst: Thank you.

24 General Welsh: Senator, I think the thing for us is
25 what John highlighted there and that is identifying where

1 they could get caught up in this and then come to you and
2 ask for help because I know you will provide it. This
3 committee will provide it. This is one of those sacred
4 trust things that we owe our people.

5 Senator Ernst: Thank you.

6 General?

7 General Dunford: Senator, maybe I would just address
8 also the non-medical care aspect of it. We established a
9 Wounded Warrior regiment to take care of our wounded
10 warriors about 10 years ago, and we are very proud of the
11 way that we take care of marines. As General Welsh said, it
12 is about keeping faith. We have funded that to date through
13 OCO funding, and so one of the challenges now, as we move
14 forward and OCO goes away, we have got to move that into the
15 base and we have got to move it into the base at the very
16 same time we are dealing with sequestration. So that will
17 certainly remain a priority for us. It will be one of the
18 other things that competes with the resources that we are
19 going to have fewer of.

20 Senator Ernst: Right. Thank you very much, gentlemen.

21 Thank you, Mr. Chair.

22 Chairman McCain: Senator Kaine?

23 Senator Kaine: Thank you, Mr. Chairman.

24 And to the witnesses, thank you all. I did my back-of-
25 the-envelope math, and I think this is 156 years of service

1 to the United States that is sitting before us at the table
2 in military capacity. And we owe you thanks, but we ought
3 to also listen to you.

4 For the record, I would just note I voted with
5 enthusiasm for the nominations that were before us earlier.
6 But there were 42 nominations to lieutenant colonel and
7 colonel, and there was not one woman among the nominees.
8 Those nominated had superb qualifications, but that is a
9 fact of interest and I just wanted to bring it up that
10 people on the committee pay attention to that.

11 The sequester was voted in by Congress in August of
12 2011, and I think as some of your testimony indicates and as
13 we all know, when it was voted in, everyone wanted it not to
14 happen. The idea was that Congress would find a better path
15 forward. All agreed that a sequester path would have
16 exactly the kinds of consequences that you have testified to
17 this morning.

18 Since August of 2011, as you have also testified, the
19 world has not gotten simpler. We have seen the rise of
20 ISIL, an Ebola threat, increasing Russian bellicosity toward
21 neighboring nations, North Korea's cyber attacks, a
22 devastating Syrian civil war, a decline in the situation in
23 Libya and other nations in Africa, flexing of the muscles by
24 the Chinese, flexing of the muscles by the Iranians. The
25 challenges have gotten only more intense since August of

1 2011.

2 But while the challenges are getting more intense, we
3 are needlessly inflicting pain through budgetary mechanisms
4 on our military.

5 General Mattis testified yesterday -- and the chairman
6 indicated this in his opening statements. It is a pretty
7 powerful statement when you think about it. No foe in the
8 field can wreck such havoc on our security that mindless
9 sequestration is achieving. There are some powerful foes in
10 the field. General Mattis' testimony yesterday was that
11 none of them will have as much effect on American national
12 security as sequester. And that is why it is imperative
13 that we reverse it. We have to take steps to reverse it.

14 If you look at budgets, budgets tell you about
15 priorities. We can say all we want about how we value
16 military service and the defense mission, but at the end of
17 the day, our budgets tell us something about what we really
18 value. In 2015, 1.3 percent of Americans' GDP was spent on
19 interest payment. That number is rising. 3.2 percent of
20 the GDP was on defense. That number is dramatically
21 falling. 3.3 percent on non-defense discretionary. That
22 number is falling even more dramatically. 5.6 percent of
23 our GDP was spent on Federal health care. That is growing
24 dramatically. 4.9 percent on Social Security. That is
25 growing dramatically. But by far the largest item on the

1 expenditure side is tax expenditures, \$1.5 trillion year of
2 deductions, exemptions, loopholes, credits, et cetera, 8.1
3 percent of the GDP and rising. What our budget is telling
4 us is that we support tax expenditures much more than any of
5 these other areas and we need to find appropriate ways to
6 rebalance the budget in the sequester and invest what we
7 need to to combat the challenges that we have discussed.

8 General Dunford, I wanted to dig in with you a little
9 bit on some of the testimony you gave about the relationship
10 in the Marines between readiness and forward deployment. We
11 have demanded of you that you be more forward deployed. In
12 the aftermath, for example, of the horrible tragedy in
13 Benghazi, we have asked you to restructure to have
14 expeditionary units and rapid response teams closer to the
15 action. We have asked the same of other service branches.

16 But forward deployment has a cost. Talk a little bit
17 about what sequester does in terms of whether you have folks
18 forward deployed or whether you have to have them back home.
19 And if that is the case, what is the effect of that on our
20 ability to respond to crises?

21 General Dunford: Thank you, Senator, for that
22 question.

23 Our ability to be forward deployed is based on our
24 capacity. And as I mentioned earlier, today our units are
25 deploying for about 7 months; they are home for 14 months

1 and back for 7 months. If we get sequestered, we will
2 reduce capacity, and we will reduce capacity to the point
3 where we will be closer to a 1-to-1 deployment to dwell
4 rate, meaning that our marines will be deployed for 7 months
5 -- our marines and sailors -- back out for 7 months and
6 deployed for 7 months. So that is a pretty significant
7 cost. Again, we talked earlier about both the impact on
8 training. Very difficult to maintain core competencies with
9 that quick a turnaround. And we have experience doing that.
10 We were about that level about 4 or 5 years ago at the peak
11 of the requirements in Afghanistan and Iraq. So that is the
12 biggest impact on sequestration is that reduced capacity.
13 Now, that is the most significant one.

14 The other impact, though, is because of its
15 mindlessness -- and it cuts across all of the lines -- it
16 will also have an impact on home station training,
17 facilities that are available, amount of ammunition, amount
18 of fuel, amount of batteries, the things that you need to do
19 to properly train when you are back at home station.

20 All of that degrades two things, Senator. One is the
21 number of marines that are forward deployed. And as we
22 discussed before, in the wake of Benghazi, I think there is
23 an expectation that marines and sailors will be there and
24 respond within hours to a threat against our diplomatic
25 core, U.S. citizens, or interests abroad. The fewer marines

1 and sailors there are forward deployed, the longer the
2 timeline it is for us to be able to respond.

3 And with sequestration, I also have concerns over time
4 about the capabilities that those marines have both from the
5 equipping and training perspective and the human factors,
6 again because of that quick turnaround from a deployment-to-
7 dwell perspective.

8 Senator Kaine: Thank you, Mr. Chairman. My time has
9 expired.

10 Colonel Sullivan?

11 Senator Sullivan: Thank you, Mr. Chairman.

12 Gentlemen, thank you for your wonderful service to our
13 country.

14 I just wanted to echo what Senator Wicker mentioned in
15 terms of General Mattis' comments yesterday about the
16 strategic aspects from a national security perspective of
17 the national debt that we have racked up over the last
18 several years, \$18 trillion and increasing. So I think we
19 all see that we are struggling with the issues of
20 sequestration, with the issues of readiness, but with the
21 broader issues of how our fiscal situation in this country
22 actually impacts national security. So I appreciate the
23 testimony here.

24 I also appreciate the focus on what is happening, what
25 potentially could be happening with regard to training,

1 readiness, morale, particularly given the global security
2 threats that I know that we all recognize are out there.

3 Similar to Senator Shaheen, I also would like to focus
4 a little bit more, though, on local impacts. I think it is
5 important that the people that we represent also hear what
6 the potential for local impacts could be with regard to
7 sequestration.

8 I am sure all of you gentlemen would agree that Alaska
9 is one of the most strategic, most important military places
10 that we have in this country, whether it is missile defense,
11 world-class unrivaled training areas and ranges, a platform
12 for rapid deployment into the Asia-Pacific and to Eurasia.
13 You will be hearing me talk about that a little bit in some
14 of our hearings. I am sure my colleagues will as well.

15 But the large number of Army and Air Force bases and
16 personnel in Alaska I think is a testament to the important
17 geostrategic location and training. General Welsh, you
18 mentioned the importance of training. As you know, JPARC in
19 Alaska is probably the premier airspace for Air Force
20 training in the world, larger than several American States.

21 And, General Odierno, I know that you are heading up to
22 Alaska soon. Sir, we are looking forward to that. I wanted
23 to let you know there was an article today in the Alaska
24 Dispatch. It mentioned how the Army is looking to eliminate
25 120,000 positions, looking at potentially 30 installations

1 that could be impacted, including a couple combat brigades
2 possibly from Fort Rich or Fort Wainwright in Alaska.
3 Obviously, this is having big concerns in my State.

4 Is sequestration driving this focus in the Army to look
5 at 30 different installations, including brigades, in
6 Alaska? Is that something that is being driven directly by
7 sequestration?

8 General Odierno: It is being driven directly by
9 sequestration and the fact that we will have to reduce
10 significantly the amount of forces that we have in our
11 active component and National Guard and Reserve component.
12 And so throughout all of the United States and overseas, we
13 will have to take reductions. And every installation could
14 be affected as we make these decisions.

15 Senator Sullivan: So that exercise right now, as
16 described in the Alaska Dispatch, is a direct result of you
17 preparing for a sequestration?

18 General Odierno: Direct result, yes, sir.

19 Senator Sullivan: General Welsh, I know that the F-35
20 is a top program with regard to the Air Force. Alaska, as
21 you know, is a front-runner for a future F-35 basing,
22 something that we are quite excited about. I think it would
23 be great not only for Alaska but for the country, given our
24 location. I look forward to having future discussions with
25 you on how to cement that decision. But I actually wanted

1 to ask you about the impact of sequestration on that
2 program, if there is any, if the future basing could be
3 delayed or undermined with regard to the F-35's. Is that
4 something that could also be impacted by sequestration?

5 General Welsh: Senator, if sequestration occurred
6 again in 2016, it might be necessary to defer some of the
7 aircraft buy in fiscal year 2016 out of 2016, and the
8 details of that will be in our budget rollout. We will be
9 able to discuss those in detail with you and your staff
10 beginning next week. But that is a possibility. We have
11 defended this program, as you know, from the beginning as a
12 priority program for us, and so we hope that does not become
13 reality. That would not, by the way, put the initial
14 operational capability date at risk in my view.

15 And clearly, your emphasis on the strategic benefits of
16 the State of Alaska and the training capability at JPARC are
17 pretty well supported by the decisions we are trying to make
18 with F-22 bed-down already made, tanker bed-down already
19 made, and now consideration of Eielson as the leading
20 candidate for our Pacific bed-down. So I would agree with
21 everything you said about the location and the strategic
22 value.

23 Senator Sullivan: Yes, sir. Thank you. And again, I
24 look forward to having that discussion in more depth with
25 you and other members of your staff.

1 General Dunford, you mentioned -- actually several of
2 you mentioned -- your experience with, when you initially
3 joined the service, kind of the hollow Army or the hollow
4 Marine Corps. Could you provide a little bit more details,
5 any of you or all of you, quickly on specifics of kind of
6 then and now, when you joined the service, saw the initial
7 kind of hollow military versus the high level of training
8 that we have had with regard to our troops and readiness?

9 General Dunford: Senator, I would start by talking
10 about the quality of people in the aggregate. There is
11 absolutely no comparison between the quality of the men and
12 women that we have in uniform today and the quality that we
13 had in the wake of Vietnam during the late 1970's. We
14 certainly had some very, very good people, but the
15 comparison I would make today in the quality of people would
16 be very significant.

17 But really what was going on in the 1970's is we did
18 not have sufficient money to train, and so the training was
19 not effective. Our capabilities were not growing. We did
20 not have a significant amount of money to take care of our
21 infrastructure and our barracks. And frankly, I can
22 remember days of asbestos carpeting, lead pipes, raw sewage
23 in the barracks, and conditions of habitability that frankly
24 we were embarrassed about in the 1970's.

25 But I think the one thing that is different today and

1 the 1970's is the spirit, the will, and the discipline of
2 the force in addition to being very well equipped. Of
3 course, much of the equipment we had was old. But the most
4 important thing of the intangible quality of the force today
5 -- and again, we have all spoken about trust. We have all
6 spoken about the ability to predict the support that you are
7 going to have when you go into harm's way. And all of those
8 things have given us that spirit, will, and discipline. And
9 that is the thing I would be most concerned about losing is
10 the quality of the force and those characteristics that we
11 see in our soldiers, sailors, airmen, and marines today.

12 Chairman McCain: Senator Manchin?

13 Senator Manchin: Thank you, Mr. Chairman.

14 And thank you all for your outstanding service to our
15 country, and we appreciate it very much.

16 I do not know a person in West Virginia that would not
17 sacrifice for our military. Not one that would not do
18 without, that would not give up something that they are
19 getting now or a benefit for our military. I do not know of
20 one. But they do ask the question, can we do it better?
21 Can we make it more efficient?

22 And I just remember the omnibus bill we just passed.
23 There was \$5 billion of new equipment in there for the
24 Department of Defense that I understand nobody asked for.
25 So I am sure if it was built in my State or some other

1 State, we are wanting you all to buy and pushing it on.
2 There has got to be a more effective, efficient way of
3 procurement. We have got to have enough resilience.

4 I know the chairman has fought on this forever. I have
5 heard him when I was Governor of the State and when I was in
6 the legislature. There has got to be a better way. And
7 when Eisenhower said beware of the industrial military
8 complex, man, he knew what he was talking about. Even back
9 to George Washington knew that there could be a problem.

10 We have got to break that so that we can go back to the
11 people who are willing to sacrifice, whether it is in my
12 State of West Virginia, Arizona, or wherever it may be. And
13 they said, fine, what is everybody else doing? I will
14 sacrifice but are we doing it better? We do not have an
15 audit. So without an audit, I have never been able to run a
16 business without an audit knowing where my problems were.
17 And we have a hard time getting an audit out of the
18 Department of Defense so that we know where the waste or
19 efficiencies or things of that sort.

20 We force stuff upon you all that you all do not want.
21 And I know you cannot speak and it makes it politically very
22 challenging. But we have got to be there for you. And if
23 we are going to have the best readiness and prepared and
24 support the greatest Defense Department the world has ever
25 seen, we have got to make sure we are doing it in the most

1 efficient fashion.

2 So I look at that. And I have a whole different
3 approach to this 2 years of military service. I was a
4 product of ROTC, a mandatory ROTC, in WVU, and I enjoyed it.
5 I would never have had that chance if I did not, with the
6 draft process and all, everything that went with that. I
7 still believe in 2 years of public service for every young
8 person. And really, we could tie it to this 2 years of
9 college of the President and say you earn 2 years of college
10 if you give 2 years of public service. It does not have to
11 be the military. You all could pick and choose the best if
12 they wanted to go there. And we still have that option. I
13 think it has more value and buy-in to our country if they do
14 that.

15 I just want to know -- and I have the most frustration
16 with the procurement of this process of ours -- why it takes
17 so long to get an idea for new technology to market. Why is
18 it so long for us to get that and the cost that goes in
19 that. F-35. I know our chairman has been on this for as
20 many years as I can remember. There is no quid pro quo.
21 There is no incentive or reward or penalty, it seems like.
22 We do not run the private sector the way we are running the
23 procurement in the military that I know of.

24 So it is kind of an open end, and I would like
25 anybody's comment that would want to chime in. We can start

1 with General Odierno and go down if any of you want to chime
2 in on this. But give us some direction that we can help you
3 and how an audit would work to reveal the inefficiencies so
4 the transparency that we need up here to give you all the
5 support you need. General?

6 General Odierno: Senator, thank you.

7 First, we are working very hard towards auditability.
8 We are starting to put the systems in place that are
9 enabling us to better see ourselves and where we are
10 spending money, where we are wasting money, and where we are
11 underfunding money. And we are getting there. And I think
12 the requirement is by 2017, but we are working very fast to
13 get there. And we are starting to see some of that come to
14 fruition. So I want you to know we are taking that very
15 seriously and we are making some progress. We are not where
16 we need to be yet, but we are making progress and we should
17 be prepared by 2017 to meet that goal.

18 A couple things I would just comment on what you said.
19 Yes, we are still having to procure systems we do not need.
20 Excess tanks is an example in the Army. Hundreds of
21 millions of dollars spent on tanks that we simply do not
22 have the structure for anymore. There are reasons for that,
23 I can understand. But there are things that go on. When we
24 are talking about tight budgets, a couple hundred million
25 dollars is a lot of money, and we got to understand how we

1 do it.

2 The other thing is I know there are lots of people that
3 have looked at procurement reform, and the one thing that
4 has been frustrating to me as the Chief of Staff of the Army
5 is how little authority and responsibility that I have in
6 the procurement process. I have a say in requirements to
7 some extent, but I have very little say. Now, what I have
8 to do is use my influence, use my influence as a four-star
9 general and the Chief of Staff of the Army, to try to
10 influence the process. But frankly I have no authority
11 inside of that process outside of requirements. And so I
12 think when you are in this position, you have been in
13 serving for decades, you fought wars, you have some
14 experience in what is needed and how we develop and procure
15 items. And I would like to see us in the uniform get a bit
16 more involved. And I would ask as we review this, that we
17 would all take a look at that, sir.

18 Admiral Greenert: We too are working on auditability.
19 This year we are going under what is called the schedule of
20 budgetary activity. That means the financial transactions.
21 We should complete that by December. That takes us to the
22 next step, which is to look at the four classic areas of
23 auditability. So I tell you the Navy is on track. We will
24 continue to keep the committee and yourself informed.

25 When I look at the procurement process -- Ray has it

1 about right -- we need to clarify the chain of command.
2 There are too many people involved in the process. If I say
3 I need a thing and it starts moving towards somebody
4 building it and there are a whole lot of people telling us,
5 no, this is what you really need. And I am talking about in
6 the Pentagon, just to get it out of the building. That is
7 one.

8 Two, we need to be able to compromise once we tell
9 somebody to go build us something. If I say it has to be
10 this fast, do this greatness, and I am reaching hard, it can
11 be quite expensive, and the technology just may not be
12 there. We may need to de-scope this. It is too expensive.
13 It will not deliver on time. Cost and schedule need to
14 become a much bigger factor in this process than it is
15 today. I think it ought to be a key performance parameter.
16 That is big speak in the Pentagon. It means if you breach
17 this, you got to go back and stop, take a pause, and look at
18 this again.

19 Senator Manchin: If I could just finish. My time is
20 up.

21 But I would love to speak to you all, if I can, because
22 I am really interested in the procurement and changing the
23 procurement, how we do it. I am more interested in finding
24 how many ideas come from you all, what you just described as
25 what you need, versus what some on the outside think you

1 need. Those are the things I would like for you to think
2 about, and I will come and visit with you all if I may.

3 Thank you very much. I am sorry, Mr. Chairman.

4 Chairman McCain: I thank you, Senator Manchin. And
5 that is our second top priority item I think for this
6 committee in the coming session.

7 Senator Tillis?

8 Senator Tillis: Thank you, Mr. Chairman.

9 Gentlemen, thank you for being here, your leadership,
10 and your service to our Nation.

11 I apologize for being out. I have got a competing
12 committee meeting over in Judiciary with the appointment of
13 the nominee.

14 But my question to you -- I came from the North
15 Carolina legislature and we had a budget crisis back in
16 2011. We had to cut. What I heard from the heads of the
17 various administration members were that they could absorb
18 some of these cuts if the legislature were willing to
19 provide them with the flexibility to determine where they do
20 it and potentially even changing some of the processes, I
21 think alluding to what maybe the Admiral said on procurement
22 processes.

23 Has there been much of a comprehensive focus on if you
24 could make changes to the way you procure, deploy, and
25 prioritize spending and provide that feedback to the

1 Congress? That is one.

2 Another question is with respect to sequestration -- I
3 do not know that much about it, although I do know that I
4 would vote to repeal it -- can you describe what kinds of
5 constraints prevent you from being able to absorb the
6 suggested cuts with sequestration that may make it easier if
7 it were to stay in place and go down the line?

8 General Odierno: Senator, the one thing I would say is
9 I think sequestration level of budget is simply not enough
10 budget for us to meet the demands that are on the force. I
11 want to be very clear about that up front. I just think it
12 does not allow us to meet what is our defense strategy and
13 the Defense Strategic Guidance that we are operating under
14 now.

15 That said, we are inefficient. Just sequestration
16 itself is inefficient because it is in some cases salami
17 slice cuts that limit how you manage. And what it has done
18 is it has stretched programs longer than they need to be.
19 So the cost per item is more. It is causing us to reduce
20 training and some of our other modernization activities much
21 broader than we need to. It is causing us to cut end
22 strength too quickly. So all of those add to an inefficient
23 use of the resources that we are provided. So we can make
24 some adjustments around, that would help if we were able to
25 change some of the mechanisms associated with sequestration.

1 That said, I just believe the level of funding under
2 sequestration is simply not enough for us to do the things
3 that we need to do.

4 Senator Tillis: General, does that suggest that -- if
5 I were to have that discussion with someone in business, the
6 question that I would ask is how productive and how
7 efficient do you think your organization is. So are you
8 suggesting that now that the cuts suggested by sequestration
9 are beyond your capacity to drive additional efficiencies
10 and productivity out of the organization?

11 General Odierno: No. I would not, no. There is
12 always room in the Army for a continued efficiency. And we
13 have taken several steps to try to improve our efficiency,
14 whether it be in how we let contracts, whether it be how we
15 size our headquarters, whether it be how we manage some of
16 our programs. We always have to be doing that and adjusting
17 and adapting how we do things and be more efficient in our
18 ability to train. We are always looking at those items. So
19 there is always room for that.

20 But I think we have to understand the levels we are
21 talking about really hinders us, I believe, in a very
22 difficult security environment to meet the needs of the
23 Nation.

24 Thank you.

25 Senator Tillis: Admiral?

1 Admiral Greenert: I echo what General Odierno said.
2 The absolute value of money that it takes to do the strategy
3 and what the country needs the military to do today -- it
4 does not balance. And so what I am saying in my testimony
5 was you have to change what you are asking us to do. Well,
6 the world is getting a pretty big vote on this. So there is
7 a mismatch and imbalance in that.

8 As General Odierno said -- I will give you just a quick
9 anecdote. In the President's budget 2015, which we brought
10 up here, there was a \$90 billion change -- or difference in
11 what we say we needed and what we had. \$20 billion of that
12 we made up through overhead reduction, efficiency, buying
13 more efficiently, if you will. We call it better buying
14 power. So, sir, we are doing our best to be as efficient as
15 possible. I would say that takes time for these things to
16 come to roost -- the efficiencies. The kind of reductions
17 we are talking about are today. So there is a mismatch in
18 that as well.

19 Senator Tillis: Thank you.

20 General Welsh?

21 General Welsh: Senator, sequestration is a blunt force
22 instrument. It was intended to be, as was referenced
23 earlier in the hearing, so that we would not keep it in the
24 law. The problem with it is there is nothing about that
25 instrument that you would use in the business world. You

1 would never expect to create great savings the first year
2 you decided to restructure your entire business.

3 Senator Tillis: And just for the record, that is why I
4 agree. I think just strategically it is a poor approach
5 towards addressing or driving out efficiencies. So I agree
6 with that, General Welsh.

7 General Welsh: Yes, sir. And when it comes to
8 efficiency, we in the Air Force have not used our auditor
9 general well. We have never done implementation audits for
10 new programs, new ideas, new organizations. We have started
11 that over the last 18 months. We found that if you get off
12 to a good start in these changes, you have a much better
13 chance of success. That same logic applies to acquisition
14 programs. If you start procurement with a bad milestone
15 chart, a bad funding plan, or a bad acquisition strategy, we
16 will end up in here explaining to you why the program is
17 failing. We have got to do a better job of starting the
18 right way, and that involves a number of people supporting
19 us and changing policy law and us paying more attention to
20 it.

21 Senator Tillis: Thank you.

22 General Dunford?

23 General Dunford: Senator, I would associate myself
24 with the comments of the other chiefs.

25 You asked about what about the methodology makes it

1 very difficult. In 2013, our manpower account was exempt
2 from sequestration. We spent somewhere -- almost 70 percent
3 of our budget is towards people. And so the full weight of
4 sequestration then fell within 30 percent of our budget. So
5 if we went back to sequestration in 2016, it would be a
6 similar impact where the full weight of sequestration comes
7 against 30 percent of the budget. So not only do you have
8 no flexibility in its application, but it is a very narrow
9 part of my budget where the full weight of sequestration
10 would fall.

11 Senator Tillis: Thank you, General. That really gets
12 to the point about the constraints.

13 Thank you, Mr. Chair.

14 Chairman McCain: Senator King?

15 Senator King: Thank you, Senator.

16 I just returned from the Budget Committee. I apologize
17 for missing some of the discussion, and I may touch upon
18 some of the points.

19 Chairman McCain: Not accepted.

20 Senator King: Thank you. Always a pleasure to work
21 with you, Mr. Chairman.

22 [Laughter.]

23 Senator King: I want to emphasize a point that I
24 understand Senator Kaine made and that is, number one,
25 sequestration was designed to be stupid. Did you know that?

1 It was expressly designed to be so stupid and unacceptable
2 that Congress would never allow it to go into place. I
3 remember campaigning in 2012. People said, well, what do
4 you think of the sequester? I said it will never happen.
5 Congress will not let that happen. But here we are.

6 One of the reasons that it does not make much sense is
7 that we are focusing all our budgetary attention on the
8 declining part of the budget. The growth in the budget
9 right now is in mandatory programs and particularly in
10 health care costs, Medicare, Medicaid, the children's health
11 program. That is what is driving the Federal deficit. It
12 is not defense. It is not national parks. It is not the
13 Head Start program. The sequester is like invading Brazil
14 after Pearl Harbor. It is a vigorous reaction, but it is
15 the wrong target because this is not where the problem is.

16 And we are headed for a moment, by the way, Mr.
17 Chairman, where discretionary spending, including defense,
18 is at the lowest level ever -- ever. And we really should
19 not even be having this discussion because it is a pointless
20 exercise in terms of trying to deal with the budget. We
21 need to be talking about a much larger question,
22 particularly the extraordinary cost of health care in this
23 country as a percentage of GDP and per capita.

24 So I know you have had all the testimony and I heard it
25 at the beginning about how devastating it will be. We

1 really have to start talking about how to deal with it. I
2 hope, Mr. Chairman, that this committee, which sees the
3 impact of sequester more than any other committee in the
4 Congress because more than half of it falls within our
5 jurisdiction, can lead the way in trying to find some kind
6 of solution that will make sense.

7 So I do not really have any specific questions except
8 to underline what I heard all you gentlemen say in your
9 opening statements, that this will really be devastating.

10 Americans' lives are being put at risk by this policy.
11 Would you agree with that, General Odierno?

12 General Odierno: Yes, sir.

13 Senator King: Admiral?

14 Admiral Greenert: Yes, sir, I do agree.

15 General Welsh: Yes, sir.

16 General Dunford: Yes, Senator.

17 Senator King: That should be the headline, that
18 Americans' lives are being put at risk. And we go to such
19 extraordinary lengths to protect the lives of our people,
20 and yet by compromising readiness, by compromising morale,
21 by compromising modernization, by compromising training,
22 that is the inevitable result. And you guys are having to
23 go through these extraordinary gyrations to try to deal with
24 the uncertain budget situation, and the danger is risk to
25 American lives, both our people in uniform and our

1 civilians. So I certainly want to thank you for your
2 testimony.

3 Also, I would like to ask one other question. I would
4 assume that the uncertainty of this whole situation is
5 almost as bad as the dollars. Is that correct, General?

6 General Odierno: It is. There is a lot of angst in
7 the force about what is in the future, what is going to
8 happen. They are focused on what they are doing today, but
9 they do worry a bit about what it means to them for the
10 future, our soldiers and their families. And so it is
11 creating some angst in the force, and that is concerning to
12 me. And for the Army especially, because we are reducing so
13 much force structure and might be required to reduce so much
14 more force structure, it is creating great angst in the
15 force itself.

16 Senator King: One final question for you, Admiral.
17 Talk about the risk to the industrial base. My concern is
18 that you cannot turn on and off the industrial base. When
19 welders leave to go somewhere else, you cannot just pick
20 them back up the next year. And is that not a deep concern
21 to the Navy?

22 Admiral Greenert: It is, Senator. We are at the point
23 -- in our shipbuilding plan, we are about, if you will,
24 minimum sustaining. The good news is we are buying
25 efficiently. But that all comes unraveled if you start

1 dropping out ships here or there. In aircraft and weapons,
2 we are at minimum sustaining.

3 So what happens is people think, well, the big primes
4 are going to go under, and they say that will not happen.
5 That is not the concern. It is what you said. It is kind
6 of the mom and pop, the smaller or mid-business people that
7 make very specific and refined equipment. Over half of our
8 nuclear industrial base is sole source. So we really,
9 really need them. And so this lack of planning, the
10 inability -- it cannot keep them open. You cannot buy an
11 economic order quantity. And it is a deep concern. And as
12 you said, we cannot bring it back fast.

13 Senator King: Well, and the irony is that when you
14 have to delay a multiyear procurement, for example, you end
15 up paying more in the end. So the taxpayers lose both ways.

16 Admiral Greenert: They absolutely do. It is like some
17 say eating at 7-11 every night. It is not sustainable and
18 it is more expensive.

19 Senator King: I have 7-11's in Maine so I am not going
20 to comment on that.

21 [Laughter.]

22 Senator King: Thank you, Mr. Chairman.

23 Chairman McCain: Senator King, I want to thank you for
24 the work that you are doing, along with a number of efforts,
25 to try to address this issue, and I thank you very much.

1 Senator Cotton?

2 Senator Cotton: Thank you very much, Chairman McCain.

3 Thank you, gentlemen, for your distinguished service to
4 our country.

5 I want to look back on a few of the statements you made
6 at the last hearing we had, General Odierno, starting with
7 you. You had said that if sequestration level reductions
8 continue in fiscal year 2014, 85 percent of our BCT's would
9 not meet readiness levels appropriate for contingency
10 requirements. Are we in a situation now where 85 percent of
11 our BCT's are not in fact ready?

12 General Odierno: We got down to actually 90 percent at
13 one time in 2013. Because of the BBA, we built that up back
14 in 2014 and 2015 to 33 percent. But if sequestration begins
15 in 2016, we will be headed right back down to those numbers
16 again.

17 Senator Cotton: How are you managing that lack of
18 readiness?

19 General Odierno: Sir, what we have had to do is we
20 have had to develop a force. So we are saying, okay, we are
21 going to take this amount of the Army and we are going to
22 give you the money and train you to the highest level, which
23 means the rest of the Army is training at a significantly
24 lower level, which really concerns me because what I worry
25 about is I have got to have some level of the force capable

1 of deploying to an unknown or no-known contingency. But
2 what that does is it means we are not funding the rest of
3 the force. It affects morale. It affects capabilities and
4 it takes longer to recover from it.

5 Senator Cotton: So in a concrete sense, does that mean
6 certain BCT's are only doing individual tasks or platoon and
7 company level collective training?

8 General Odierno: Individual squad and some platoon and
9 that is it.

10 Senator Cotton: You had said that only 20 percent of
11 the operating force would have sufficient funds for
12 collective training. Is that the case?

13 General Odierno: That was the case. And again, when
14 we got the additional money in 2014 and 2015 above
15 sequestration, we were able to increase that to about 35
16 percent of the force. But if it kicks again in 2016, then
17 we will go right back down again.

18 Senator Cotton: Where do we stand on schools now,
19 basic professional schools like Warrior Leader, BNOC, ANOC?

20 General Odierno: Right now they are funded fully. If
21 sequestration kicks in, we will start to see a reduction in
22 our special training schools. So ANOC, BNOC -- we will try
23 to fund those. Where we are going to have to limit is
24 Ranger, Airborne, Pathfinder. About 85,000 spaces will be
25 unfunded in our specialty schools which are critical to

1 providing the high-level competence that we need.

2 Senator Cotton: What kind of percentage decrease would
3 that be for the specialty training schools like Ranger,
4 Airborne, and Pathfinder?

5 General Odierno: Well, it will be somewhere around the
6 50 to 60 percent level.

7 Senator Cotton: Have you seen that affecting
8 retention?

9 General Odierno: Well, we have not done it yet. We
10 would have to do that if we go back into sequestration.

11 Senator Cotton: Do you foresee it affecting retention?

12 General Odierno: Yes, I think it will affect
13 retention. All of this affects retention. The most
14 important thing we do is to make sure they are absolutely
15 trained to do their mission. When we start backing off on
16 the ability to train, it will affect the retention.

17 Senator Cotton: You had projected the need to go from
18 just over 533,000 troops to 420,000. Is that still your
19 assessment?

20 General Odierno: That is in fact the case, Senator.

21 Senator Cotton: At what levels are we going to see the
22 most declines in personnel? Soldier or junior or senior
23 NCO, company grade, field grade officer?

24 General Odierno: It is all. So we manage officers by
25 year group. We are already going through boards now. Even

1 just to get to 490,000, we are involuntarily separating
2 officers at the captain, major, lieutenant colonel, and
3 colonel level. We are also reducing the amount of NCO's.
4 We are reducing the amount of soldiers we are bringing in.
5 And we actually over the last couple years have reduced the
6 ability for people to reenlist. That will increase if we
7 have to go to sequestration.

8 Senator Cotton: At those levels, those are the
9 soldiers who tend to have the multiple combat deployments
10 underneath their belts?

11 General Odierno: That is correct. That is absolutely
12 correct.

13 Senator Cotton: So you are losing their combat
14 experience and replacing it with new privates and
15 lieutenants who do not have it.

16 General Odierno: Yes, sir.

17 Senator Cotton: General Dunford, if I could switch to
18 you for a moment. Your predecessor had projected that you
19 would have to decrease your end strength of about 187,000 to
20 174,000. Is that projection still accurate?

21 General Dunford: Senator, that is correct with
22 sequestration.

23 Senator Cotton: With sequestration.

24 Could you explain to a layman why what might seem like
25 a relatively small reduction of about 13,000 could be so

1 hurtful to the Corps?

2 General Dunford: I can, Senator. Thanks for that
3 question.

4 The biggest impact would be -- that reduced capacity
5 would have an impact on the deployment-to-dwell ratio of our
6 marines. So today we consider the optimal force -- and we
7 did a study on this in 2011 -- would be 186,800 marines.
8 That would allow marines to be gone for 7 months, home for
9 21 months, and gone for 7 months again. And we call that a
10 1-to-3 deployment-to-dwell. When we came down to 182,000,
11 that puts us at a 1-to-2 deployment-to-dwell. So we are
12 deploying 7 months, home for 14 months, back out for 7
13 months. If we go down to 174,000 and really with a marine
14 security guard plus-up, that would be about 175,000. It
15 would be the only change I would make from my predecessor's
16 comment. If we go down to that level, many of our units
17 will be closer to 1-to-1 than 1-to-2. So marines would be
18 home for about 8 or 9 months between 7-month deployments
19 with an impact on the quality of training that we are able
20 to provide, as well as impact on families.

21 Senator Cotton: Admiral, you had testified that if
22 sequestration remained in place, you would only be able to
23 sustain about 255 ships, which is approximately 50 less than
24 today. Is that still the case?

25 Admiral Greenert: It is not, Senator. That was about

1 15 months ago when I gave that testimony. That was a
2 scenario based on our using force structure retirement to
3 garner savings and mandates from Congress, and we have kind
4 of taken that off the table. So I would look in other
5 avenues, probably other modernization. And it concerns me
6 about -- when I talk to capability and the future, that is
7 more likely where we would go for that kind of savings.

8 Senator Cotton: My time has expired. Thank you all.

9 Chairman McCain: Senator McCaskill?

10 Senator McCaskill: Thank you, Mr. Chairman. As you
11 might be able to tell, I do not have much a voice today,
12 which is a fact that is being celebrated many places around
13 here. I will not spend a lot of time questioning because I
14 have questions for the record that I would like.

15 I know that Senator Manchin touched on the acquisition
16 process. I would certainly recommend to the members of this
17 committee and to the leaders in our military the report that
18 was issued by the Permanent Subcommittee on Investigations
19 under the leadership of Senator McCain and Levin where they
20 took information from a variety of important experts about
21 our acquisition process and particularly the challenges that
22 the bifurcation represents between the civilian and the
23 military and how awkward that has been and how freaking
24 expensive it has been in the long run. That is a technical
25 term, "freaking." I figure I can say that since I cannot

1 talk.

2 [Laughter.]

3 Senator McCaskill: I will just use this time to
4 briefly ask one question. And one of the things I have
5 discovered as I have done an enormous amount of work in the
6 area of acquisition -- and by the way, getting rid of
7 sequestration I think is maybe the most imperative
8 bipartisan challenge we have in the Senate. And it is a
9 bipartisan challenge, and we are going to have a lot of
10 them. And how we on this committee step up in a bipartisan
11 way to try to address it I think will be very meaningful.

12 But one of the problems in the military is that it is
13 based on leadership and your ability to be promoted, and
14 what positions you have are relevant to whether or not you
15 are promoted. And it is kind of the short stick to get to
16 be a systems manager. And so what happens -- these program
17 managers -- they do not want to hang out in those jobs
18 because they get all the heat when things go wrong. They
19 are not seen as bright and rising starts within the
20 military. It is not the career path that is the most
21 desirable whether you are back in the days when we could not
22 get the companies to even give anybody with authority that
23 clipboard to check on contracting, the corps'
24 representatives. I mean, when I started doing this, it was
25 the lamest member of the company that was handed that

1 clipboard to do the contracting checks.

2 So I would love, not now but in writing later, how you
3 all believe you can elevate these positions so they are seen
4 as part of a trajectory of success within the military
5 because until we get quality leaders running these
6 acquisition systems, these programs, we are going to
7 continue to struggle with costs that we just frankly cannot
8 afford in this country anymore.

9 And I have only got 3 minutes left. So if any of you
10 want to take a stab at that, that would be great. And I
11 apologize for my voice.

12 General Odierno: Senator, we are very aware of the
13 issue you just brought up in terms of ensuring that in
14 certain parts of our service, they have the ability to move
15 up and get rewarded for the work that they are doing. And
16 we manage it very carefully. With our acquisition corps
17 specifically, we have management guidelines that we are
18 attempting to follow. For me, it is not only that, but it
19 is more about the mixture of experience between acquisition
20 and operational experience. And that would help also in
21 that area where we make sure we have that dual experience.
22 And we have moved away from that a little bit where we make
23 somebody an acquisition officer very early on. But that
24 said, we have put programs in place to ensure that their
25 promotion rates are at least equal. But with that said, I

1 believe we have to constantly review it, look at it, and
2 ensure that they are having the opportunities for promotion.
3 And I will respond in writing in more detail.

4 Admiral Greenert: Ma'am, in the Navy, we have a corps
5 called acquisition professionals. It is not literally a
6 corps. It is a subspecialty. And it is in statute how they
7 are promoted and what jobs they are required. But we need
8 to do some work in there.

9 Number one, the report of fitness is very similar to an
10 unrestricted line officer. So the attributes that they are
11 evaluated on do not match up with the reality of what they
12 do day in and day out. We need to revise that. That is in
13 progress. I am working with our acquisition professional.

14 Number two, we need to cross pollinate. People who may
15 not be acquisition professionals need to serve with them and
16 understand what do they do so that as we go back and forth
17 and describe what I need, what they need, their reality --
18 we need to understand that so we can do better.

19 Number three, the assignment process needs to be -- it
20 is like a conga line right now. We need to go in and find
21 out, to your point, who are these people who are performing
22 very well, get them in the right job, keep them there so
23 that they can develop the program and we are not just
24 shifting people through there.

25 And then lastly, encourage our program managers to come

1 forward. If the program is not doing well, we have got to
2 evaluate them and actually reward them for coming forward
3 and saying I got a problem here because what happens is they
4 fill in the data and they say check it out, doing well. I
5 got to get out of here before this thing goes bad. And then
6 the poor person that comes in and it explodes gets the heat.

7 General Welsh: Senator, I think this is a fascinating
8 area for study. I spent about 2 and a half years in the
9 acquisition business, and the thing I walked away with is my
10 primary lesson was I did not understand any of the rules
11 when I left any more than I did when I walked in. It is
12 complicated.

13 But what I did understand is the quality of the people
14 we have in the acquisition business in the Air Force. It is
15 a specialty for us. We get a lot of people actually wanting
16 to come to the Air Force as young acquisition and
17 contracting officers. The talent level is phenomenal.
18 Where we start to lose them is when they become disconnected
19 in their duties, when they get to the mid-career, with what
20 the rest of the Air Force is doing. They do not feel that
21 they are critically important to the big Air Force. They
22 feel they are critically important to their program. And
23 not having that connection is a big problem in my view. We
24 have a number of general officers who are acquisition
25 officers. We have some who are contracting officers. So

1 there is a path for them if we can make them want to stay
2 long enough to enjoy it. It is tough work. You have to be
3 very talented to do it well, and we have to make sure they
4 understand that they are critically important to the Air
5 Force. This is where that civilian-military connection I
6 think will make a big difference if we can get it right.
7 They have to feel like we are all in the same Air Force, not
8 that they are in a separate section just buying things for
9 us. That will not work over time.

10 General Dunford: Senator, I think we have a similar
11 construct to what Admiral Greenert talked about with the
12 Navy. And I understand the question you were asking. I do
13 not have anything to add that the other chiefs have not
14 already said, but we will take the time to respond
15 thoughtfully in writing.

16 Chairman McCain: Colonel Graham?

17 Senator Graham: Thank you, Captain.

18 NATO partners are reducing their spending regarding
19 defense in general. Is that fair to say?

20 General Odierno: Yes, Senator.

21 Senator Graham: How many NATO nations spend 2 percent
22 of their GDP on defense?

23 General Welsh: Senator, the answer is two or three I
24 believe. Estonia does.

25 Senator Graham: Two or three. So that is a dilemma

1 for us because as you look over the next coming years, the
2 capabilities of our NATO partners are diminishing, not
3 increasing. Is that fair to say?

4 General Odierno: On the ground side, yes.

5 Admiral Greenert: The UK is improving their navy but
6 the capacity is small.

7 Senator Graham: Same for the Air Force?

8 General Welsh: Yes, sir. The problem is a capacity
9 problem for our traditional allies.

10 Senator Graham: So what will be spending on defense at
11 the end of sequestration? What percentage of GDP will we
12 spend on defense?

13 Admiral Greenert: I believe it is about 3 percent,
14 Senator.

15 Senator Graham: I think it is 2.3. Can you do me a
16 favor and check among yourselves and send us, if you can
17 find agreement among the four of you, the number that the
18 military views that we will spend on defense relative to
19 GDP? And also add into that letter the average the Nation
20 has been spending on defense, let us say, since Vietnam. I
21 think that would be very instructive to the committee to
22 understand the true effects of sequestration. I believe it
23 is around 2.3 percent, and that is about half of what we
24 normally spend on defense since Vietnam. But I could stand
25 to be corrected. Just let us know.

1 [The information follows:]
2 [COMMITTEE INSERT]
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

1 Senator Graham: Have each of you talked to the
2 President about this problem with sequestration?

3 General Dunford: We have, Senator.

4 Senator Graham: All of you?

5 Admiral Greenert: Yes, sir.

6 Senator Graham: What does he say?

7 General Odierno: The conversations that we are having
8 -- I think as you see our submission of the 2016 budget, you
9 will see that in fact our budget is well above
10 sequestration, and that is a budget that we have worked with
11 the President. So I think you would see that he believes
12 that the Department of Defense cannot operate under a budget
13 with sequestration.

14 Senator Graham: Has he suggested a solution to replace
15 or repeal sequestration beyond the 2016 budget?

16 General Dunford: Not to us, Senator.

17 Senator Graham: Does he seem upset when you mention to
18 him the consequences of what the Congress has decided to do
19 with his signature?

20 General Odierno: I think the discussions that we have
21 had with the President -- he understands the challenges we
22 have. He understands the security environment. He
23 understands the pressure that is being put on all of our
24 services.

25 Senator Graham: But has he submitted a plan to you and

1 say I understand what you are telling me? This is
2 unacceptable. As commander in chief, here is how I intend
3 to fix it. Has he suggested such a plan to any of you?

4 Admiral Greenert: I am not aware of one directly, sir.

5 Senator Graham: And I do not mean just to beat on the
6 President. I think that applies to us too. We are the ones
7 that created this mess. The President signed the bill. So
8 it is not just fair for me to comment on the President. The
9 Congress is in the same boat. We do not have a plan. But
10 Senator McCain, to his credit, is challenging some of us on
11 the committee to find a plan. Mr. President, help us. We
12 cannot do this by ourselves. We are going to need the
13 commander in chief to weigh in and inform the American
14 people that the sequestration cuts are unacceptable not just
15 on the defense side.

16 Are you familiar with the foreign operations account
17 under -- the 150 account, our foreign aid account? Are you
18 all familiar with what we do, the State Department, other
19 agencies? Do you agree that that is a vital program in
20 terms of national defense all on its own?

21 General Dunford: It is.

22 Senator Graham: Have you looked at what happens under
23 sequestration to our ability to be engaged in Africa to deal
24 with malaria, with AIDS, and a variety of other health care
25 issues?

1 General Dunford: I have not, Senator.

2 Senator Graham: Have you, General Odierno?

3 General Odierno: We have through our commands,
4 understanding the cuts and what that could mean to
5 stability.

6 Senator Graham: Well, you need to take a look because
7 the military has been the strongest advocate for a robust
8 foreign assistance account. If you think sequestration is a
9 problem for you, you ought to look at what it does to our
10 State Department.

11 Having said all of that, do you all agree that once we
12 get sequestration fixed and right, whatever that turns out
13 to be, that we should reform our benefit, pay, and
14 compensation packages to make the military more sustainable?

15 General Odierno: Yes, Senator, because if we do not,
16 regardless of sequestration, we would have to take
17 significant cuts in our capacity.

18 Senator Graham: Do all of you agree with what the Army
19 just said?

20 Admiral Greenert: I agree.

21 Senator Graham: So would you urge the Congress to look
22 at this commission report seriously on the pay and benefit
23 reform?

24 General Odierno: Senator, I would urge them to look at
25 it seriously, but not having to get into the details of the

1 report itself, I am not sure of the merits of the report at
2 this point.

3 Senator Graham: Okay, nor am I. But I would just
4 suggest that we need to look at reforming pay and benefits,
5 be generous but sustainable.

6 As to the Marine Corps, what is your infrastructure
7 account looking like, General Dunford?

8 General Dunford: Senator, we are programmed for about
9 70 percent of the DOD recommended amount against our
10 infrastructure. Because of OCO over the last couple
11 years --

12 Senator Graham: What does that mean to the Marine
13 Corps?

14 General Dunford: What means is we had an unprecedented
15 \$8 billion military construction program over the last few
16 years. And what will happen over time is that we will not
17 be able to properly maintain it. That will mean there will
18 be mold in the barracks. That means that the barracks will
19 not be maintained at a rate where they are suitable. Now,
20 that means our ranges will not be properly sustained. Those
21 are some of the impacts.

22 Senator Graham: Do the other services have similar
23 concerns?

24 General Odierno: Absolutely. We have taken
25 significant risk, sir.

1 Senator Graham: Will that affect retention and family
2 quality of life?

3 General Odierno: It will affect family programs. It
4 will affect quality of life, and it will affect the ability
5 to train the way we need to train.

6 Senator Graham: Thank you all.

7 Chairman McCain: Senator Blumenthal?

8 Senator Blumenthal: Thanks, Mr. Chairman.

9 Mr. Chairman, I would apologize for being absent but I
10 know that my apology will be rejected so I will not even
11 endeavor because there is no committee hearing or meeting
12 more important than this one going on today.

13 Chairman McCain: You are forgiven.

14 [Laughter.]

15 Senator Blumenthal: Thank you.

16 But on a more serious note, I would like to thank the
17 chairman for his constant and relentless focus on this topic
18 and for raising it again at the very outset of this session
19 of the Congress so that we can put a lot of these issues in
20 context.

21 Many of my constituents who are digging out from a
22 major weather event in the Northeast might be forgiven for
23 comparing sequestration to the weather. There is an old
24 saying: everybody talks about the weather but nobody does
25 anything about it. And we have talked about sequestration a

1 lot on this side of the dais, but the Congress has yet to do
2 anything meaningful about it. And I thank the chairman for
3 putting it very much on the front burner as we begin
4 consideration of this budget.

5 I take it, Admiral Greenert, that in your testimony
6 there is no mention of a BRAC because there is no planning
7 for a BRAC and none is on the table at this point.

8 Admiral Greenert: Well, the Department has requested a
9 BRAC. In my testimony, I did not speak to it. I am always
10 open to a BRAC. It is a good process, but I am satisfied
11 with the Navy's infrastructure as it exists today -- base
12 infrastructure.

13 Senator Blumenthal: So there is no immediate need for
14 a BRAC in your view.

15 Admiral Greenert: In the Navy, I am satisfied with my
16 base lay-down there in that regard. But again, the process
17 makes the bases that I have that much more efficient. It is
18 not a bad process per se.

19 Senator Blumenthal: You spoke very cogently in your
20 testimony about the fragility of the maritime industrial
21 base, which I think is a major consideration that very often
22 the public does not understand as a consequence of
23 sequestration. And you note that the damage can be long-
24 lasting and hard to reverse. That is true of facilities and
25 manufacturing plants not only at places like Electric Boat

1 but also in the supply chain across the country and
2 particularly in the immediate vicinity, in Connecticut for
3 example, where parts and components and supplies are
4 necessary to, in effect, make the weapons systems and
5 platforms that make our military as powerful as it is. Is
6 that correct?

7 Admiral Greenert: Yes, sir, it is correct. In fact, I
8 would worry less about a company like Electric Boat, a
9 larger company. But as you said, the key is they have to go
10 to these sub-primes, if you will, particularly nuclear, and
11 we are sole-sourced in so much of our nuclear technology and
12 our plants. That is a huge asymmetric advantage of ours.
13 That goes at risk if these smaller businesses close. Where
14 do we go? Do we go overseas? I mean, this is really a
15 serious subject, sir.

16 Senator Blumenthal: Thank you.

17 There has been some discussion of the mental health
18 consequences of losing professionals as a result of the
19 sequestration process. As you may know, Senator McCain and
20 I have spearheaded a bill to provide better mental health
21 care to our veterans, the Clay Hunt bill, which I hope will
22 be voted on literally in the next day or so, next few days
23 if not today. General Odierno, I wonder if you could speak
24 to that issue because it is very, very concerning. The
25 suicide rate among veterans is 22 a day, and within the

1 active military, also extremely, deeply troubling. Perhaps
2 you could elaborate on that point.

3 General Odierno: Thank you, Senator. Unfortunately,
4 we have had to decrease actually our behavioral health
5 capabilities over the last couple of years, not something we
6 want to do. And this is during a time of concern where we
7 believe we should be increasing our behavioral health
8 capabilities in order to support our soldiers. This is a
9 long-term problem and it is not one that goes away because
10 we are out of Iraq or out of Afghanistan. It is one that
11 will sustain itself for a period of time, and it is our
12 requirement to do this. It is one thing that is very
13 important to us. And we are trying to be as efficient as we
14 can. We are trying to get it down to the lowest levels
15 possible. But I worry about that. We are trying tele-
16 behavioral health to improve it. But it is an issue that is
17 of great concern to us.

18 And frankly, when we had to furlough civilians, one of
19 the specialties that walked away from us was our behavioral
20 health specialists because there is such a need for them in
21 many other walks of life, that they decided because of the
22 uncertainty that they would go work somewhere else. And
23 that is very problematic for us as a service.

24 Senator Blumenthal: Let me ask generally. There has
25 been a lot of talk about retention, which is extraordinarily

1 important. What about recruitment, which is as important.
2 You want the best to be attracted. Has sequestration
3 affected recruitment?

4 General Odierno: We have been able to meet our goals
5 for recruiting, but it is starting to get more difficult.
6 And so we are a bit concerned as we look ahead to the next 2
7 or 3 years. We have high standards to be able to meet those
8 standards. But frankly, part of the problem as well is the
9 population that is eligible is decreasing because of the
10 other problems we are having in the youth of our society.
11 And so for us, it is becoming critical. And I think the
12 uncertainty of a military service and the constant
13 discussion of reducing the military budget is going to have
14 an effect, I think, on reenlistment potentially and
15 recruitment.

16 Senator Blumenthal: Is that true of the other services
17 as well?

18 Admiral Greenert: We are meeting goal, but one of the
19 measures is at what week of the month of the 4 weeks do you
20 finally meet goal. And we are starting to get into the
21 third week, which is very unusual for the last 4 years in
22 the high tech ratings.

23 Senator Blumenthal: Thank you.

24 General Welsh: Senator, I think for us the big draw to
25 the Air Force is word of mouth from those who have served or

1 testimony from those currently serving. Increasingly that
2 testimony is from social media, and people see it on blog
3 sites and other comments. Sequestration lit up the blog
4 sites with "this job sucks" kind of comments. That has died
5 off. It will come back and it will come back stronger than
6 it happened before. And those are the testimonials I am
7 worried about affecting recruiting. We have not seen an
8 impact yet.

9 General Dunford: Senator, it is an area -- we are
10 certainly not complacent about the need to recruit high
11 quality people. We have not yet seen an impact.

12 Senator Blumenthal: Thank you.

13 Thank you, Mr. Chair.

14 Chairman McCain: Thank you, Senator Blumenthal, for
15 your leadership on this issue that you just discussed with
16 the witnesses. And I am afraid it is only the beginning,
17 but I think it is a good beginning.

18 Senator Hirono?

19 Senator Hirono: Thank you, Mr. Chairman.

20 As we struggle with sequestration -- and yes, we all
21 agree that we should eliminate it, but as we, as I said,
22 struggle with how to do that, though -- generally when
23 confronted with a complex issue like this, you look at how
24 you can achieve more efficiencies, and you have talked about
25 that. And there is a whole range of other things that

1 should be on the table. And I think Senator King also
2 mentioned that we should be looking at the mandatory
3 spending side of things, which is a whole other ball of
4 problems.

5 Should we not also be looking at the revenue side of
6 things in order to look at how best can we have more
7 revenues so that we can have less of these kinds of huge
8 cuts all across the board, not just to the military but on
9 the domestic side? Do you have any thoughts about that, any
10 of you?

11 General Welsh: Senator, I am not sure what you are
12 referring to by the revenue side. If you are talking about
13 efficiency of operations internal to our budget, absolutely.

14 Senator Hirono: No. I am not talking about those kind
15 of efficiencies. Revenues such as we look at our tax
16 structure, for example.

17 General Welsh: Yes, ma'am. Well, I think that is
18 really the issue for the Congress. As we have heard
19 discussed already, where are the cuts coming from? Where do
20 they have most benefit to the Nation? We have the real
21 privilege and the much easier task of making recommendations
22 to you on budgets based on military risk. You have a much
23 broader problem and have to consider risk from many
24 different factors in society, and that is why you deserve
25 the big money, ma'am.

1 [Laughter.]

2 Senator Hirono: Anyone else want to chime in? Really,
3 we talk about a big picture. I do think that we need to
4 have an honest discussion, a frank discussion on the revenue
5 side of the picture.

6 General Odierno, I noticed in your testimony that you
7 mentioned the supplemental programmatic, environmental
8 assessment. And even as we speak, the Army is conducting
9 listening sessions in Hawaii. I think we can agree that the
10 men and women at Schofield Barracks and Fort Shafter have
11 made tremendous contributions to our national security, as
12 do our men and women who are serving in all other areas.

13 But I am also aware that the second Stryker brigade
14 combat team, the 25th infantry division from Schofield
15 Barracks, is preparing to leave for joint military exercises
16 in Thailand, South Korea, and the Philippines. Can you
17 speak to the importance of this kind of mil-to-mil program
18 and maintaining stability in the Asia-Pacific region,
19 especially as when the rest of the world, particularly in
20 the Middle East and Africa, are very unstable? At least if
21 we can provide a level of stability in the Asia-Pacific
22 area, I think that is worth pursuing. So would you give us
23 your opinion?

24 General Odierno: First, Senator, this program, under
25 the guise of what we call Pacific Pathways, is an incredibly

1 important program that we have done now. This is the third
2 year we have done it, but it is increasing each year. And
3 what this is is to build confidence in our allies, our
4 strong allies that we have, and developing capabilities that
5 allows us to sustain strong partnerships with many
6 militaries.

7 As was discussed here, you know, with us being reduced,
8 it is important that we are able to leverage our
9 multinational partner capability, and through these
10 exercises, we were able to gain more interoperability
11 capability working together, gaining confidence with each
12 other, getting used to working with each other. So it is
13 absolutely critical to our future strategy.

14 And having these forces forward in Hawaii is incredibly
15 important to us because that gets us about halfway there.
16 If we have to go from the continental United States, it
17 becomes much more difficult. So having those forces in
18 Hawaii becomes very important for us because of the ability
19 to do this in quicker fashion.

20 Senator Hirono: So is sequestration going to
21 negatively impact our ability to engage in these mil-to-mil
22 programs?

23 General Odierno: It will. It will reduce the dollars
24 we have available to do events like this. We certainly
25 would rather not have it reduced. We think they are very

1 important, but I believe we will not be able to do events
2 like that as much. We will have to reduce them and it will
3 cause us problems in developing a future security
4 architecture throughout the Pacific region.

5 Senator Hirono: Can you provide us with the specifics
6 of which of these kinds of programs you would have to reduce
7 if the 2016 sequester comes into play?

8 General Odierno: So the problem we have in the Army is
9 if sequestration goes impact in 2016, there are only two
10 places it can come out of: modernization accounts and
11 readiness accounts. And part of the readiness accounts is
12 operation and maintenance which funds many of these
13 exercises. So we will have to make decisions on which
14 exercises we do not do. And so although we would like to
15 continue to do some of these, all will be affected. And so
16 we are going to have to reduce them to some level. And
17 frankly, we will also reduce the readiness of our units that
18 are conducting these missions.

19 Senator Hirono: Thank you.

20 In some of your testimonies, you discuss the importance
21 of sustained investment in technological infrastructure.
22 And as we know, cyber warfare is very much upon us. So for
23 what you can say in this forum with the increased threat of
24 cyber warfare, could you address the potential impacts to
25 our cybersecurity capabilities should sequestration come

1 into play in 2016?

2 General Odierno: We have increased the spending in
3 cyber, but we have a lot of infrastructure kind of things
4 that we have to do in order to better protect our networks
5 that better protects our Nation. And that is going to be
6 prolonged. In fact, last year at the end of the year, we
7 were hoping for about \$800 million we would be able to use
8 in OCO to improve our infrastructure, specifically aimed at
9 increasing our cybersecurity. Unfortunately, it was not
10 approved. And so because of that, that puts more strain on
11 the dollars we will have available for the next 4 or 5
12 years. So if sequestration comes into play, it will take us
13 longer to consolidate our networks and make them more
14 capable of protecting them from outsider attacks, and I am
15 very concerned about that.

16 Senator Hirono: So although my time is up, I assume
17 that the rest of you agree that this is going to make it
18 very difficult for you to keep your cybersecurity
19 infrastructure in place or to even build it.

20 Admiral Greenert: It would be hard in the Navy, but it
21 would be a top priority right after the sea-based strategic
22 deterrent, for us.

23 General Welsh: Yes, ma'am. Same comment. Nothing to
24 add to that.

25 General Dunford: It is a core capability, Senator,

1 that is going to suffer from the same effects as all the
2 other capability areas with sequestration.

3 Chairman McCain: Senator Heinrich?

4 Senator Heinrich: Thank you, Chairman.

5 I want to thank all of you for your service and really
6 for your decades of commitment. Seeing the level of
7 experience at this single table, it highlights something
8 that I think is worth mentioning just so that the public
9 understands why these recruitment and retention issues are
10 so incredibly important. The military is fundamentally
11 different from other Government agencies, from the private
12 sector. You cannot hire in a colonel or a general from the
13 private sector or from another agency. And I think the
14 incredible amount of experience that all of you represent
15 really helps highlight that to our constituents.

16 I have got a couple of questions that I want to ask
17 General Welsh in particular. And I want to thank you for,
18 one, on my first question, speaking to this issue in the
19 media recently. It is something I have been very concerned
20 about recently, and that is with respect to remotely piloted
21 aircraft pilots and the crews that make those missions
22 possible. I have become very concerned about the current
23 level of resources supporting the training, the retraining,
24 the retention of those personnel. I know you share some of
25 that concern.

1 What I want to ask you is if we are as challenged as we
2 appear to be because of the tempo pace in large part, if the
3 Budget Control Act goes into effect, can you give us a sense
4 of the scale of what we are going to be facing in terms of
5 not meeting the demand with regard to remotely piloted
6 aircraft in a way that is really going to put us at an
7 enormous disadvantage in my view? And I do not want to put
8 words in your mouth, but I really want you to articulate, if
9 you would, the scale of the challenge there for my
10 colleagues.

11 General Welsh: Senator, if sequestration went into
12 effect, we believe we would have to cut the number of orbits
13 that those pilots and the other crew members fly, which in a
14 strange way would actually make the problem we are
15 discussing better. We have enough manning to fly 55 orbits
16 with a sustainable life battle rhythm work schedule over
17 time, but we are flying 10 above that and we have been since
18 2007, 10 above the number we had because we have been
19 surging. We surged nine times in 8 years with this
20 particular force because of mission requirements, which
21 those crews understand. They love doing the mission. They
22 are excited about the work, but they are tired. If we went
23 to 45 caps, we would create a more sustainable battle rhythm
24 virtually as soon as that happens. So the problem would be
25 operational requirements that would not be met but the

1 manning problem would be alleviated to a great extent. So
2 the issue really is meeting combatant commander requirements
3 once sequestration hits, and that is a different problem but
4 still a significant one.

5 Senator Heinrich: I hear you. But do you see that
6 operational tempo and the demand for that going down in the
7 near future?

8 General Welsh: No, Senator, I do not. We keep
9 thinking we have got it topped out and we have got a plan to
10 get there, and then it increases again. We have just been
11 chasing this requirements rabbit for a long time, and we
12 have got to get ahead of it because we have to be able to
13 train more people than move in and out of the system every
14 year and we have not been able to do that yet because all
15 the trainers are doing operational support.

16 Senator Heinrich: Right.

17 On another separate issue, General Welsh, if the BCA
18 levels do go into effect, do you see any feasible way to
19 modernize the existing triad-based nuclear deterrent that we
20 have?

21 General Welsh: Senator, it is going to have to be
22 modernized. The question is what parts of it do you
23 modernize and what do we as a Nation expect of our strategic
24 deterrent force.

25 Senator Heinrich: I guess I should in its entirety

1 because I think that forces some very difficult
2 conversations, and we have seen talk here within the last
3 few days of a dyad as opposed to a triad. Would it force
4 those kinds of decisions?

5 General Welsh: I do not think that discussion will
6 ever go away, Senator. I am a believer in the triad, but we
7 will clearly have to have discussions that involve the Air
8 Force, the Navy, the Department, the Congress, the National
9 Security Council, and the White House to decide where is the
10 Nation going to go with this. We just do not have enough
11 money in our budgets in the Air Force and the Navy to do all
12 the modernization that you would need to do if we took
13 everybody's desire and tried to meet it.

14 Senator Heinrich: Thank you all.

15 Chairman McCain: I want to thank the witnesses.

16 And just for the record -- I know the answer, but for
17 the record, if sequestration returns next year, can your
18 service execute the Defense Strategic Guidance? Yes or no.

19 General Odierno: No, Mr. Chairman.

20 Admiral Greenert: No, Chairman.

21 General Welsh: No, Chairman.

22 General Dunford: No, Chairman.

23 Chairman McCain: Thank you. I want to thank you all
24 for your very straightforward testimony and candid
25 testimony, and I would like to mention two things with you.

1 One -- and it was referred to earlier -- the Commission on
2 Pay and Compensation is reporting out. They will be
3 appearing before the committee and we will be looking at
4 their recommendations. We are going to need your input as
5 to whether those are doable, the effect on the military, on
6 the all-volunteer force, on our retirees. And so I know you
7 will be looking at that commission's recommendations. We
8 are going to need your input and evaluation of it.

9 And finally -- again, it was raised by several members.
10 We are here fighting as hard as we can to repeal
11 sequestration, and that is a bipartisan effort. But we have
12 to do a better job on acquisition reform, and we are going
13 to be spending a lot of time on that in this committee. And
14 I have come to one conclusion already and that is, in the
15 whole process, it requires your input in a much more
16 meaningful fashion, and I think you would all agree with
17 that. After all, if you are responsible, you should play a
18 much greater role in the process. And that is one of the
19 conclusions that I think that we are in agreement on and
20 that we will probably try to add to the NDAA. But there is
21 a lot more that needs to be done. And so I will be counting
22 on you to understand that you will probably be asked some
23 pretty tough questions in the days ahead.

24 So I thank you for being here.

25 Senator Reed?

1 Senator Reed: Thank you, Mr. Chairman.

2 Chairman McCain: I thank the witnesses.

3 [Whereupon, at 12:08 p.m., the hearing was adjourned.]

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25