

Stenographic Transcript
Before the

COMMITTEE ON
ARMED SERVICES

UNITED STATES SENATE

HEARING TO RECEIVE TESTIMONY ON THE POSTURES OF THE
DEPARTMENT OF THE ARMY AND THE DEPARTMENT OF THE AIR
FORCE IN REVIEW OF THE DEFENSE AUTHORIZATION REQUEST
FOR FISCAL YEAR 2016 AND THE FUTURE YEARS DEFENSE
PROGRAM

Wednesday, March 18, 2015

Washington, D.C.

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9 U.S. Senate
10 Committee on Armed Services
11 Washington, D.C.
12

13 The committee met, pursuant to notice, at 2:33 p.m. in
14 Room SD-106, Dirksen Senate Office Building, Hon. John
15 McCain, chairman of the committee, presiding.

16 Committee Members Present: Senators McCain
17 [presiding], Inhofe, Wicker, Cotton, Rounds, Ernst, Tillis,
18 Sullivan, Lee, Cruz, Reed, Nelson, McCaskill, Manchin,
19 Shaheen, Gillibrand, Blumenthal, Donnelly, Hirono, King, and
20 Heinrich.
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1 OPENING STATEMENT OF HON. JOHN McCAIN, U.S. SENATOR
2 FROM ARIZONA

3 Chairman McCain: Good afternoon.

4 This committee meets today to consider the posture of
5 the Army and the Air Force in the context of our review and
6 oversight of the fiscal year 2016 defense budget request.
7 Both of these services, tested by years of war, are
8 confronting growing threats and increasing demands with
9 shrinking forces and aging equipment.

10 By the end of this fiscal year, the Army will decline
11 from a peak of about 570,000 to 490,000 active duty
12 personnel. In the next few years, the Army will continue
13 cutting its end strength down to 450,000 soldiers, a budget-
14 driven force level reduction that predated the rise of ISIL,
15 Russia's invasion of Ukraine and the Ebola crisis. And if
16 mindless sequestration cuts are allowed to return, the Army
17 will shrink to 420,000 troops, increasing the risk that in a
18 crisis we will have too few soldiers who could enter a fight
19 without proper training and equipment. With global
20 instability is only increasing and with just 33 percent of
21 the Army's brigade combat teams ready for deployment and
22 decisive operations, I simply do not see any strategic basis
23 for the Army active force structure to be reduced below the
24 pre-9/11 level of 490,000.

25 The Air Force posture statement makes clear that there

1 is, quote, a fundamental disconnect between America's
2 airpower expectations and its airpower capability. A
3 quarter century of near continuous deployments, frequent
4 aircraft divestments, and a decade's long procurement
5 holiday left us with the oldest and smallest Air Force in
6 history. The services current 54 fighter squadrons
7 represent just one-third of the combat power mustered for
8 Operation Desert Storm. Less than half of today's already
9 insufficient number of fighter squadrons are completely
10 combat ready, and they are not expected to return to full
11 readiness until 2023 due to the damaging effects of
12 sequestration suffered in 2013. Meanwhile, the service is
13 increasingly challenged by potential adversaries who are
14 fielding fifth generation fighters and advanced air defense
15 systems.

16 The Air Force posture statement also indicates that,
17 quote, there was a time when the Air Force could trade some
18 capacity in order to retain capability, but we have reached
19 the point where the two are inextricable. Lose any more
20 capacity and the capability will cease to exist. Unquote.

21 This statement makes the proposal in the Air Force
22 budget request to retire 164 A-10 aircraft in fiscal year
23 2016 before the F-35 is fully operational is all the more
24 confusing. If the Air Force cannot afford to lose capacity,
25 why is it volunteering to retire its most proven aircraft

1 for close air support missions?

2 Meanwhile, both services have critical modernization
3 needs that must be met if they are to meet future threats
4 and challenges. The Army remains reliant on shrinking
5 wartime OCO funding to replace, repair, and recondition
6 equipment that has been lost, damaged, or used extensively
7 in more than a decade of war in Iraq and Afghanistan. We
8 must ensure this reset is placed on a firm fiscal footing
9 which requires the Army to learn the lessons of its failed
10 acquisition programs of recent years. These lessons,
11 together with the experience of more than a decade of war,
12 must guide the procurement of the Joint Light Tactical
13 Vehicle and the Armored Multipurpose Vehicle by enhancing
14 tactical mobility, command and control, medical evacuation,
15 and other critical combat functions while significantly
16 improving the protection and safety of our soldiers.

17 The future of American airpower rests on a number of
18 current Air Force modernization programs. With program
19 costs approaching \$400 billion, the F-35 Joint Strike
20 Fighter is the department's most costly and ambitious
21 acquisition program in history. After suffering years of
22 unacceptable cost growth and schedule delays, the program
23 appears to have started to stabilize. Still, cost,
24 affordability, and technological challenges remain. The
25 plan to increase production at the same time that

1 development and testing continue will likely add risk to
2 this program and could result in further cost growth and
3 schedule delays in the future.

4 This committee will continue closely scrutinize the
5 overall management and performance of the F-35 program and
6 we will hold individuals accountable. This committee will
7 provide the same close oversight to other critical programs
8 such as the long-range strike bomber, the KC-46A tanker, and
9 the presidential airlift replacement programs. These very
10 expensive programs must be kept on cost and on schedule and
11 deliver the capabilities the American taxpayer deserves at
12 the best possible value.

13 In particular, the committee will closely monitor the
14 Air Force's ambitious \$550 million unit cost target for the
15 long-range strike bomber. This program is essential to
16 overcoming growing operational risk to our ability to
17 project power in anti-access and denying environments, and
18 it must be delivered on time and on budget.

19 I must also note my concern with the Air Force's
20 troubling lack of urgency in ending our reliance on the
21 Russian RD-180 rocket engine. Russia annexed Crimea over a
22 year ago. Yet, the Air Force does not even have an
23 acquisition strategy yet for a new rocket engine. Congress
24 gave the Air Force \$220 million in fiscal year 2015 and set
25 a deadline of 2019. Instead of giving this effort the level

1 of attention needed, the Air Force has wasted a year doing
2 very little to end our reliance on Russian rocket engines.
3 If the Air Force is unwilling to do what is necessary to
4 meet the 2019 deadline, they are going to have to figure out
5 how to meet our space launch needs without the RD-180.
6 Continued reliance on Russian rocket engines is
7 unacceptable, and it is time the Air Force conduct itself
8 accordingly.

9 I am gravely concerned about the dangerous choice we
10 are forcing upon our military, especially the Army and Air
11 Force. With the present operational tempo and drastic
12 reductions to defense spending, we will inevitably confront
13 depleted readiness, chronic modernization plans, and
14 deteriorating morale. We must chart a different course or
15 else continue the downward spiral of Army and Air Force
16 capacity and readiness that will compromise each service's
17 ability to execute the administration's stated defense
18 strategy at a time of accumulating danger to America's
19 national security. Such a course is within our power. The
20 President's budget request is a start, but I believe this
21 Congress can and must do better.

22 Senator Reed?

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

3 Senator Reed: Well, thank you very much, Mr. Chairman.
4 And let me welcome the witnesses and thank them for their
5 service and also ask them, on behalf of all of us, to thank
6 the soldiers, the airmen, and their families who selflessly
7 serve every day. If you would do that, I would appreciate
8 it.

9 This committee has heard testimony from numerous
10 witnesses expressing concern about the effect of the BCA
11 caps, the threat of sequestration, and the lack of budget
12 predictability. General Odierno and General Welsh, you made
13 a compelling case to the committee a month ago about the
14 risks of continued fiscal constraints. Recently General
15 Dempsey testified that funding at the President's budget
16 request, which is already \$38 billion above the BCA caps,
17 will keep the Department at the -- his words -- "lower
18 ragged edge of manageable risk" and will leave "no slack, no
19 margin for error or strategic surprise." I do not believe
20 -- I share the chairman's view -- that this is the way to
21 remain the finest fighting force in the world.

22 The fiscal year 2016 budget request continues
23 implementation of the Army size and force structure changes
24 directed in the 2012 Defense Strategic Guidance and the 2014
25 Quadrennial Defense Review. At the end of fiscal year 2016,

1 active Army end strength will be down to approximately
2 475,000 soldiers and combat brigades to 30. The funding
3 request for personnel next year is essentially flat compared
4 to this year. I would appreciate in your testimony an
5 update about how the Army is managing the pace and scope of
6 end strength reductions and force structure changes.

7 The Army's readiness request in operation and
8 maintenance continues to slowly build depth in non-deployed
9 units, including 19 combat training center rotations, of
10 which 15 are for active and 2 for National Guard combat
11 brigades. And I am interested in learning how the Army
12 plans to sustain momentum in building the readiness of more
13 units over the next several years. What are the most
14 important capabilities, capacities, and readiness levels in
15 the Army and how does this request fund them to meet the
16 missions of today and tomorrow? How would the BCA caps
17 impact the Army's management of these changes and the
18 associated strategic risk in readiness to meet urgent
19 contingencies?

20 The challenges of declining resources and the high cost
21 of new technologies have driven the Army to make tough
22 choices in its major modernization programs. The fiscal
23 year 2016 request includes a modest increase over last year
24 for research, development, and acquisition emphasizing
25 aviation and science and technology programs while deferring

1 investment for a next generation combat vehicle or a
2 replacement on the Aerial Scout. Again, I am interested in
3 how the Army's budget request and the future years defense
4 program, the FYDP, supports a stable, affordable, and
5 achievable modernization strategy.

6 For the Air Force, this budget request reverses a
7 recent downward trend in end strength and increases military
8 personnel by more than 6,000 airmen, mostly in active duty
9 personnel. I am interested in learning how these personnel
10 will be utilized because it is my understanding that they
11 will not be allocated for remotely piloted aircraft, which
12 is an area recently facing a manpower crisis.

13 The Air Force wanted to reduce the number of Predator
14 and Reaper remotely piloted aircraft combat air patrols it
15 will support, but demand from combatant commanders prevented
16 it. High tempo Predator and Reaper combat air patrols
17 strain their supporting ground crews so much that the
18 Commander of the Air Combat Command recently sounded an
19 alarm that we are near the point of breaking this critical
20 force. Unfortunately, we have been facing the prospect of
21 breaking the Reaper and the Predator force for at least the
22 past 6 years, while demand continues to exceed supply. The
23 Air Force appears to have made little progress in solving
24 this operational problem, and I would like to hear, General
25 Welsh, what your thoughts are on this issue.

1 Once again, the Air Force is proposing significant
2 force structure reductions in fiscal year 2016 and the FYDP.
3 For example, the Air Force will retire the entire A-10
4 fighter force, will retire roughly 26 older C-130 aircraft
5 leaving roughly 275 aircraft to support tactical operations,
6 and would make significant reductions in certain high-
7 demand/low-density forces such as the AWACS, JSTARS, and
8 Compass Call fleets. I am interested to hear how you are
9 balancing these savings with mission requirements.

10 Finally, Mr. Chairman, we just received the Air Force's
11 report on how it intends to implement the recommendations in
12 the report of the National Commission on the Structure of
13 the Air Force. One of the principle efficiency
14 recommendations of the commission would move approximately,
15 in their view, 36,000 additional active airmen into the
16 Reserve components and achieve related savings of roughly \$2
17 billion. The Air Force report, however, states that their
18 mission area analysis does not support this concept due to
19 the reduction in rotational capacity and the resulting
20 increase in risk. So we will need to understand why your
21 views are accurate and you would reject these
22 recommendations.

23 Let me again thank you all for your service and I look
24 forward to the testimony.

25 Thank you, Mr. Chairman.

1 Chairman McCain: I think we begin with Secretary
2 McHugh. Welcome.
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1 STATEMENT OF HON. JOHN M. McHUGH, SECRETARY OF THE
2 ARMY

3 Mr. McHugh: Thank you. Mr. Chairman, distinguished
4 Ranking Member Reed, other equally distinguished members of
5 the committee, I deeply appreciate the opportunity to be
6 here with you today to discuss further the danger, truly,
7 that lies ahead should this budget not be enacted and, most
8 importantly, if sequestration is allowed to return.

9 In short, it is truly amazing how much can change in
10 just 1 year. Over the last 12 months, we have been the
11 geopolitical landscape morph at really an astonishing pace.
12 And as the chairman so accurately noted in his opening
13 remarks, from renewed aggression by Russia and increased
14 threats from North Korea to gains by radical terrorists in
15 Iraq, Syria, and Yemen, not to mention the fight against
16 Ebola, the demand for your Army to take contingencies around
17 the world has grown at an alarming rate. Far from being
18 foreseeable, our requirements have been more unexpected, our
19 enemies more unpredictable, and our ability to handle
20 multiple, simultaneous operations more uncertain.

21 And yet, with such volatility and instability around
22 the world, America's Army is faced yet again with an enemy
23 here at home, the return of sequestration, unprepared units,
24 un-maintained equipment, untrained soldiers. Ladies and
25 gentlemen, our Army, your Army faces a dark and dangerous

1 future unless this Congress acts now to end these ill-
2 conceived and inflexible budget cuts.

3 Moreover, I want to be very clear here. Every
4 installation, every component, and nearly every program will
5 feel the brunt of these cuts. Under sequestration, by 2019
6 we will be forced to reduce our end strength to
7 unconscionable levels, likely losing another six BCT's and
8 potentially a division headquarters, not to mention the
9 impacts to associated enablers, contracts, facilities, and
10 civilian personnel.

11 Let me share with you some accomplishments of America's
12 Army this past year. As Russian-backed forces rolled into
13 Ukraine, annexed Crimea, and threatened regional stability,
14 our soldiers rapidly deployed to Eastern Europe in a
15 demonstration of U.S. commitment and resolve. From Latvia
16 and Lithuania to Poland and Estonia, soldiers from the 173rd
17 Airborne and the 1st Cavalry showed the world that America
18 would stand with our NATO allies and respond to unbridled
19 aggression.

20 In West Africa, as thousands suffered from the scourge
21 of Ebola, your Army acted. Elements of several units led by
22 the 101st Airborne provided command and control, equipment,
23 and expertise to support efforts to stop this deadly and
24 destabilizing disease.

25 In response to rapid gains by ISIL, your soldiers

1 quickly returned to Iraq to advise and assist security
2 forces in turning the tide on this barbaric group of radical
3 terrorists.

4 In the Pacific, thousands of soldiers and civilians
5 supported operations to strengthen our partnerships and
6 increase our substantial presence.

7 Today, the headquarters of nine active Army and two
8 Guard divisions are committed to combatant commanders. And
9 some 143,000 soldiers are deployed, forward-stationed, or
10 committed, including over 19,000 Reserve component soldiers.

11 Moreover, we have done all of this while continuing to
12 transform to make our units leaner, more agile, and far more
13 lethal. As all of you know so well, such extraordinary
14 success comes at a price, for in the end, the young
15 lieutenant meeting his or her platoon, the sergeants
16 training and mentoring their soldiers, the invaluable
17 civilian workforce labor in countless orders to support
18 them, and the young family waiting patiently at home are all
19 human. The stress of war, multiple deployments, and
20 unpredictable requirements does not change in the face of
21 indiscriminate funding cuts.

22 Through it all, we have and we will remain committed to
23 supporting the needs of our warriors and their families.
24 From programs to increase resilience and improve behavioral
25 health to the prevention of sexual assault and the

1 protection of victims from retaliation, we will keep faith
2 with our soldiers. Rest assured, the return to
3 sequestration will directly impact critical installation and
4 family programs Army-wide.

5 Let me put it simply. We need the President's budget.
6 Our \$126.5 billion request, as the chairman noted, is some
7 \$6 billion over the potential sequester level and is
8 specifically designed to preserve our modest gains in
9 readiness over the last year and take care of your soldiers.

10 Moreover, this request seeks vital reforms to
11 compensation and force structure that will ensure funding
12 needed to support near-term readiness and help place the
13 Army on a predictable path to balance. The modest changes
14 to pay and allowances through our aviation restructuring
15 initiatives, our reforms are both necessary and prudent to
16 sustain the readiness of our forces and move the Army toward
17 eventual balance. I cannot emphasize enough how critical
18 these funds and reforms are to ensuring that your Army has
19 sufficiently trained and ready soldiers to protect our
20 Nation.

21 I also recognize that we have the duty to prudently use
22 the scarce resources that the American people provide
23 through all of you. From my first day in office, I sought
24 and supported numerous reforms and efficiencies from
25 improving our procurement process to drastically cutting our

1 headquarters. We take stewardship very seriously. Frankly,
2 historically the Army's track record on acquisition programs
3 is too often a tale of failure, too many under-performing or
4 canceled programs, too few successful fieldings of
5 developmental designs, and far too many taxpayer dollars
6 wasted. We know this and we will do better.

7 In this critical area, while many significant strides
8 have been made over the last 5 years in reducing bureaucracy
9 and improving our oversight, we have a long way to go. And,
10 Mr. Chairman, I would note that we are especially heartened
11 by your and Chairman Thornberry's commitment to making
12 measured, deliberate, and comprehensive reforms to the
13 defense acquisition system, and we look forward to working
14 with you on these vital efforts.

15 Ladies and gentlemen, this is a historic moment. We
16 need to stop talking and we need together to start acting.
17 We need wisdom not words. We need results not rhetoric.
18 And as I said before this distinguished panel last year, we
19 need predictability not politics. As we face extreme
20 instability around the world, we must have certainty here at
21 home. Your soldiers -- and I know you agree -- deserve no
22 less. We must have an end to sequestration this year, and
23 we must have this budget.

24 On behalf of the nearly 1.3 million men and women of
25 America's Army, active, Guard, Reserve, and civilian, thank

1 you for your continued oversight, partnership, your
2 leadership and support. Thank you, Mr. Chairman. I look
3 forward to the committee's questions.

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

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1 Chairman McCain: Thank you, Mr. Secretary.
2 Secretary James?
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1 STATEMENT OF HON. DEBORAH LEE JAMES, SECRETARY OF THE
2 AIR FORCE

3 Ms. James: Thank you, Mr. Chairman and Ranking Member
4 Reed and the rest of the committee. We very much appreciate
5 the opportunity to come before you today. It certainly is
6 an honor for me to be here as always with my wingman,
7 General Mark Welsh, a phenomenal leader, and with my
8 colleagues as well, Secretary McHugh and General Odierno
9 from the Army.

10 Mr. Chairman, this morning -- or this afternoon rather,
11 I would like to share with you some of my key takeaways that
12 I have accumulated over the last 15 months that I have had
13 the privilege to serve as the Secretary of the Air Force.
14 And you have already touched upon several of them. So this
15 is really a foot stomp on my part.

16 So, number one, is that today we indeed are the
17 smallest Air Force that we have ever been since our
18 inception as an air force in the year 1947. Moreover, our
19 aircraft in the Air Force are the oldest that they have ever
20 been. 27 years of age is the average age, and that means
21 that a lot of our fleets are actually substantially older
22 than 27 years of age. And here is perhaps the most shocking
23 statistic of all. The chairman already said it. But more
24 than half of our combat Air Force is not sufficiently ready
25 today for a high-end fight. Moreover, we certainly all know

1 that the budgets are extremely tight, and all of these
2 factors are coming together at a time when world conditions
3 are as unpredictable and dangerous as certainly I can ever
4 remember them ever being, at least in the 34 years that I
5 have been working on defense issues.

6 Now, your Air Force is working very, very hard to meet
7 the combatant commanders' most urgent needs, but I have to
8 join with my colleague, Secretary McHugh, in saying that if
9 we are forced to live with the sequestration level budget,
10 simply we will not be able to sustain this pace. Put
11 plainly, sequestration I believe will place American lives
12 at greater risk and that will be the case both here at home
13 and abroad. Under sequestration, we will not be able to
14 simultaneously defeat one adversary in one part of the
15 world, deny a second adversary elsewhere, their objectives,
16 as well as defend the homeland. And that, of course, is our
17 strategy, and under sequestration, I am telling you we
18 cannot do it all simultaneously.

19 Mr. Chairman, at a recent hearing on sequestration, you
20 said if we continue with these arbitrary defense cuts, we
21 will harm our military's ability to keep us safe. And I
22 just want to say I think you are absolutely correct. And
23 this is simply not acceptable. Something has got to give.
24 And we thank you, Mr. Chairman and other members of the
25 committee, because we know that you are working hard to get

1 sequestration lifted, and we just ask you to please keep
2 that up because we do need it lifted permanently.

3 Now, as you know, rather than simply living with the
4 forced sequestration levels and submitting a budget under
5 those levels, instead we are looking for a budget figure in
6 fiscal year 2016 which is substantially closer to what we
7 need. And for the Air Force, this means about a \$10 billion
8 differential in fiscal year 2016, \$10 billion more than what
9 sequestration level funding would ordinarily provide to the
10 Air Force. This \$10 billion increase provides both the
11 forces needed to meet our most pressing combatant commander
12 requirements, and it also makes the most important
13 investments in our top priorities. And here are our top
14 priorities.

15 Number one, taking care of people. And there is a lot
16 in this budget as it relates to people, but the number one
17 priority on people that I want to call to your attention is
18 that General Welsh and I firmly believe that this downsizing
19 that we have been going through for the better part of 20-
20 some years has to stop. If anything, we think we may have
21 gone too far, which is precisely why we are calling for a
22 modest upward adjustment in our total force end strength of
23 about 6,600. That will be some to the active duty, some to
24 the Guard, and some to the Reserve. And, indeed, Mr. Reed,
25 one of the reasons why we know now we have downsized perhaps

1 too much is because our HVA analysis, which came from the
2 Guard and Reserve follow-up report, indicated that we are
3 short in every single component. So we think we need a
4 modest upward adjustment. That will help us to alleviate
5 strains in our nuclear enterprise, in our cyber arena, as
6 well as in maintenance. And there are a number of other
7 areas as well. And we have got a program for RPA's, which
8 we can talk about in the Q&A.

9 Our second priority is getting the balance right
10 between the readiness of today and modernizing for tomorrow.
11 Now, General Welsh and I both consulted very closely with
12 our combatant commanders as we built this budget, and we
13 consulted closely with our sister services as well. And I
14 can tell you the number one thing that the combatant
15 commanders say they want from our Air Force is more ISR,
16 ISR, ISR. That is the number one priority. And so this
17 budget, which is before you, ramps up support to the most
18 urgent needs of ISR, to include support for 60 steady state
19 ISR patrols, as well as extending the life of the U-2 and
20 the AWACS programs. We will also support vital space
21 programs, strengthen the nuclear enterprise. We will fund
22 our flying hours to the maximum executable level. We will
23 invest in weapons system sustainment, and ensure that combat
24 exercises like the Red Flags and the Green Flags remain
25 strong. All of that is the readiness of today, but the

1 readiness of tomorrow, modernization is important as well.

2 And so when it comes to modernization, strengthening
3 the nuclear enterprise remains the Air Force's number one
4 mission priority, and we have quite a lot in this 5-year
5 plan for the nuclear enterprise. There are our top three
6 modernization programs, the KC-46, the F-35, the long-range
7 strike bomber. All of those are supported in this budget
8 submission. And in addition, we will make important
9 investments in space, science and technology, and other
10 areas.

11 And finally, priority number three and the last
12 priority is what we call "make every dollar count," and that
13 is because we get it that the taxpayer dollar is precious
14 and we cannot afford to waste a single dollar. And so we
15 are constantly looking for efficiencies and ways to do
16 things differently to free up resources and to give back to
17 our people some of their valuable time.

18 So, for example, we took an aggressive 20 percent
19 headquarters reduction in funding in fiscal year 2015, which
20 includes civilians, contractors, and redirecting military
21 personnel. We did not have to do it in 1 year. SecDef's
22 challenge was over 5, but we did do it in 1 year because we
23 thought it was the right thing to do and it would free up
24 the dollars more quickly.

25 Not only that, we have reduced our service contractor

1 workforce, about \$7 billion in obligations, and 30,000
2 contract full-time equivalents in the last few years. And
3 we plan to continue scrubbing and scrubbing and scrubbing
4 both the civilian and the contractor workforce over the
5 years.

6 We also have a series of initiatives we call "bend the
7 cost curve," and we think, Mr. Chairman, these are very much
8 in line and in the spirit of your acquisition reform pitch.

9 So all in all, there is a lot of good in this budget,
10 but as you said, Mr. Chairman, there are some hard choices
11 as well. Even though we are \$10 billion up from
12 sequestration, we are still \$10 billion down from where we
13 were just a few years ago. So we are proposing to reduce
14 the A-10 and to slow the growth in military compensation.
15 For example, these are the hard choices.

16 We realize these proposals are very controversial.
17 They are not popular and some simply do not agree, and that
18 there are risks associated with all of this. We understand
19 that. But we would just ask everyone to keep in mind that
20 it gets uglier and uglier and uglier in terms of choices if
21 we have to go to sequestration.

22 So our Air Force under a sequestered budget would mean
23 divesting the U-2 and the Global Hawk block 40 and the
24 KC-10's and reducing MQ-1's and MQ-9's by 10 combat air
25 patrols and deferring 14 F-35's, canceling the adaptive

1 engine program. And then there would be a series of
2 reductions we would have to take in space, in cyber, in
3 nuclear. Really everything under sequestration would be at
4 risk. It threatens everything.

5 And so we thank you and we ask you to please continue
6 to push to lift it permanently. Thank you, Mr. Chairman.

7 [The prepared joint statement of Ms. James and General
8 Welsh follows:]

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1 Chairman McCain: General Odierno?
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1 STATEMENT OF GENERAL RAYMOND T. ODIERNO, USA, CHIEF OF
2 STAFF OF THE ARMY

3 General Odierno: Chairman McCain, Ranking Member Reed,
4 the rest of the members of the committee, thank you so much
5 for allowing us to be here.

6 I think it is still imperative that I repeat again that
7 we today are experiencing a diverse and complex array of
8 threats that are unprecedented through a combination of
9 transnational extremist organizations and nation states. We
10 continue to witness an increase in the velocity of
11 instability around the world that was just unforeseen just a
12 few years ago. In Iraq and Syria, we continue to see the
13 ruthless behavior of ISIL and the smoldering of a sectarian
14 conflict which is threatening regional stability and the
15 potential to escalate international terrorism. Order within
16 Yemen has splintered. Anarchy, extremism, and terrorism are
17 running rampant in Libya and other parts of North and
18 Central Africa. In Europe, Russian aggression and its
19 intervention in Ukraine challenges the resolve of both the
20 EU and NATO. Across the Pacific, China's military
21 modernization efforts alarm our allies and concern our
22 regional interests, while North Korean belligerence
23 continues. And we continue to have ever-evolving threats
24 against the homeland.

25 In my opinion, this should not be a time to divest of

1 our military capability and capacity, but that is what we
2 are doing.

3 We have already taken a significant decrease in active
4 component end strength, which has been said by both the
5 chairman and the Secretary of the Army. We have deactivated
6 13 brigade combat teams in the active component. We are in
7 the process of eliminating three complete aviation brigades
8 out of the active component. We are taking 700 aircraft out
9 of the active component. We are taking another 100 aircraft
10 out of the National Guard. We have slashed our investments
11 in modernization by 25 percent. We have already purged the
12 much-needed entry fighting vehicle modernization program and
13 Scout helicopter developmental programs. And we have
14 considerably delayed other upgrades for many of our systems
15 and aging platforms.

16 The unrelenting budget impasse has also compelled us to
17 degrade our readiness to historically low levels. Today
18 only 33 percent of our brigades are ready, when our
19 sustained readiness rate should be somewhere around 70
20 percent. Under our current budget, Army readiness will, at
21 best, flat-line over the next 3 to 4 years. The compromises
22 we have made to modernization and readiness, combined with
23 reductions to our force size and capabilities, translates
24 directly into strategic risk. Today we are generating just
25 enough readiness to meet our day-to-day needs of immediate

1 consumption. We are unable to generate any residual
2 readiness to respond to an unknown contingency or to even
3 reinforce ongoing operations. This is a dangerous balancing
4 act. We have fewer soldiers. The majority of our units are
5 not ready. They are manning aging equipment at a time when
6 demand for Army forces is higher than we originally
7 anticipated.

8 Our soldiers and leaders continue to perform superbly,
9 though. Just look how busy we are and where the Army is
10 around the world today, whether it is their engagement in
11 Iraq, Afghanistan, Jordan, Kosovo, the Korean Peninsula, and
12 across the African continent. We have rotational forces in
13 Europe, Kuwait, and the Pacific. We are conducting a wide
14 range of missions from humanitarian assistance to training
15 and advising forces in contact to reassuring our allies with
16 dedicated presence. This is the reality we face as we
17 discuss Army posture.

18 The President's fiscal year 2016 budget submission
19 recognizes these challenges, but even the President's budget
20 represents the bare minimum needed for us to carry out our
21 missions and execute and meet the requirements of our
22 defense strategy. It is in fact a tenuous house of cards.
23 In order for it to work, all of our proposed reforms in pay
24 and compensation must be approved. All our force structure
25 reforms must be supported to include the aviation

1 restructuring issue, and we must be allowed to eliminate a
2 half a billion per year of excess infrastructure that we
3 have in the Army.

4 We potentially face a \$12 billion shortfall in our
5 budget. If BCA caps remain, that adds another \$6 billion in
6 potential problems. We can no longer execute the Defense
7 Strategic Guidance. Sequestration would compel us to reduce
8 end strength even further. That has been noted by several
9 different people here today, which is of great concern to
10 all of us.

11 Anything below the President's budget compromises our
12 strategic flexibility and inadequately funds readiness. It
13 further degrades an already underfunded modernization
14 program. It impacts our ability to conduct simultaneous
15 operations and shape regional security environments. It
16 puts into question our capacity to deter and compel multiple
17 adversaries. And if the unpredictable does happen, we will
18 no longer have the depth to react.

19 We continue to work on achieving efficiencies within
20 our own budget. We have taken advantage of a wartime reset
21 program to reduce depot maintenance by \$3.2 billion. We are
22 reducing our reliance on contractor logistics, saving nearly
23 \$2 billion this year. We have identified and are avoiding
24 costs in excess of \$12 billion through the aviation
25 restructure initiative. We have reorganized our brigade

1 combat teams throughout the force eliminating overhead and
2 maximizing our combat capacity. We have eliminated nearly
3 12,000 positions by reducing all two-star and above
4 headquarters by 25 percent. And we continue today to look
5 to ways to achieve individual collective training
6 efficiency.

7 I would ask that we also look hard at our acquisition
8 reform, to readdress the role of the service chiefs and also
9 the role of lifecycle management and logistics. We must
10 address the expansion of the bureaucracy which has added so
11 much time and costs to all of our programs.

12 We also continue to work very hard at sexual harassment
13 and sexual assault. It remains our top priority. While
14 recent reports show some indications that we have made some
15 initial progress, we have much work to do. Our men and
16 women deserve to be treated with dignity and respect and
17 should expect a work environment that is free of harassment,
18 assault, and retribution. A culture of inclusion and of
19 mutual and shared trust is essential to the Army.

20 Chairman, I continue to be inspired by the unparalleled
21 experience and professionalism of our men and women in the
22 United States Army. They demonstrate an unwavering
23 dedication and a commitment to the mission, to the Army, and
24 to the Nation. We owe it to them to ensure they have the
25 right equipment, the best training, the appropriate family

1 programs, health care and compensation packages commensurate
2 with their sacrifices.

3 The decisions we make today and in the near future will
4 impact our soldiers, our Army, and the Nation for the next
5 10 years. The burden of miscalculation and under-investment
6 will directly fall on the shoulders of our men and women who
7 will be asked to defend this Nation in many places around
8 the world. I want to lessen that burden on our soldiers and
9 ensure that they have all the equipment, the readiness in
10 order to accomplish their mission.

11 Chairman, I look forward to any questions I will have
12 as you move forward.

13 Chairman McCain: General Welsh?

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

3 General Welsh: Thank you, Chairman McCain and Ranking
4 Member Reed, and members of the committee. It is always a
5 privilege to be here, and it is a huge privilege to be here
6 with the boss representing the greatest men and women on
7 earth. It is also a special honor to be here with Secretary
8 McHugh and General Odierno because the members of this
9 committee and the body of this committee, along with
10 Secretary McHugh, General Odierno, and the men and women who
11 have led the Army in the past built the blueprint for the
12 greatest army on earth. You and your airmen also wrote the
13 blueprint for the greatest air force on earth. Other
14 nations have watched that Air Force in action for some time
15 now, and now a few of them are following the blueprint.

16 The capability gap that separates from other air forces
17 is narrowing and it is narrowing noticeably, and that gap
18 will close even faster under BCA levels of funding. The
19 Budget Control Act is essentially forcing us to choose
20 between readiness, force structure, and modernization.

21 If we choose to sacrifice readiness in order to
22 modernize, we risk failure in today's fight. As an example,
23 when sequestration first hit in 2013, we saw the domino
24 effect it had on pilots, maintainers, weapons loaders, air
25 traffic controllers, fighter squadrons, bomber squadrons.

1 The readiness levels plummeted across the Air Force and
2 every organization central to combat operations. We were
3 not fully ready if the Nation had needed us for a larger
4 effort, and we simply cannot accept that.

5 If, on the other hand, we choose to fund readiness and
6 walk away from modernization, we risk losing tomorrow's
7 fight, which could be much more significant than the one we
8 are engaged in today. We cannot accept that risk. So not
9 modernizing is simply not an option. That is why we are
10 protecting programs like the F-35, the long-range strike
11 bomber, and the KC-46 so vigorously.

12 And if we choose to trade force structure, people, and
13 equipment in order to fund both readiness and modernization,
14 as we have for the past decade-plus, we are now at the point
15 where we will be too small to succeed in the missions we
16 have already been given to do today. We are way past easy
17 choices.

18 What sequestration really means is that it is time for
19 tough decisions. If the Congress makes the decision that
20 this committee has been fighting so hard for them not to
21 make to stay at BCA levels of funding and then delays making
22 the hard decisions that will allow us to reshape the Air
23 Force to be successful at that level of funding, then our
24 Air Force could very quickly become irrelevant. And if our
25 Air Force is irrelevant, our joint force is irrelevant

1 because in modern warfare, without the full spectrum of
2 airspace and cyber capabilities that airpower brings to the
3 table, you will lose.

4 We understand that the Department must be part of the
5 debt solution for our Nation, but the fiscal year 2016 PB
6 reflects the minimum funding required to be ready for
7 today's fight and still able to win in 2025 and beyond. And
8 I believe our Nation still expects that of us.

9 Thank you for having us today, and I know we all look
10 forward to your questions.

11 Chairman McCain: Well, thank you very much. General
12 Odierno, I believe that this probably is your last
13 appearance before this committee as Chief of Staff of the
14 United States Army. Is that correct?

15 General Odierno: I have about 6 months, Senator.

16 Chairman McCain: Well, I want to thank you for your
17 leadership, your service. I was just thinking. I think you
18 and I first met some 14 years ago in Iraq. One of the
19 blessings of my life is to have the opportunity to know
20 great leaders and warriors such as you are, and I want to
21 thank you for all you -- and I am sure you will continue to
22 -- do.

23 Do you believe that we should be sending defensive
24 weapons to Ukraine?

25 General Odierno: I believe that there are some things

1 that we could do to help them to defend themselves,
2 specifically radars. That could help them specifically in a
3 down-fire.

4 Chairman McCain: Weapons?

5 General Odierno: I think it depends on the type of
6 weapons. I am more concerned initially in helping them to
7 defend themselves, and I think that is a tack we should at
8 least take a look at.

9 Chairman McCain: At a press briefing by Secretary
10 Kerry in 2014, Kerry said I think it is self-evident that if
11 Iran is taking on ISIL in some particular place and it is
12 confined to taking on ISIL, it has an impact that is going
13 to be -- quote -- the net effect is positive

14 Speaking of Iran's role in Iraq and its specific
15 military assistance for Shia militias in the battle for
16 Tikrit, Chairman of the Joint Chiefs of Staff, General
17 Dempsey said on March 4th, if they perform in a credible
18 way, then it will in the main have been a positive thing in
19 terms of the counter-ISIL campaign.

20 General Odierno, do you think Iranian influence in Iraq
21 is a positive?

22 General Odierno: It depends, Senator. I would say
23 this. I have some concern over the Shia militias, who they
24 report to, who controls them, who controls their activities.

25 Chairman McCain: Is it not pretty obvious who is since

1 the pictures of Suleimani are widespread?

2 General Odierno: So that has some concern and the fact
3 that how close are they working with the Iraqi security
4 force, are they actually working with them. All that
5 portends to have some concern. And I will tell you we all
6 understand that in order to be successful in Iraq, you have
7 to have a government that supports all the different groups,
8 to include the Sunni, the Shia, and the Kurds.

9 Chairman McCain: Is this not the same guy that sent in
10 copper-tipped IED's that killed your soldiers and wounded
11 them?

12 General Odierno: Absolutely, Senator.

13 Chairman McCain: It must be a bit disturbing.

14 General Odierno: It is.

15 Chairman McCain: So are you comfortable with the Shia
16 militias who I believe in the Badr Brigades that I believe
17 we took on during the surge are playing such a key role?

18 General Odierno: I am not comfortable with it.

19 Chairman McCain: Do you believe we have a strategy as
20 regards to ISIL in Syria?

21 General Odierno: I do. I do believe that our ability
22 to train the moderate Syrian opposition is a good strategy.

23 Chairman McCain: You think it is a good strategy. How
24 is it going?

25 General Odierno: Well, we have just begun or are just

1 in the process of beginning training them. I think we are
2 still waiting on approval of --

3 Chairman McCain: 4 years after Bashar al-Assad began
4 his slaughter of the Syrian people.

5 I guess what I would like to ask you -- today the
6 Budget Committee here in the Senate begins their
7 deliberation as to the budget that we will be taking up on
8 the floor of the Senate. And I understand your words in
9 your written statement and your verbal statement. But if
10 you had a chance to address the Budget Committee in their
11 work today as they frame a budget, what would your words of
12 advice be concerning the budget and sequestration?

13 General Odierno: If we continue to go down the road we
14 are going, we will not have a trained and ready force
15 prepared to meet the requirements of our national security
16 strategy. We are mortgaging our future for today, and I
17 think there is great danger in that as we potentially have
18 to ask our forces to do some very important missions in the
19 coming years.

20 Chairman McCain: Does it put the lives of the men and
21 women who are serving under you at greater risk?

22 General Odierno: Whenever we have this problem, it
23 directly affects the soldiers, sailors, and marines,
24 everyone who will be asked to do their job. The possibility
25 of them giving their lives increases significantly.

1 Chairman McCain: I thank you, General. And, again,
2 thank you for your service.

3 Senator Reed?

4 Senator Reed: Well, thank you, Mr. Chairman. I too
5 want to add my great respect and commendation to General
6 Odierno. We met about the same time, 14 years ago, in Iraq.
7 What is remarkable is we see eye to eye on everything. Of
8 course, I am looking at your sort of chest at the same time,
9 but that is a whole different story.

10 [Laughter.]

11 Senator Reed: Let me raise a question that came up
12 with Secretary McHugh's testimony and your testimony. That
13 is acquisition reform. Secretary McHugh, you were very
14 candid in saying there are some distinct failures in
15 acquisition policy. And, General Odierno, yesterday and
16 again today you suggested that the Chief of Staff, you and
17 your successor, should be more involved.

18 Now, my understanding is you set the requirements
19 basically, but then it has to meet the testing and
20 evaluation of the Department of Defense.

21 A question for both of you. In terms of reform -- and
22 I must recognize Senator McCain's and Senator Levin's role
23 in this dramatically. But what do you want to change? You
24 set the requirements. You are not going to test yourself.
25 Let me put it that way.

1 General Odierno: No, but it is more than just testing.
2 It is the application of the entire program. What I would
3 say is at our level, there is not a problem. The Secretary
4 and I -- we talk extensively about these issues.

5 However, there is a message that gets sent throughout
6 the acquisition force that they do not work for the
7 uniformed military. They work for the civilians. And I
8 think that is a dangerous message because I think our
9 experience and support in the process is very important, and
10 I think we should play a bigger role in approving where we
11 are going, milestones, how the requirements meet with what
12 is being done by the acquisition. I think an oversight by
13 the military would be more important and could add some
14 potential positive energy towards building better
15 acquisition programs.

16 Senator Reed: Secretary McHugh, your thoughts?

17 Mr. McHugh: Well, and it may be because of, as the
18 Chief just said, our close personal relationship and good
19 working partnership, but as I look across the history of our
20 acquisition programs, clearly many things have happened
21 negatively on some of those. I do not want to ascribe it
22 all to a service chief not having enough reach and
23 visibility at the latter points of the process, but to me,
24 the Chief's proposal makes some sense. You do have, at the
25 end of the day, the need to ensure the Title 10 authorities

1 of the civilian command, but I do not think the two are
2 mutually exclusive. And as I said, I think there are some
3 good and certainly at a minimum it ought to be discussed and
4 looked at.

5 Senator Reed: Well, I think at a minimum you are
6 absolutely right, and the chairman is going to do that with
7 the committee and our colleagues. But one, there is the
8 civilian control and ultimately, two, one hopes that the
9 testing and evaluation -- you know, the people giving the
10 tests are not the people who are making up the requirements
11 and then there could be a problem there in terms of
12 everybody is average or at least everybody passes. That is
13 not good either.

14 Madam Secretary and General Welsh, I talked about the
15 Reaper and the Predator issue. And I know you get huge
16 pressures in terms of personnel. You are asking for about
17 6,000-plus additional personnel. And you, Madam Secretary,
18 laid out where you have got problems within missile command
19 in terms of getting that staffed up. You have got other
20 issues, cyber. That is always -- you know, more can be
21 added to in this moment.

22 How are you going to deal with this issue, which has
23 been around for several years, of the stress on these crews
24 that are flying the remote vehicles?

25 Ms. James: So, Senator Reed, maybe I could begin and

1 the Chief can then jump in and tell you about some of the
2 immediate actions that we have taken just in the last couple
3 of months, but then there is more to follow.

4 So fundamentally, as I mentioned, we have got 60 CAP's
5 funded in the budget with the ability to surge to 65, and we
6 are at 65 today. But we have 55 CAP's worth of people. So
7 there is the fundamental problem. We are doing 65 CAP's
8 worth of work with 55 CAP's worth of people. And as the
9 years have progressed, even as we have built our force, the
10 requirements or the desires of the combatant commanders,
11 given all that has been happening around the world, has been
12 going up, up, up, up to the point where we have not been
13 able to catch up with ourselves. And in order to keep pace
14 with what the combatant commanders are asking of us, we in
15 fact have had to rob from the schoolhouse those individuals
16 who we were teaching to put them on to operational missions
17 which, in effect, is another way that puts us behind.

18 So some actions that we have taken recently. We are
19 using more of our Guard and Reserve in this area. We are
20 bringing more onto active duty. We are getting recently
21 qualified RPA specialists who have left that field and gone
22 back to their other flying specialty. We are bringing some
23 of those back. We are delaying the departure of some who
24 would have gone back to their airframes. We are asking them
25 to stay a bit longer, and they have agreed to do so. I have

1 used my authority that I have as Secretary of the Air Force
2 to incentivize our career RPA-only pilots whose service
3 obligations were about to expire, which meant they could
4 have left the Air Force, but I used my authority to increase
5 their pay to try to keep them with us. And we are working
6 with OSD -- and I am certain that we are going to get this
7 -- to be able to offer additional monetary incentives to the
8 full panoply of those who are serving in the RPA.

9 And then I will yield to General Welsh to tell about
10 some of the things that we are looking at for the future.

11 Senator Reed: Just very quickly, sir, because my time
12 is --

13 General Welsh: Sir, the fundamental problem is we
14 cannot train as many people as we lose in a given year
15 because we have had to build the crew force to do the
16 operational mission before we built the training
17 infrastructure. We are losing almost 50 more people a year
18 than we are training. So slowing down the operational
19 demand for enough time to get our training pipeline
20 completely full will fix this problem. We have been chasing
21 this requirements rabbit so long that we just have not been
22 able to catch it. Once we get ahead of it -- it is getting
23 ahead of the training curve that is the problem. If we can
24 do that, we are okay.

25 Senator Reed: Well, just a final comment. Whatever we

1 do in Afghanistan, for example, I have a feeling we will
2 need more remote vehicles for protection, for exploitation
3 of intelligence, for counterterrorism operations. So I do
4 not see this demand coming down. Let us know how we can be
5 helpful.

6 General Welsh: Yes.

7 Senator Reed: Thank you.

8 Thank you, Mr. Chairman.

9 Chairman McCain: Senator Inhofe?

10 Senator Inhofe: Secretary McHugh, about 100 years ago
11 when you and I sat next to each other on the House Armed
12 Services Committee, did you ever dream we would be in a
13 situation like this?

14 Mr. McHugh: I never dreamt I would be here either.
15 But, no, if we had those discussions, I think, Senator, we
16 considered them pure fantasy.

17 Senator Inhofe: Yes, because I can remember some of
18 the discussions at that time. At that time, we were
19 wondering about whether the B-1 bomber was going to be
20 successful and carrying on that program. It did not seem
21 like there was anything really traumatic. It is kind of a
22 serious observation as I am going from memory.

23 You mentioned sending some troops to some of these
24 places that might surprise people. You mentioned Estonia,
25 Latvia, Lithuania. I was over there. When you have some

1 troops going over there, generally it is for a fairly
2 restricted period of time. Is it not? A shorter period of
3 time.

4 I wonder about the wisdom of that program because all
5 of them, to the last one, said where are they. We need to
6 have them back. They all expect that to be a permanent
7 transfer. When that happens, you might think about that.

8 You talked about, General Odierno, all the different
9 contingencies and things that are taking place right now all
10 over the world. It is totally unprecedented. I wonder if
11 you were to be forced into another totally different major
12 contingency, what would you do?

13 General Odierno: We would end up sending troops over
14 that are not properly trained.

15 Senator Inhofe: That is exactly what I thought.

16 And you addressed this a little bit, Secretary James,
17 in your one, two, three things you outlined. Your second
18 one was you got to keep the balance right between today and
19 then modernization. So you have two things that are being
20 drained right now: training and I suspect modernization.
21 You talked about what we are looking at in terms of the
22 future. But I am sure that you are not reaching the goals
23 that you had a year ago on where we should be. So that is
24 suffering now. Is it not?

25 Ms. James: You are right, Senator. And moreover, of

1 course, the message here is sequestration would make all of
2 this much, much worse. And of course, the first goal is
3 taking care of people. And even though under sequestration
4 in the past, people were protected, the numbers of people
5 and so forth, there are MWR programs. There is a variety of
6 other things which might not survive in the forms that we
7 would like and the funding levels that we would like. We
8 would have to look at all of those things. So we think
9 everything would be hurt.

10 Senator Inhofe: General Welsh, you and I talked. We
11 talked over in Arkansas when we all went over to a meeting
12 over there. I see our Senator from Arkansas was in the same
13 meeting. But at that time we talked about flying hours
14 because we were both flying in there. I have changed the
15 figures that I used to use because laser update had informed
16 me, and it is more to retain a pilot of the F-22 level would
17 be a bonus over 9 years of \$225,000. You addressed this,
18 Madam Secretary. And yet, to train a new one from the
19 beginning, it would be \$9 million. That is still huge.

20 Now, do I understand from your statement that this
21 retention is not as bad as it was, say, a year ago? Does it
22 not kind of go with the economy? If the economy improves
23 from where it is today, there will be more competition with
24 the airlines. Is this true?

25 General Welsh: Senator, it is absolutely true.

1 Historically all of the services have lost pilots as the
2 airlines hire. We expect the airline industry to hire
3 roughly 20,000 pilots over the next 10 years. So 2,000 a
4 year. And their change in requirements for their hiring
5 means that military aviators will be a target for them.

6 Senator Inhofe: One of their motives to get out is a
7 lot of them do not feel they are getting adequate flying
8 hours in. Is that true today?

9 General Welsh: Senator, it is true, although the
10 Balanced Budget Act over the last 2 years has allowed us to
11 fly at a much more regular pace than we had in the years
12 before that. BCA will bring back the frustrations.

13 Senator Inhofe: Yes. I think that is one of a lot of
14 things that can really help the situation. You know, people
15 on this committee are doing all we can right now during this
16 budget time. We are running out of time.

17 I have just one last question that is something to be
18 thinking about. If Congress would pass a budget resolution
19 that funds at the sequestration levels with the intent to
20 raise defense funding levels later in the year, when is the
21 Army and the Air Force forced to take irreversible action
22 with regard to force structure, personnel programs if you
23 were forced in that situation? Do you have any idea about
24 when that would happen?

25 General Welsh: Senator, just to make sure I understood

1 you right, if the initial --

2 Senator Inhofe: If we come out with a budget that
3 brings it down, so you are suffering from the sequestration,
4 but with a message and language that we are going to come
5 back later in the year, when do you reach that point where
6 it is kind of irreversible, you cannot recover? Have you
7 thought about that?

8 General Welsh: Senator, if we were funded at the PB
9 level with a promise of more later, I do not see the
10 catastrophic action that will be required. The BCA level
11 would be different, and I would need to get back to you with
12 that, unless the boss has a better --

13 Senator Inhofe: Just some thoughts.

14 Ms. James: I believe the answer, Senator, is if we are
15 funded, come October 1st, at the BCA level, we have to
16 immediately start taking actions. And so perhaps
17 immediately it is not catastrophic, but I think it very soon
18 would become very serious. So that is sort of my off-the-
19 cuff answer, but I would like to come back as well.

20 Senator Inhofe: Well, yes. It is not necessary to
21 come back on that. It is kind of the nature of the beast
22 during this process to say, well, we are going to have to
23 hurt you now, but we are going to figure out something later
24 in the year. So just keep that in mind.

25 General Odierno: Senator, if I could, I would like to

1 -- Chairman, if I may?

2 Senator Inhofe: Yes, of course.

3 General Odierno: So the one issue here that we keep
4 running into is for us we stop training. And so that cannot
5 just be fixed with money. It is time and money. So every
6 bit of time we lose pushes us back further. So if we go to
7 sequestration levels, for us we cannot take any more force
8 structure out. We are already on that road. So it comes
9 directly out of modernization and training dollars. So what
10 will happen is we will start canceling training, and if we
11 get it 3 or 4 months later, we have lost 3 or 4 months of
12 training. And in fact, to reschedule it, you will have
13 units that will then miss a whole cycle of training because
14 they will have missed their opportunity and it might not
15 come around again for a whole other year. So you then get
16 on this cycle of really downward readiness capability. And
17 that is why it is so important to us.

18 Senator Inhofe: And you would have to be sending
19 troops forward perhaps not trained.

20 General Odierno: That is correct.

21 Senator Inhofe: Thank you, Mr. Chairman.

22 Chairman McCain: Senator Manchin?

23 Senator Manchin: Thank you, Mr. Chairman, and thank
24 all of you for your service. There is not a West Virginian
25 I know who does not support the military and Department of

1 Defense. We have some wonderful people in our State that
2 would pay more taxes, would do whatever they had to do and
3 sacrifice for the defense that you have given and the
4 comfort you give to them.

5 With that being said, you know, we have to answer to
6 them also, our constituents, and all of us here who are
7 elected and go back, how we are spending their tax dollars
8 and are we getting the best bang for our buck. And when you
9 look at the whole scenario -- and we just read today where
10 Yemen -- the Pentagon cannot account for \$500 million of
11 missing weapons. And then you look at Mosul when we trained
12 and armed Iraq, and they abandoned and left millions and
13 millions. So we start wondering. Then we start talking
14 about we are not training our people adequately because of a
15 lack of money, and then you think about Admiral Mullen when
16 he was before us when he was Joint Chief of Staff. And he
17 said the greatest threat that we face as a nation is our
18 finances. He did not speak about another country, not a
19 terrorist group, nothing. Finances. And here we are
20 talking about finances as being our Achilles heel.

21 So the only thing I would say is when you start looking
22 at military expenditures, I think that if you look at China
23 and Russia, everything I am hearing in all the briefings
24 that I receive -- they are still moving forward. They are
25 doing positive things with their military. Correct? China,

1 Russia, even in crippling challenges they have with their
2 economy.

3 So if you look at figures from the World Bank -- and
4 this is 2013. China's economy -- their GDP is \$9.2 trillion
5 as of 2013, and they spend about 2.1 percent of that money
6 for their military. But yet, they are getting, it looks
7 like, a pretty good bang for their buck.

8 You look at Russia, a \$2.09 trillion GDP, and they are
9 spending about 4.2 percent of their GDP on their military.

10 The United States has a \$17-plus trillion GDP, and we
11 spend about 3.8 percent. So we are not out of that realm.

12 We are going this way. So you would have to ask the
13 question, are we getting the best bang for our buck? Have
14 we crippled you all? Have we put so much layers of
15 bureaucracy you cannot do your job? Have we given you so
16 much mandates? Are you buying equipment you do not need?
17 Are you having overlap and redundancies? I mean, we are not
18 that far out. And when you look at the amount of sheer
19 dollars, we are way far and above everybody and a bunch of
20 them put together. That is what we have to come to grips
21 with.

22 So I have got to say how do we answer. How do we work
23 with you all to help you do a better job? Because in all
24 honesty, it gets back -- Admiral Mullen said, finances is
25 the greatest threat we face. So whoever wants to take a

1 crack --

2 General Odierno: Senator, if I could just start out.
3 I think there are two issues. First off, I think what our
4 military is asked to do is very different than what the
5 Russian military and the Chinese military is asked to do.
6 And I think our worldwide presence and our reassurance of
7 our allies and partnerships is more expensive. So I think
8 we have to start there. So I would say there is a policy
9 perspective to it as we are an arm of executing our foreign
10 policy.

11 The second piece I would just say is that, yes, we can
12 be more efficient. But I think it has to do with some of
13 the things we just talked about. Budgets on time. I could
14 tell you that we do not make the best use of our budget
15 every year as soon as we get continuing resolutions. And we
16 have had a continuing resolution every year since I have
17 been the Chief.

18 Senator Manchin: We always said we want to get rid of
19 sequestering. Get a budget. That is up to us.

20 General Odierno: So I think that adds to this as well.
21 And there are things we need to do as well.

22 Senator Manchin: When you look at the figures, if you
23 take the additional responsibilities we have -- and people
24 start saying have we done that and are we a safer world of
25 the things we have done, whether it be in North Africa,

1 whatever. And when you look at what we are doing now, now
2 with Syria and all the threats that we have there -- there
3 has got to be a better, more effective, efficient way. The
4 procurement. The chairman and I have been on this
5 procurement thing, and it is just unbelievable. And then
6 getting an audit to find out where you all -- and the
7 cutbacks. I think, Secretary James, you said you are going
8 to meet the 20 percent reduction?

9 Ms. James: Yes.

10 Senator Manchin: All the other branches met theirs.

11 Mr. McHugh: Actually our target was upped by the Chief
12 and myself to 25 percent. We will reach 20 percent. The
13 last 5 percent that we added voluntarily is a bit of a
14 squeeze, but it is vitally important. And your points about
15 our doing better, as I mentioned in my opening remarks, are
16 absolutely essential. We need to be a part of America's
17 solution to the very challenge that Admiral Mullen spoke
18 about and that you have referenced as well.

19 I think there is an interesting data point, however.
20 Of our total budget, the Army actually controls about \$50
21 billion of it once you take away civilian pay, military pay
22 --

23 Senator Manchin: Contractors.

24 Mr. McHugh: O&M and contractors we actually have some
25 control over because we decide which contracts we are going

1 to enter into. But we do have costs associated with
2 utilities, all of these things. So just intuitively I would
3 think there would be some things we could cooperatively look
4 at together, not ceding Congress' rightful authorities of
5 oversight, but rather giving us some flexibility to operate
6 better administratively.

7 And the acquisition process that I spoke about, you
8 have spoken about and Senator McCain referenced is an
9 absolutely important place for us to work together so that
10 we can do better. The Army, as I mentioned, has a history
11 of failures. Most of them were a little while ago. But we
12 need to get better and show you and the American taxpayer we
13 deserve every dollar we get.

14 Senator Manchin: I am just concerned about the global
15 military presence and the buildup of China and Russia, what
16 they are doing, and what we keep hearing all the time of
17 what we are not going to be able to do.

18 Secretary McHugh: We all are.

19 Senator Manchin: And we are still in the same realm of
20 percentages of GDP's and all that. I want to make sure we
21 are getting the best bang for our buck.

22 Ms. James: And, Senator, I just wanted to add. First
23 of all, I certainly agree with my two colleagues about the
24 need to continue to press on the acquisition side,
25 efficiency side, and so forth, and we are all in when it

1 comes to that.

2 The other piece, though, I wanted to point out is I
3 believe Russia and China have a very, very different
4 philosophy in terms of their people issues and how they
5 treat pay and compensation and health care and housing and
6 training and all the things related to support of people.
7 And they are very different than we are.

8 Senator Manchin: You are saying support of the troops.

9 Ms. James: Support of the troops. And I am glad that
10 we are the way we are. Maybe our system is not perfect, but
11 I would not want to have their system of pay and
12 compensation and so forth.

13 Chairman McCain: Twice the 20 percent has been
14 mentioned. Were those 20 percent of the people removed from
15 the payroll of the Air Force?

16 Ms. James: In the case of the Air Force, it is 20
17 percent of our headquarters funding was reduced.

18 Chairman McCain: Were 20 percent of the people removed
19 from the payroll of the Air Force?

20 Ms. James: No.

21 Chairman McCain: That is what I thought.

22 Senator Sullivan?

23 Senator Sullivan: Thank you, Mr. Chairman.

24 And I want to thank all of you for your great service
25 to our country. I also want to thank your staffs. I know

1 how much work goes into what they do and I appreciate that
2 and all the members of the Army and the Air Force.

3 General Odierno, this is your last hearing. I want to
4 echo the chairman's statements about your decades of service
5 to our country. I very, very much appreciate that.

6 I wanted to focus a little bit on some recent
7 headlines. You know, there is a lot of discussion about
8 Russia, particularly with regard to Ukraine. But there has
9 been a lot of discussion recently about Russia with regard
10 to the Arctic. Here is a headline just a couple of days
11 ago. Russia launches a massive Arctic military drill that
12 included a 5-day drill, 38,000 servicemen, 50 surface ships
13 and submarines, 110 aircraft in the Arctic. This is in
14 addition to the new Arctic Command. General Dempsey was
15 testifying here a couple weeks ago and talked about the
16 Russians four new Arctic combat brigades, huge icebreaker
17 fleet that they are dramatically increasing, 13 new
18 airfields they are building now in the Arctic, Cold War
19 level bombers, bomber patrols off the coast of Alaska.

20 Then you have other headlines. U.S. Army mulls cutting
21 troops in Alaska, possibly by two combat brigades.

22 So I just wanted to ask the question. Particularly in
23 light of the way we understand Vladimir Putin, you know, I
24 certainly think that the idea that weakness is provocative
25 applies to him. General Odierno, as the Russians build up

1 in the Arctic, what do you think that Vladimir Putin would
2 be thinking about us even removing one Arctic soldier from
3 Alaska, let alone two combat brigades?

4 General Odierno: Senator, I think that as he looks to
5 increase Russia's influence, that he will look to see that
6 as maybe a place that is not as much challenge as what might
7 have been if we had more troops in that area.

8 Senator Sullivan: So when you are looking at your
9 strategic guidance that informs -- I know the Army is
10 looking at some tough decisions, and we have discussed this,
11 Secretary McHugh. I know that these are hard decisions
12 right now. But in terms of the strategic guidance, Admiral
13 Gortney testified that there is not even an Arctic O plan
14 right now, but there will be one soon, given these new
15 military buildups.

16 In your military opinion, at the very least, should we
17 not delay any drawdowns in the Arctic until we have a
18 strategy and a validated O plan that lays out the strategic
19 guidance that we need from a national security perspective?
20 It seems a little backwards in what we are doing, no O plan
21 and reducing forces when we should have an O plan that
22 actually guides the strategy.

23 General Odierno: Senator, you know, we base our force
24 sizing construct on com plans that are selected by the
25 Department of Defense. We have not sized towards an Arctic

1 threat. We have other com plans that we simply cannot meet
2 either with our structure. We are reducing because of
3 budget restrictions. We are not reducing because of our
4 inability to respond to com plans because that is true
5 today. We cannot respond fully to many of the com plans
6 that we have developed. And so in my mind it applies not
7 only there but in other places as well.

8 Senator Sullivan: This is actually a little bit of
9 good news. This is a recent joint exercise, Army-Air Force
10 exercise a Spartan Pegasus, first U.S. airborne mission
11 north of the Arctic Circle in more than a decade. And it
12 was the 425 and many airmen from Alaska. Could Spartan
13 Pegasus have been done with any other Army airborne unit in
14 the Pacific or CONUS right now given their training?

15 General Odierno: Well, I think in the Arctic
16 environment, no, because they are specifically trained to
17 operate in Arctic weather. It would take months of training
18 for them to be prepared to operate in such a harsh
19 environment.

20 Senator Sullivan: I want to just end with a broader
21 question on training. Secretary James, you talked about the
22 importance of taking care of people. I agree with that
23 certainly. I think also the best way to take care of our
24 troops is to train them hard to make sure when and if they
25 go to war, they come back alive. And that is the best way

1 to do it.

2 With regard to sequestration, I know that the Army
3 certainly focuses a lot in their classes on the Korean War,
4 looking at Task Force Smith in 1950, the saying of "no more
5 Task Force Smiths," given how horribly our troops were
6 trained back then in 1950 and what ended up happening during
7 that drawdown. Are we at risk of repeating this dark
8 chapter of U.S. history right now? And that is for all of
9 you.

10 General Odierno: I would say potentially we are. You
11 know, it is interesting. Back then Task Force Smith was
12 composed of about 30 percent of those who had significant
13 World War II experience. All the leaders had significant
14 World War II experience, but the troops that were underneath
15 them were not trained to do the job. So when they got
16 there, they were overrun and thousands lost their lives. It
17 was just not Task Force Smith but the units that followed on
18 behind them. And I think there is a lesson that we need to
19 take heed as we move forward.

20 Mr. McHugh: The Chief and I talk often about what
21 keeps up at night, and I think he and I are in accord. The
22 greatest fear we have are sending particularly young
23 soldiers into harm's way without the proper training that
24 they need to succeed and come home. By whatever name you
25 put on it, Task Force Smith or anyone else, if sequestration

1 returns and we are forced to continue to do all the mission
2 sets we are doing right now and we have that next unforeseen
3 occasion, we are going to have to make those kinds of
4 choices.

5 General Welsh: Senator, our Task Force Smith was
6 actually Vietnam, and when we came out of Vietnam, the Air
7 Force learned the lesson that most of our losses occurred in
8 the first 10 combat sorties. I think the other services
9 learned the same. Our response to that was to build the
10 training curriculum, an exercise called Red Flag, which was
11 designed to simulate the highest threat environment we could
12 simulate for a training environment to do exactly what you
13 described, train hard and be ready for combat. The problem
14 we have in continuing that is that we have spent the last 15
15 years not investing in the infrastructure required to do
16 that right because we have been trading that for readiness.

17 We have not, for example, improved the threat arrays to
18 be current and modern. We have got to transition to a
19 simulation-based environment, a virtual constructive live
20 environment as opposed to a live virtual constructive
21 because we simply cannot afford to keep the threat arrays
22 current with the rapid pace of technology, change of enemy
23 threats system in the future. That investment has not been
24 made routinely just as investment in nuclear infrastructure,
25 investment in black and white world test infrastructure,

1 investment in space launch infrastructure. Those are the
2 things that are hurting our long-term readiness and that are
3 driving our requirement to go 8 to 10 years to recover it as
4 opposed to a couple of years to gain individual readiness.

5 Senator Sullivan: Thank you.

6 Thank you, Mr. Chairman.

7 Chairman McCain: Senator Donnelly?

8 Senator Donnelly: Thank you, Mr. Chairman.

9 And, Secretary McHugh, it was an honor to serve with
10 you in the House and to travel with you, General Odierno.
11 Thank you for everything. You performed extraordinary
12 leadership every tour you have had.

13 And to our Air Force friends, thank you so very much.

14 And to our Air Force friends, I have the privilege of
15 serving on the Strategic Forces Subcommittee, and I want to
16 show something that I know you are familiar. And this is an
17 8-inch floppy disk. This is used with our ICBM systems that
18 we have for a system built in the 1980s based on technology
19 from the 1970s. And I would love to get your opinion on
20 what you think about using 8-inch floppy disks in our ICBM
21 systems. I guess the alternative is that it helps to
22 protect us from cyber in a strange way, but what are we
23 going to be doing to modernize this as we look forward?

24 Ms. James: Senator, in our 5-year plan as part of our
25 fiscal year 2016 submission, we have got \$5.6 billion more

1 for the nuclear enterprise overall than we had in our last
2 5-year plan that we brought before you last year. So we
3 have redirected a lot of money in general. That particular
4 item that you just indicated is part of the modernization
5 program over the next 5 years. I will have to get back to
6 you with exactly how much money is devoted to that and
7 whether or not that will get completely fixed over the next
8 5 years. I have learned that nothing in the nuclear world
9 is as easy as it might sound or seem in the beginning
10 because everything is so interconnected. But it is part of
11 it. We do have money against it, and please allow me to
12 come back to you with the details.

13 [The information follows:]

14 [COMMITTEE INSERT]

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1 Senator Donnelly: That would be great.

2 General Welsh: Senator, could I add that one of the
3 things that we walked away from as an institution, when Air
4 Force Systems Command went away, was developmental planning,
5 the effort for us as a service to identify future gaps,
6 shortfalls, and then institutionally develop game plans to
7 make sure that we do not end up with these infrastructure
8 problems that are 20 years too late to a solution. We are
9 restarting that, and one of the two areas that we will focus
10 on is the nuclear enterprise, and this will be part of it.
11 How do we recapitalize this in a responsible way with
12 predictable, consistent funding? And we will certainly need
13 your support for that.

14 Senator Donnelly: Great.

15 And I know how hard all of you have been working on
16 reducing suicide numbers in the military. What do you think
17 about the use of physician assistants to help provide
18 additional people who our military may be able to go talk
19 to, spend time with?

20 Mr. McHugh: Senator, I will begin. As you are aware
21 just painting the larger picture, our requirement for these
22 kinds of providers has grown dramatically. When I first
23 came to the Army, our requirement for those individuals was
24 about 2,300. We are now over 5,500 and we are still chasing
25 that. We are pretty close to meeting the requirement. But

1 these are highly skilled, highly competitive between the
2 military and the civilian sector. So I know that you have
3 been working on a series of pieces of legislation that we
4 are very anxious to work with you. Given the right
5 training, which I know you understand and support, we think
6 there is a high likelihood of them being a very valuable
7 addition to our clinical staff.

8 Senator Donnelly: Thank you.

9 And, General Odierno, switching tracks a little bit.
10 In Syria we are working on training the moderates. If they
11 go back into Syria without a buffer zone, are you concerned
12 that Assad could go after them as soon as they come in with
13 barrel bombs or other things?

14 General Odierno: I think that as we look at employing
15 those forces, once they are trained, I think we will have to
16 be very careful about how we do that. I think we would work
17 with maybe some of our allies that might be able to put some
18 people in there with them, and I think we would be very
19 careful in where we place them and what their initial
20 missions would be as they continue to develop capability. I
21 also believe there would be some enabler support that would
22 be necessary in order to help them as we reinsert them in to
23 conduct fights. And I think what we should try to do
24 initially is try to put them in a place where they are not
25 at risk from the regime because our focus really is on ISIL,

1 and I think we would have to work very carefully to try to
2 find places that would protect them from such an attack.

3 Senator Donnelly: Do you think Assad would go after
4 them? Even though our first goal is to go after ISIL at
5 that point, do you think Assad tries to get them before they
6 can even get started?

7 General Odierno: Senator, I think if we put them in
8 the right place, it would be very difficult for them to do
9 that. However, I would be inaccurate if I tried to predict
10 what Assad would do, but I think we would try to do it in
11 such a way that it would be difficult for him to do that, at
12 least initially.

13 Senator Donnelly: Thank you very much.

14 Thank you, Mr. Chairman.

15 Chairman McCain: Senator Ernst?

16 Senator Ernst: Thank you, Mr. Chair.

17 General Odierno, thank you for being here. Secretary
18 McHugh, Secretary James, and General Welsh, thank you and
19 your staffs for being here today and providing testimony.

20 Sequestration has been very detrimental to all of our
21 forces. We know that. There are stress and strains that go
22 along with that.

23 And what I would like to focus my attention on today is
24 the stress and the strain that exists not only between our
25 active forces but also the Reserve forces and the Guard.

1 Many of you have mentioned the important role that our
2 Reserve forces bring to the table. They are important to
3 back up our active duty forces. At the beginning of this
4 week, I did hear some interesting quotes coming from one of
5 our State's adjutant generals of the National Guard. And
6 his quote was that his relationship between his State's
7 Guard and Army leaders was not good, and it was really
8 disheartening to hear that. And he also said it has gotten
9 very difficult for either one to talk to each other. Again,
10 this is extremely disheartening to me. And maybe, Secretary
11 McHugh, you can help me with this.

12 But I have been here for now about 2 and a half months,
13 and I do see some level of strain between our Reserve forces
14 and our active forces, at least in this manner. And I know
15 that this has existed. It ebbs and flows through all of the
16 years. I understand that. Sequestration has put a lot of
17 pressure on us, as well as time in rotations, men and women
18 being away from home, frequency of mobilizations and
19 deployments. But again, it is disheartening. We are one
20 team, one fight. My husband spent 28 wonderful years on
21 active duty Army, and I spent over 20 in the Reserve and
22 National Guard. We understand the need to work together to
23 resolve differences.

24 So if you could, could you address this issue? Again,
25 we are in difficult times right now, and our soldiers look

1 to their leadership to set a good example.

2 Mr. McHugh: I can certainly begin. As I am sure you
3 would appreciate, I am unable to speak to the general's
4 comments, but I can tell you it was disheartening to hear
5 them. If you have had the chance to visit our forward
6 troops -- and I know your experience would teach you as well
7 -- there is not a lot of dissension when you are forward.
8 Guard and Reserve and active components work seamlessly.
9 And frankly, that is our view of the future, and we want to
10 preserve the operational capabilities that we have spent a
11 lot of money to gain over the last decade-plus within the
12 Reserve component.

13 I think it is fair to say that in most respects that
14 that particular attitude or feeling derives out of our
15 aircraft reconstruction initiative, ARI. And as to the
16 Guard and the active component disagreeing, that is true,
17 but we included the Guard in virtually every phase, every
18 meeting of that development and that plan. Obviously, we
19 are at a point where we are not in agreement, but we have
20 worked hard to try to include them in our future forecasting
21 whether it is ARI or any other measure.

22 The other thing I would tell you, I as Secretary, when
23 we first began our initiatives to, frankly, cut the budget,
24 gave a directive that we would start with the active
25 component. In fact, for the first 2 years of our reforming

1 and reconstructing our fiscal posture, we did not take any
2 cuts out of the Guard. As well, whether it is in ARI or
3 whether it is in end strength reduction, we have taken the
4 vast majority of our cuts out of the active component. For
5 the aircraft, it is about three to one, more out of the
6 active than the Guard, and when you get to end strength, it
7 is about that same percentage, about three to one, just over
8 20 percent to just over 7 percent. So we have tried to be
9 equitable and fair not just to be good partners because we
10 do not want to go to war without the Guard and Reserve. We
11 cannot go to war without the Guard and Reserve.

12 It has been my experience in some 23 years in this town
13 that we will have differences, but as we have forward,
14 particularly in the last decade and a half, I am optimistic
15 we will get back together and go forward and do America's
16 hard work of freedom.

17 Senator Ernst: Well, thank you. I do appreciate your
18 service. I appreciate the discussion. I do hope that as we
19 move forward, we continue to include Guard and Reserve
20 members in the discussions. Anytime there are cutbacks, it
21 does hurt. It does not matter who it is on the receiving
22 end of that, but we need to keep an open dialogue and set a
23 great example for the rest of our young men and women that
24 serve.

25 So thank you all very much for your service. Thank

1 you.

2 Chairman McCain: Senator Shaheen?

3 Senator Shaheen: Thank you, Mr. Chairman. And thank
4 you to each of our panelists today.

5 You have all been very eloquent in your testimony to
6 the impact of sequestration. And Chairman McCain and
7 Ranking Member Reed have done an excellent job in this
8 committee from the start of this congressional session of
9 holding a series of hearings pointing out the folly of
10 continuing sequestration and what the consequences would be
11 of going back to those caps.

12 As we all know, sequestration was never designed to
13 work. It was designed not to work, and that is why it is
14 having such devastating consequences. And I think that is
15 our responsibility as Members of Congress to do what we can
16 to address the results of sequestration, and I think the
17 reason that did not happen before it went into effect the
18 first time is because we could not get a compromise around
19 how to do that. There was no agreement that in order to
20 address this, we were going to have to look at both the
21 defense and the domestic side of the budget and to look at
22 both revenues and expenditures.

23 So I certainly am committed to doing that. I hope all
24 of us will be committed to doing that because we all
25 understand what the devastating consequences would be of

1 having it kick back in for the next budget cycle.

2 So thank you very much for your testimony with respect
3 to those impacts.

4 Secretary James, we had the great honor of hosting you
5 at Pease, the first base chosen to receive the new KC-46A
6 tankers, the 157th Air Refueling Wing. And I think we were
7 all very excited to have you come and see what the capacity
8 is at Pease.

9 I was disappointed to see a story yesterday about the
10 first flight facing delay for the KC-46A, and I wonder if
11 you could share some light on what the cause of that delay
12 is and whether there is any reason to be concerned about the
13 long-term production of the KC-46A.

14 Ms. James: You are right, Senator Shaheen. The slack
15 is gone from the schedule for meeting that first flight. So
16 I will say there is good news and there is not so good news.
17 So the good news on the KC-46 is that they did have a
18 successful first flight of what is called that green
19 aircraft. So if you recall, that happened several months
20 ago. So that was good. However, there have been these
21 testing and integration challenges, and as a result, some of
22 the internal targets that the company has set for itself
23 along the path to doing what it must do for the milestones
24 and for the contractual obligations -- some of those
25 internal targets have slipped.

1 So back to the good news. They have met the milestone
2 requirements so far and they have met the contractual
3 requirements, but everything internal that they indicated --
4 not everything but several of them have slipped.

5 So what I am trying to say is in any program, there is
6 a certain amount of slack that is built in. There is margin
7 because in any developmental program, you know certain
8 things are going to go wrong. But a lot of that slack now
9 has been used up.

10 So the key thing is the key date, which is contractual,
11 of course, is that they have to reach what is called RAA,
12 required assets available. The target is August 17th and
13 that is to have 18 aircraft. That is the next contractual
14 deadline. So the company feels that they can still make it,
15 that yes, they have used up margin but it is not to the
16 point where they are going to miss that deadline. They have
17 recently introduced to us a new integrated master schedule,
18 which we are reviewing so that we can kind of review with
19 ourselves whether we believe that or not.

20 Again, back to a piece of good news. The costs, of
21 course, are capped on this contract. So any cost overruns
22 that may have occurred or may occur in the future are on the
23 company, not on the Government. So we are tracking it very
24 closely but it does appear that that April timeframe is
25 likely to slip for that first flight.

1 Senator Shaheen: And so do we have any idea what the
2 timeframe might be in the future and how much that will
3 affect the end production?

4 Ms. James: The timeframe that we are looking at as
5 more likely is probably later on in the summer vice April
6 for that.

7 Senator Shaheen: Thank you.

8 Staying at Pease -- and I am almost out of time. So I
9 will submit this for the record. But as I am sure you are
10 aware, Pease was the first base closed in the first BRAC
11 round, and there were a number of environmental issues
12 there. There were agreements made between the State and the
13 Air Force to address those environmental issues. One of
14 them has recently appeared in the drinking water for the
15 City of Portsmouth, and it is contaminated. There are
16 children that go to school, daycare on the site, and there
17 is some concern about whether the State will be able to fund
18 the testing for everyone who might need to be tested. So we
19 will submit this for the record. But I hope the Air Force
20 will be willing to look at this situation, recognizing the
21 agreement to address the environmental results of having the
22 Air Force there and will be willing to take a look at
23 helping with those costs.

24 Thank you all very much.

25 Chairman McCain: Senator Tillis?

1 Senator Tillis: Thank you, Mr. Chairman.

2 General Welsh and Secretary McHugh and General Odierno,
3 thank you for the time that you spent with me in the office
4 and speaking on this. Secretary James, I look forward to
5 the opportunity to meet with you. Our schedules have been
6 hard to coordinate, but hopefully we can do that soon.

7 General Odierno, I would like for you to go back to a
8 comment that you made in your opening, and it was about the
9 stresses on the budget even with the President's budget and
10 increased spending. You mentioned two different sources, I
11 think a \$12 billion number and a \$6 billion number that
12 related to efficiencies or things that you have to achieve
13 that you are saying are potentially at risk.

14 So the first question I would have was, could you give
15 me a little bit more information on these areas and what
16 they are funding? And secondly, what the threats are in
17 terms of achieving that, and if you do not achieve it, then
18 what are the consequences in other areas of the budget?

19 General Odierno: So in the President's budget that was
20 submitted, about \$6 billion of the Army budget is tied up in
21 the pay and compensation requests that we made, specifically
22 pay raises, TRICARE, and other potential savings to reduce
23 the rate of growth. If those are not accepted, those will
24 come back as bills to the Army.

25 The second is the aviation restructure initiative which

1 we have put in there -- if that is not approved, that will
2 also have a significant bill in 2016. So the combination of
3 those two things totals about \$6 billion.

4 In addition to that, the Army has excess infrastructure
5 that is costing us about a half a billion dollars a year,
6 and we are unable to deal with that problem because of BRAC.
7 So that is an additional bill that is not included inside of
8 the budget.

9 And then we have about \$6 billion that are currently in
10 OCO that is supposed to be in the base. At some time, we
11 will move that back to the base. Now, it might happen in
12 2016 or it might happen in 2017, but that is another \$6
13 billion that we have to account for that is really base
14 money, but right now we are paying for it in OCO. And
15 depending on how OCO is interpreted, we could be required to
16 pay that out of the base. And so that is the \$12 billion.

17 The other \$6 billion was the difference between the
18 \$126 billion the Army is getting and the \$120 billion, which
19 is the sequester level. So that would be another \$6 billion
20 we have to find.

21 So potentially it is somewhere between \$12 billion and
22 \$18 billion we would have to find. That comes directly out
23 of readiness and it comes directly out of modernization
24 because we cannot take active component end strength down
25 any faster than we already are and still meet all our

1 commitments. And so for us, it would have a devastating
2 effect on our readiness, and it would really also cause us
3 to reduce more of our modernization programs. And frankly,
4 we would probably have several breaches of Nunn-McCurdy if
5 we were required to do that.

6 Senator Tillis: Thank you.

7 Senator Manchin brought up a good point about
8 comparisons between our budget and the others. And I think,
9 Secretary James, you did a great job of explaining it is
10 really an apple and an orange. Not really responding now,
11 but I would like to get more information so that people can
12 better understand the disparities in terms of priorities we
13 have for our people and the amount of money being spent on
14 modernization and technologies that ultimately over time I
15 think could provide other nations with a technological
16 advantage in spite of the fact that we may be better off on
17 the people side. But I think it would be very helpful to
18 hear from the staff and others to get everybody thinking
19 about the real apples-to-apples comparison.

20 General Welsh, I had a question that relates. We spoke
21 a lot about aircraft and things on the ground. But can you
22 talk a little bit about the budget as it relates to space-
23 based assets and the investment that we are making there and
24 any risks you see going forward?

25 General Welsh: Senator, I can. Let me give you a

1 quick overview and then turn it over to the boss here who is
2 the DOD executive agent for space and spends a lot of her
3 time talking about this issue.

4 The real key for us, as General John Hyten, our
5 Commander of Space Command, has said recently, is that we
6 have to look at space now as a warfighting domain because
7 whether we ever decide we want to compete in that way in
8 space, others clearly are going there. And so we have to be
9 able to survive to operate in that environment. And so
10 General Hyten is leading the effort to look at different
11 ways of building, maintaining, and improving the assets we
12 currently have in space and the capabilities they provide in
13 new and different ways than the very -- basically
14 functionally developed, large programs, large investment
15 over long periods of time that have dominated the space
16 architecture up till this point. And so that is what he is
17 trying to do.

18 The Secretary has put a great emphasis on prioritizing
19 operational capability in space when it comes to priority
20 funding decisions inside the Air Force. And I will turn it
21 over to her from there.

22 Ms. James: As General Welsh was saying, some years
23 ago, Senator Tillis -- I will say this might be a bit of an
24 exaggeration, but the United States and maybe a handful of
25 others really owned space in the sense that we were up there

1 and there were not a whole lot of others up there. But in
2 more recent years, space has become contested, congested,
3 and very competitive. So there are just dozens of countries
4 now that have assets in space. And so what we want to make
5 sure is that we remain on top of our situation, that we are
6 able to see what is going on in space, and that we are able
7 to have the use of space for our needs, both military and
8 civilian, because space is very important to civilian needs
9 as well.

10 So in this budget, there are additional investments
11 particularly in the area of space situational awareness. So
12 this is knowing what is going on, being able to track not
13 only satellites but also thousands and thousands of pieces
14 of debris and to know what some of these satellites are. So
15 that is space situational awareness. We have more
16 investments there.

17 We also have investments in space control. So these
18 are a variety of things to be able to defend and deter any
19 kind of attacks against our assets. So we have a counter-
20 communications system as an example, which is designed to
21 jam those who would try to interfere with us in space,
22 additional monies for command and control.

23 So we do have additional investments there and we are
24 working it hard because it is very, very important to us
25 both from a military and a civilian use perspective.

1 Senator Tillis: And it seems to me that in that area,
2 there may not be that much of a disparity between what we
3 are spending and what others may be spending to have a
4 greater command in space. That is the reason for my
5 question. Thank you very much.

6 Thank you, Mr. Chairman.

7 Chairman McCain: Senator Heinrich?

8 Senator Heinrich: Thank you, Chairman McCain.

9 And I want to return to that issue. I like that
10 phrase. "Congested, contested, and competitive" was it?

11 Ms. James: Yes.

12 Senator Heinrich: And I think that is a very accurate
13 picture that you are painting.

14 I want to, in particular, Secretary James, thank you
15 and General Hyten for your leadership on the operationally
16 responsive space program. It is one of many solutions to
17 what we are seeing where we need to build and launch smaller
18 satellites quicker and at lower cost. And as you well know,
19 these threats are only increasing and seemingly ever more
20 quickly.

21 Shifting gears for a minute, Secretary McHugh, it is
22 good to see you. It was an honor to serve with you in the
23 HASC all too briefly. But I want to thank you for your
24 blunt words on sequestration. This weekend I will be
25 heading down to White Sands Missile Range. I know we have

1 talked about that a little bit. I am going to be
2 participating in their annual Bataan death march memorial
3 marathon.

4 But what really pains me is to see the sequestration-
5 driven decisions and the associated impacts to both Wismer
6 and the 2nd Engineering Battalion and in particular the some
7 130,000 square feet of brand new facilities that today sit
8 empty at White Sands without any sort of active duty
9 presence.

10 So it is my hope that this committee and, frankly, the
11 full Senate recognize the seriousness of sequestration
12 budget levels and at a minimum, I think we need to support
13 the President's budget, and frankly, I think we need to do a
14 little better than that. When we return to responsible
15 budget levels, I look forward to working with you on putting
16 those facilities to work again, especially considering their
17 brand new condition with some sort of active duty mission.

18 And, General Welsh, I want to switch to you real quick.
19 And I thank Senator Reed for bringing this up earlier, but I
20 wanted to talk a little bit more about the RPA issue and
21 wanted to ask you, other than sequestration relief, which is
22 somewhat obvious, are there other things that the Congress
23 can do to help with the strain that we are seeing because of
24 increased tempo and demand overseas and the fact that we are
25 losing more RPA pilots than we are able to train?

1 General Welsh: Senator, the immediate problem is the
2 training one. If the requirement continued to grow and we
3 were tasked to continue to find hundreds or thousands of
4 people to now go into this mission area, they have to come
5 out of some other mission area with our current budget so
6 that we do not have extra people waiting to do some other
7 job. And so the tradeoff there would be catastrophic really
8 for support to the combatant commanders in other mission
9 areas, or we would have to grow the Air Force, or we would
10 have to significantly grow the Guard and Reserve. And this
11 is a difficult mission for the Guard and Reserve to support
12 in huge numbers because of the 24/7 nature of it. They do a
13 great job of supporting it at the level where we are now,
14 and they have been spectacularly helpful in doing that. But
15 it is not one you can plant quickly into the Reserve
16 component and grow it over night. It takes a lot of
17 development.

18 The biggest thing I think we need to look at is the
19 efficiency of the ISR enterprise itself and the way we use
20 it. The interaction between DOD ISR and national ISR, the
21 ability to use both networks to collect against your
22 collection requirements whether you are a national leader or
23 whether you are a military leader in a combatant command.
24 The way we use different types of sensors to create
25 situational awareness over broad areas, as opposed to

1 relying on 60 orbits of soda straws to try and do very close
2 targeting, the types of rules of engagement we use for
3 tracking in order to set up kinetic operations or potential
4 kinetic operations demand this kind of work, but that kind
5 of ROE does not match the resources we have to support it in
6 a large-scale approach, and it would not be practical in a
7 large war. It is just practical in a counterinsurgency war
8 or a counter-terrorism fight.

9 And so that is the kind of discussion we need to be
10 having, the efficiency of the operation. We just cannot
11 keep throwing more and more and more money at it. We are
12 going to break the Treasury.

13 Senator Heinrich: Well, I appreciate your attention to
14 the issue. I think it is absolutely critical especially
15 given the threats that we are facing today.

16 Secretary James and General Welsh, I am quite pleased
17 to see the second squadron of F-16's scheduled to arrive at
18 Holloman Air Force Base this year. As we welcome these new
19 aircraft, the airmen, and their families to New Mexico, I
20 continue to sort of keep my eyes on the future as well for
21 the military community in southern New Mexico. And I am
22 pleased to see the budget request included increased
23 production of F-35's.

24 It is my understanding that the next iterations of
25 basing decisions for an active duty bed-down of the F-35

1 would be in 2024. Is that still accurate, and will Holloman
2 Air Force Base remain a candidate for basing for the Joint
3 Strike Fighter at that time?

4 General Welsh: Senator, I believe it would be a bed-
5 down, an arrival of aircraft in 2024, which will mean the
6 decision would be in the early 2020's, 2 to 3 years prior to
7 that when we start to process for identifying the base to
8 give us time to ensure the proper funding, MILCON, that was
9 required, et cetera would be available. So it will be just
10 after the turn of 2020.

11 Senator Heinrich: We are talking maybe 6 years.

12 General Welsh: Yes, sir. And every base that we have
13 right now that is capable of flying fighters off it will be
14 part of the candidate list.

15 Senator Heinrich: Great. I appreciate it. Thank you.
16 Thank you, Chairman McCain.

17 Chairman McCain: Senator Rounds?

18 Senator Rounds: Thank you, Mr. Chairman.

19 And thank you for your service.

20 Mr. Chairman, I do have some questions for the
21 witnesses, but first I would like to briefly address an
22 overarching theme that has dominated this committee's
23 dialogue since January. That theme is, of course, the
24 critical importance of properly funding our armed forces.
25 We have heard over and over from leaders from throughout the

1 Defense Department about the devastating impacts that are
2 accompanying sequestration.

3 But I believe sequestration is part of a larger threat
4 to our defense establishment and our national security. At
5 a time of great fiscal pressures, we are seeing ever-
6 mounting pressure to reduce defense spending below a level
7 of acceptable risk. In short, we can expect to see, as
8 never before, advocacy of a national security strategy that
9 is budget- and not strategy-driven. This committee is
10 positioned to keep that from happening.

11 So I would like to take this opportunity to state my
12 strong support and great appreciation for the ongoing
13 efforts of Chairman McCain and Ranking Member Reed to stop
14 that from happening and reduce the damage which is being
15 caused by sequestration.

16 With that, I have some questions for Secretary James
17 and General Welsh about one program for which we must
18 provide adequate funding, and that is the long-range strike
19 bomber.

20 General Welsh, the Air Force says that the long-range
21 strike bomber is one of the Air Force's top modernization
22 priorities. Today the Air Force has either 95 or 96
23 operational bombers. This is nearly half the number of
24 bombers recommended by the 1993 bottom-up review to support
25 operations in the post-Cold War era. During the Cold War,

1 the Air Force's average ratio of fighters to bombers was
2 about 5 to 1. This ratio is now 14 to 1, 14 fighters for
3 every one bomber. I am not suggesting the need to cut more
4 fighters, but rather, I think we ought to be talking about
5 whether or not that original balance was appropriate.

6 I am concerned, however, that the Department of Defense
7 may be contemplating making an unfavorable situation even
8 worse by retiring more bombers before the long-range strike
9 bomber is fielded in substantial numbers.

10 My questions are these. If the Air Force is not given
11 relief from the Budget Control Act, would you propose cuts
12 to the current bomber force?

13 General Welsh: No, Senator, we are not.

14 Senator Rounds: Will the long-range strike bombers
15 replace any of the current bombers, including the nuclear
16 mission capable B-2, or will they augment the current force?

17 General Welsh: The intent would be to replace the B-2
18 over time with the long-range strike bomber.

19 Senator Rounds: Beginning?

20 General Welsh: Beginning in the mid-2020's.

21 Senator Rounds: Some have pointed to stealth
22 technologies as a diminishing advantage. Even if this is
23 true, would you think it necessary to make the air defense
24 challenge as difficult as possible for our Nation's enemies,
25 and what other alternatives would we have?

1 General Welsh: Sir, I have seen no technical data that
2 says stealth as a way to break a kill chain is a diminishing
3 value. It is about breaking any segment of the kill chain.
4 There are sensors that can see any stealth platform, but
5 passing the data that they draw to sensors and weapons that
6 can target you is a completely different problem for them,
7 and stealth to this point clearly can disrupt that kill
8 chain.

9 Senator Rounds: Thank you.

10 Thank you, Mr. Chairman.

11 Senator Cotton [presiding]: Senator Hirono?

12 Senator Hirono: Thank you, Senator.

13 The DOD is the biggest user of energy in the Federal
14 Government. The military is committed to lowering its
15 energy costs because the savings therefrom can go to other
16 DOD priorities such as modernization and readiness.

17 So I know that the DOD is making investments in R&D on
18 alternative energy sources besides oil. I wanted to ask
19 Secretary James and Secretary McHugh, can you tell us what
20 your alternative energy goals are and whether you are
21 meeting those goals?

22 Ms. James: Well, Senator, what I would tell you is we
23 have a little saying in the Air Force, "mission assurance
24 requires energy assurance," because obviously just as you
25 stated, energy is the backbone of everything that we do in

1 the Air Force. So I guess there are several points I would
2 like to bring up. It is partly about saving money. It is
3 partly about doing things differently and ultimately saving
4 lives because the transport of energy can cause damage on
5 the battlefield, to say the least.

6 So far in recent years, the Air Force has avoided about
7 \$2.5 billion in energy expenses. This is mostly CONUS and
8 overseas, not the forward-operating base type locations but
9 this is through efficiencies at base level.

10 Secondly, we are shifting our strategy from one of
11 self-funding to third-party funding, wherever we possibly
12 can. And the way I like to say that is using other people's
13 money by partnering and getting efficiencies in this way.

14 And the third thing, to your point, is we have about
15 300 renewable energy projects on about 100 different
16 installations, all of which meet or beat utility prices, and
17 most of those are third-party funded, those partnerships
18 that I talked about as well.

19 So those are some of the key things, and maybe there is
20 a fourth point to throw in and that is that every type of
21 aircraft that we currently have has been certified to be
22 able to utilize alternative fuels. Now, we are not doing
23 that in a big way at this point. We do not have suppliers
24 that can supply that kind of thing in bulk, but that is a
25 point just to raise that at least we are prepared.

1 Senator Hirono: Thank you. I do understand that our
2 services are looking for efficiencies because that is where
3 you determine what your baseline needs might be and then to
4 move to the alternative sources. So that would be a given.

5 Secretary McHugh, would you like to just address the
6 alternative question that I asked?

7 Mr. McHugh: Well, as Secretary James said, I think it
8 is true for all the services. We are working very hard to
9 try to meet the alternative fuel mandates that were set both
10 in law and in executive order. In our tactical vehicle
11 fleet particularly, we have a goal that is established out
12 to 2030. We have actually reached that goal already. And
13 similarly in other areas, we are working hard to meet the
14 legislatively mandated benchmarks that are out there. I
15 think it is important to note for the Army that we have
16 reduced our petroleum fuel consumption since 2003 by 17
17 percent. You mentioned cost. It is a little frustrating
18 that all the while we have done that, our actual costs have
19 gone up about 45 percent given, as you know, living Hawaii,
20 the cost of utilities and such. But nevertheless, it is a
21 very important initiative, and we are going to continue to
22 develop that.

23 We piloted about 3 years ago what we called the Net
24 Zero project, water waste and electricity. We started, I
25 believe, it was on seven bases. Highly successful. And in

1 fact, we have now embedded that throughout the entire Army
2 to try to be better stewards of the environment but be
3 better neighbors as well to the communities that play host
4 to us.

5 We have doubled our renewable fuel consumption from
6 2013 to 2014. That is the second year in a row we have
7 doubled our renewable construction. We have still got a
8 ways to go to the 7 percent goal that Congress has set, but
9 we are making progress and whether it is now 380 renewable
10 energy programs that we administer where we leverage for
11 every Army dollar \$13 in private investment, we are getting
12 there. You mentioned baseline. Given I think where we all
13 started -- and the Army is the largest consumer in the
14 Federal Government of energy and petroleum products -- we
15 have got a lot of room for improvement.

16 Senator Hirono: Secretary McHugh, your testimony
17 mentions the Ready and Resilient Campaigns that the Army
18 established 2 years ago by your directive to promote
19 resiliency among service members by streamlining programs,
20 including those aimed at eliminating sexual assault and
21 harassment, substance abuse, domestic violence, and any
22 stigmas or barriers associated with seeking help.

23 After 2 years, has the Army seen a measurable impact on
24 service members and their families as a result of this
25 program?

1 Mr. McHugh: I think if we are honest with ourselves
2 when it comes to the Ready and Resiliency Campaign, we still
3 have got a ways to go before we fully integrate the -- I
4 think there are seven major initiatives embedded within
5 there. But if you look at them individually, whether it be
6 help-seeking behavior for suicides and mental health,
7 whether in sexual assault, it is the double trend lines of
8 incidents going down while reports coming up and so on and
9 so forth, the individual programmatic pieces are showing
10 progress.

11 As I know you understand, Senator, each one of these
12 are very serious challenges unto themselves. So when I
13 talked about dramatic increases in reports on sexual assault
14 and equally, I think, dramatic declination of incidents, I
15 do not want to paint that as too rosy a picture. This is
16 still a scourge, I think a fair word, in the United States
17 Army, and we are going to continue to work that as we are
18 suicides, as we are substance abuse and every other program.
19 But we are still realigning ourselves so that we have a more
20 holistic approach to the Ready and Resilience Campaign.

21 Senator Hirono: So 2 years may be too short a time,
22 but I commend you for taking a holistic approach to these
23 issues.

24 Mr. McHugh: Thank you, Senator.

25 Senator Hirono: And I also want to thank General

1 Odierno for your continuing commitment to addressing the
2 scourge of sexual assault in your testimony. Thank you very
3 much. And I expect that of all of our services.

4 Again, Secretary McHugh, during the OSD posture
5 hearing, Secretary Carter testified that foreign leaders --
6 and I quote -- get a very clear picture of the dangers of
7 sequester. They probably get an outsized picture of our
8 lack of will, but this is not good for our friends -- end
9 quote -- much less our foes.

10 And that being acknowledged, it is critical that we do
11 everything we can to multiply the effectiveness of our
12 troops and to reassure our allies. And one of the ways, I
13 believe, that we are doing that is through Pacific Pathways.

14 Can you speak to the importance of mil-to-mil programs
15 in maintaining stability and offering reassurance to our
16 regional partners, particularly in the Indo-Asia-Pacific
17 region? How does the President's budget support these types
18 of partnership building engagements?

19 Mr. McHugh: Well, Senator, as I know you recognize
20 full well, the entire Department of Defense is refocusing on
21 the Pacific. It is, I think, understandable to view this
22 somewhat as an air and water domain, but the Army has had
23 substantial presence in that region for many, many years,
24 and we see an opportunity at this moment to increase that.

25 You mentioned Pacific Pathways. That is an initiative

1 that a four-star general who we elevated in the Army Pacific
2 Command to a four-star general to recognize the very factors
3 that you said. And Pathways from General Brooks and Chief
4 Odierno is the way in which we are trying to articulate
5 that. Eight of the 10 world's largest armies are located in
6 the Pacific. Of the military forces throughout that region,
7 the vast majority are headed up by army officers, land force
8 officers. So we have a natural affinity to deal with these
9 partners and not to be war-like in our posture toward China
10 but rather to build assurance, to build partnerships, and
11 through Pacific Pathways, we are actually in a more
12 efficient way sending out forces to train through a variety
13 of our engagements and then return home.

14 General Brooks has spoken, I know, to the Chief -- and
15 perhaps the Chief could comment more fully -- about some of
16 the concerns. Particularly, obviously, at sequestration
17 level, that breaks his ability to go out and do, I believe,
18 the three rotations that he would like. But through various
19 efficiencies at the PB level, I think we can continue to
20 stay focused on this very important initiative.

21 But I would yield to the Chief if he wants to add.

22 Senator Hirono: Well, I know that my time is up. So I
23 would like to ask the chair if General Odierno can comment.

24 Senator Cotton: General Odierno, please comment.

25 Senator Hirono: Thank you.

1 General Odierno: Senator, I would just say I think as
2 you know, Pacific Pathways is really key for us reaching out
3 to new and important allies. We have very sophisticated and
4 long-term programs. We deal with Korea, Japan. But now we
5 are able to reach out to other countries that we think are
6 going to be really important to us, Indonesia, Malaysia,
7 Vietnam, and other places like that that are really
8 important to us as we continue to develop our relationships
9 and capabilities in the Pacific. And the Pacific Pathways
10 is allowing us to do this.

11 And I agree with Secretary McHugh, sequestration will
12 basically end Pacific Pathways for the next couple years if
13 we do not get that thrown out because that will be one of
14 the issues that we will have to cancel if we lose the
15 dollars that are associated with it.

16 Senator Hirono: Thank you.

17 Thank you, Mr. Chairman.

18 Senator Cotton: Senator Wicker?

19 Senator Wicker: Thank you, Mr. Chairman. This is an
20 outstanding panel.

21 I became Secretary McHugh's House colleague some 21
22 years ago. It is hard to believe.

23 And, Secretary James, there is a country song from the
24 Grand Ole Opry, "I've Been Everywhere," and I think in the
25 short time you have been Secretary, you fulfilled the words

1 to that particular song.

2 But let me direct my questions to our two outstanding
3 uniformed witnesses today. General Odierno, I understand
4 this will be your last testimony before this committee.

5 Maybe not but perhaps. Congratulations on a great career.

6 General Odierno: Senator, I always get nervous when
7 you say it is my last one because you just never know. It
8 is 6 months. A lot can happen within 6 months.

9 Senator Wicker: That is true. That is true. But I
10 hope you will come back and tell us really good news.

11 You were in command of the surge in Iraq in 2007. And
12 I do not want to ask about Iraq. But suffice it to say that
13 the surge in my opinion was a success. We then left a
14 vacuum and, because of a number of reasons, things have gone
15 to hell for our interests in Iraq.

16 Now, I understand every situation is different, but I
17 have worried publicly about Afghanistan. And I worry that
18 we will leave a vacuum that will come back to haunt us. And
19 I want you to comment about that.

20 We have a friend in the presidency now in Afghanistan,
21 President Ghani. He and his wife had to leave Afghanistan
22 during the time of the Taliban. And we have a situation now
23 where the people have elected him and he is back in office.
24 His chief opponent, as a patriotic citizen of Afghanistan,
25 has agreed, after a tough campaign, to be part of the

1 government and to be part of the solution, Mr. Abdullah.
2 The tribal councils, the collective wisdom of the various
3 ethnic groups there, the Loya Jirga, have asked us to stay.
4 And frankly, I view the situation now in Afghanistan as a
5 success story.

6 Now, clearly mistakes were made. Clearly I wish we had
7 not been there as long as we were. And perhaps we were
8 distracted elsewhere. But the situation on the ground is
9 favorable to us in Afghanistan now. And I fear that under
10 the current timetable we are going to risk losing the gains
11 that we have made.

12 So give us your opinion about that, and to the extent
13 you can, tell us what, if any, movement there might be in
14 the administration toward a fact-based decision-making
15 process rather than a timetable. And then, of course, I
16 will just toss that over to General Welsh.

17 General Odierno: I will just say that, first, the
18 things you pointed out about President Ghani and Abdullah,
19 who is kind of the COO of Afghanistan, is creating an
20 environment that is really, as you mentioned, positive. And
21 frankly, it is positive towards us. Whenever you try to be
22 successful, it is a combination of military capability to
23 provide security, but really, the most important piece is
24 the political piece and you have leadership that is able to
25 bring the country forward. So I think with Afghanistan now,

1 the most positive thing is the fact that we now have the
2 political leadership, as you mentioned, in place.

3 I believe that General Campbell, the current Commander
4 of ISAF, has been given flexibility between now and the end
5 of 2016. I think that is very important. So I would think
6 that that is a first step, and I think that is because of
7 the positive political environment that we see. So I think
8 there has been a reaction to that, and I think we have to
9 constantly assess where we are and we can continue to have a
10 discussion on where we are a year from now and then have a
11 discussion on, you know, at the end of 2016, which is the
12 current plan, will we pull out, and if not, then I think the
13 Joint Chiefs and General Campbell will give their best
14 military advice to the President on whether that is
15 appropriate or not.

16 What I would say is I think because of the political
17 situation, I think there is more room now that General
18 Campbell has been given over the next year and a half or so
19 as we continue to downsize our presence to make sure we are
20 continuing to support the administration in Afghanistan and
21 achieve our goals. And I think we will continue to revisit
22 that as we --

23 Senator Wicker: What are the risks to our troops if we
24 stay longer than that? There is not expected to be very
25 much --

1 General Odierno: I think it just depends. I mean, I
2 would suggest that if we are staying, it is because we are
3 continuing to build their institutions. That is what is
4 important is to build their institutions. So that puts them
5 at less risk as we go forward. But again, that would have
6 to be determined depending on what the situation is at the
7 time.

8 Senator Wicker: General Welsh, I was talking to a
9 parliamentarian from the UK yesterday. He thinks the
10 perception in his country is the same as it is here, that
11 things are really not going well in Afghanistan. I do not
12 see it that way. Do you? I think people have the wrong
13 impression.

14 General Welsh: Well, sir, it may depend on where you
15 are standing or sitting in Afghanistan.

16 The Air Force's role there, as you know, is to support
17 a lot of different activity. But the principal role is to
18 support the development of the Afghan air force as an
19 institution and as part of the security infrastructure of
20 their nation. Many parts of that development are going very
21 well. They are showing signs of independent ability to do
22 tactical planning, operational activities. The thing that
23 will really set them up for success over time, though, is
24 the ability as an institution to survive the big pieces of
25 an air force, logistical infrastructure, supply chains,

1 managing infrastructure from airfields to new equipment
2 acquisition, things that they do not have any experience
3 with and they are not very proficient at yet. But they have
4 young talent with a lot of energy and a lot of desire to
5 learn.

6 I think clearly if NATO could stay even, for example,
7 for a period of time to continue this effort and get them to
8 a point where they are able to continue that development on
9 their own, there is a potential for their air force to be
10 the cornerstone of a budding aviation industry in
11 Afghanistan at some point in the future that would be
12 immensely helpful to that country and to the region.

13 Senator Wicker: Thank you.

14 Thank you, Mr. Chair.

15 Senator Cotton: Senator McCaskill?

16 Senator McCaskill: Thank you.

17 I was bitterly disappointed today to see that the
18 Senate budget that was released resembles a fairytale and
19 does absolutely nothing to address the looming crisis with
20 sequestration as it relates to our military. We have heard
21 witness after witness in this committee tell us what it is
22 going to do to our preparedness, to the excellence of our
23 military, to our national security. And the fact that we
24 are now faced with a budget document that does nothing --
25 zip, nada, zero -- to address this looming crisis is beyond

1 disappointing.

2 I want to talk about a number of things. First, I want
3 to congratulate you and the other commanders that have
4 worked so hard on military sexual assault. We have a lot
5 more work to do, a lot more oversight, but the report, which
6 a lot of people do not get into the weeds in those reports
7 -- I certainly did, as you probably are not surprised. And
8 I understand that incidents are down, reporting is up.
9 Those are both two good measures. And also, what was most
10 important was the confidence that victims showed in terms of
11 how commanders were handling this issue.

12 I think we have got to get after retaliation. I have
13 talked to many of you individually about this. This is not
14 commander decision retaliation. This is lower level peer-
15 to-peer retaliation. And I will look forward to information
16 coming from all of you about how you are specifically
17 getting after that.

18 I want to talk about suicide in connection with stress
19 and substance abuse. And this is going to be one for each
20 of you.

21 First, Army. Back in 2008, we had a whistleblower at
22 Fort Leonard Wood expose the fact that people were not
23 getting substance abuse help at that base. And it was a
24 tragic story. And as we all know, stress and substance
25 abuse are two of the predicates that sometimes are in place

1 when you have a suicide. And we all want to do something
2 about military suicides. So I think substance abuse is
3 pretty important.

4 Secretary McHugh, you made the decision in 2010 to move
5 the substance abuse program out of the Medical Command into
6 the Installation Command. And we are having a problem with
7 personnel, clinical personnel, leaving the program, and you
8 have got shortages now at places like Fort Hood where we
9 have 45,000 soldiers. And I guarantee you the people who
10 need outpatient substance abuse at Fort Hood are not getting
11 it because of the lack of personnel that is available.
12 Could you speak to that?

13 Mr. McHugh: I could. Just a little background
14 because, as you noted, Senator -- and thank you for your
15 interest. This is a vitally important issue.

16 Just before I arrived as Secretary, then Vice Chief of
17 Staff, Pete Chiarelli, who is well known and wide in circles
18 on suicide and other soldier care programs, conducted a
19 study, headed a study of the ASAP, of the substance abuse
20 program at large throughout the Army. And he was deeply
21 concerned about what he felt was a disaggregated program in
22 that it was too dispersed at too high a level for command
23 and control to ensure that base by base, facility to
24 facility the proper things were being done.

25 The response that he put together and that Medical

1 Command and INCOM agreed upon was to place the actual
2 oversight of the ASAP program through INCOM to the base
3 commanders. So those who have both responsibility and eyes
4 on for soldier care programs had a better view and a better
5 influence.

6 The -- that was executed, as you noted correctly, in
7 2010 to formalize what the vice had done ensured that all of
8 the clinical aspects, the certifications and the care
9 programs were still -- and still are -- overseen by MEDCOM.

10 You and I are in absolute agreement about the challenge
11 of ensuring that we have adequate providers. We do not.
12 This is a requirement that has been growing over time, as I
13 discussed with one of your colleagues a bit earlier. But I
14 think it is important to note that we have not had a
15 hemorrhage or a loss of providers since it was transferred
16 authority to INCOM. And in fact, right now we are about 88
17 percent of our stated requirement. 99 percent is not good
18 enough. We need to do better. But we are actually at about
19 25 percent higher providers on hand than were when MEDCOM
20 had control.

21 Having said that, there are concerns about this. So in
22 January, the Chief and I authorized, long before any of the
23 recent stories came out, for the Army Audit Agency to go out
24 to do a forensic examination of our structure to see if
25 programs were working to see what our actual status was.

1 That investigation, that audit is ongoing as we speak. And
2 then in response to some stories that, frankly, we take
3 issue to some of the data points that were brought up,
4 nevertheless raise some very serious questions. And as I
5 assured the Secretary of Defense, we are not going to circle
6 the wagons on this.

7 The Chief and I sent out a directive, I believe it was
8 last week, to the Inspector General providing him access to
9 virtually every resource in the Army and directing him to go
10 and take a hands-on look, eyes-on look at all 54 of our ASAP
11 facilities. As attendant to that, I called in the Surgeon
12 General, head of our Medical Command, and the commanding
13 general of INCOM, to talk about how it is working. And the
14 Surgeon General said to me when the transfer first occurred,
15 it was an appropriate structure. Since that time, our
16 behavioral health delivery capabilities have, in her words,
17 matured, and she felt -- and the INCOM Commander agreed --
18 that it is time to take another good look at our structure.

19 Senator McCaskill: Okay. Well, that is good.

20 Mr. McHugh: And so we are doing that, and I promise
21 you we will report back to you when we have those available.

22 Senator McCaskill: Thank you.

23 I know my time is gone, and I do not want to ask
24 another question. But if you would allow me 30 seconds to
25 put something in the record.

1 Secretary James and General Welsh, I want to make sure
2 on the stress side for our drone pilots -- we have never
3 before had pilots working 12-hour shifts, killing the enemy,
4 and then going home to their wife and kids. This is a new
5 thing in our military. And we have got some of those guys
6 at Whiteman, and the demand is so high. And they are not
7 getting rest. They are not getting leave. We have got to
8 do something about the demand for APA and we have got to do
9 something about the training for APA. But I would like you
10 all to address to my office and to the committee what you
11 are doing to analyze the stress level of these pilots. I do
12 not think this has probably been given enough thought about
13 what psychologically this is doing to them working these 12-
14 hour shifts, killing the enemy, and then going home to
15 dinner with the children.

16 [The information follows:]

17 [COMMITTEE INSERT]

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1 Senator Cotton: Senator Lee?

2 Senator Lee: Thank you, Mr. Chairman.

3 Thanks to all of you for taking the time to meet with
4 us today.

5 I am aware of the fact that you are all doing
6 everything you can to make adjustments to adapt your
7 branches to the emerging threats we are facing and to a very
8 tough budgetary environment with a lot of uncertainties.

9 Secretary James and General Welsh, during the
10 confirmation hearing with Secretary Carter last month, we
11 discussed the overall importance of having well-coordinated
12 acquisition sustainment and logistics processes to better
13 achieve cost efficiency and readiness for major weapons
14 systems. I know this has been a high priority for each of
15 you. So can you describe to our committee how the Air Force
16 sustainment efforts have performed in the last year,
17 especially as you recover from sequestration in 2013 and the
18 direction the Air Force budget request takes sustainment
19 efforts through the next 5 years?

20 Ms. James: Senator, are you referring to sustainment
21 of weapons systems and trying to drive the costs down in the
22 sustainment world?

23 Senator Lee: Yes.

24 Ms. James: So I would say in that regard, we are
25 laser-focused. I think we are making progress. There is a

1 lot of work to be done, however, truth in advertising in
2 that arena. We talk frequently about unit costs of weapons
3 systems, and we track that very closely. But over time, we
4 have not had as much of a focus on that sustainment piece,
5 and that frequently can be as expensive, if not more
6 expensive. So we are working it hard. I think we are
7 making progress, but lots more to come.

8 Senator Lee: Thank you. I appreciate your commitment
9 to that.

10 Do you have anything to add to that?

11 General Welsh: Senator, I had a rotation Air Force
12 Materiel Command a couple of years ago and the development
13 of the five centers that we have inside that command now to
14 include the lifecycle management center and the sustainment
15 center is changing the game for us on how we create
16 efficiencies inside the supply chains. And I will tell you
17 that the work that General Janet Wolfenbarger has done
18 leading this effort as the Commander of Air Force Materiel
19 Command and that Lieutenant General Bruce Litchfield has
20 done in particular in the sustainment center and also
21 Lieutenant General C.D. Moore, who is now retired, who was
22 in the lifecycle management center, has been spectacular in
23 launching us in a completely new direction in how we sustain
24 fleets of aircraft and equipment over time. And I think we
25 are making remarkable progress. We just cannot slow down

1 now.

2 Senator Lee: I appreciate your commitment to that.

3 Now, the Air Force last year determined that it was
4 experiencing a shortfall in five and seven experience level
5 maintainer personnel for the undermanned legacy fleets and
6 F-35 aircraft scheduled to be brought into service and
7 recently announced measures for a near-term solution to the
8 issue.

9 Can you give the committee more detail about what
10 alternative solutions may have been considered by the Air
11 Force and why the Air Force chose to transfer maintainers
12 from A-10 squadrons and how the Air Force will be impacted
13 if a longer-term solution to this maintainer issue cannot be
14 found?

15 General Welsh: Senator, the issue was because of the
16 budgets that are lower than we anticipated a few years ago,
17 we are having to cut force structure. So we are not adding
18 numbers of squadrons. We are decreasing numbers of
19 squadrons while we are bringing a new weapons system on
20 board. So we have to replace squadron A or aircraft A with
21 the new aircraft B and take the people who are working A to
22 be part of the new aircraft B. We do not have 1,000 more
23 maintenance personnel standing around waiting for work.

24 Senator Lee: Right.

25 General Welsh: And so because we are not transitioning

1 that way now, we are not retiring the squadrons we had
2 planned to retire to stand up the F-35 squadrons, we have to
3 find that maintenance manpower in some other way. And the
4 first effort we were going to make was to just downsize the
5 percentage of manning within every other fighter squadron in
6 the Air Force to take the experienced maintainers we need to
7 be able to build up the F-35 fleet as opposed to delaying
8 F-35 development and bed-down at multiple bases.

9 Unfortunately, as we put that plan together, ISIS
10 became a reality and the continued effort in the Middle East
11 related Iraq and Syria came on the books. And we cannot
12 take those squadrons down and still support that effort.

13 So now we are looking at contracting an aircraft
14 maintenance unit at Luke Air Force Base to help us with the
15 training effort and to have contract maintainers instead of
16 active duty maintainers. The problem with that is we then
17 are not developing the active duty maintenance personnel
18 that we need to send out to Hill Air Force Base and to other
19 places as we bed down the F-35 because the maintainers there
20 have to be deployable. We are in a corner here. We have
21 got to develop active duty F-35 maintenance people to bed
22 down airplanes, and we do not have them standing around.

23 Senator Lee: Yes. There is no question you are in a
24 difficult spot, and I appreciate your ongoing commitment to
25 that issue to make sure that we maintain our equipment that

1 we have got and appreciate your insight into that. Thank
2 you very much.

3 Senator Cotton: Senator Blumenthal?

4 Senator Blumenthal: Thank you. Thanks for being here.
5 Thank you for your service.

6 I want to pursue some of the questions that my
7 colleague, Senator McCaskill, began on behavioral health,
8 mental health care. As you know, the chairman of this
9 committee, Senator McCain, and I have successfully worked
10 for the Clay Hunt SAV Act, the suicide prevention bill, for
11 our veterans which is promising as a first step, just a down
12 payment toward ending the scourge of 22 veterans every day
13 committing suicide. Obviously, these veterans come out of
14 service to our Army and our Air Force.

15 So I am wondering whether better coordination and
16 connectivity between our armed services and the Department
17 of Veterans Affairs is desirable and achievable and how,
18 maybe beginning with you, Mr. Secretary, if I may, that may
19 be advanced as a goal.

20 Mr. McHugh: Well, it absolutely is desirable, and it
21 is something that from our perspective in the Pentagon
22 through the DOD Suicide Prevention Office, SAPRO, we are
23 working throughout the services to coordinate with VA.

24 We are also looking at reaching beyond that for best
25 practices within the private sector. From the Army view, we

1 have what we call the STARS program where we entered a
2 5-year longitudinal study headed by the Institute of Mental
3 Health and a consortium of private universities to try to
4 better understand what we need to look for in soldiers in
5 our case and if there were any precursors that we could
6 appropriately use. We are not looking to stigmatize
7 soldiers because of a single behavior or a check on a
8 medical record, but just trying to find out how we can do a
9 better job for those who are in or who are quite possibly
10 going to become -- exercises of ideational activity.

11 So we are making progress, but I think as you know so
12 well, it is beginning in its beginning stages.

13 I served for 4 years at the assignment of then-
14 Secretary Gates on a national suicide prevention alliance,
15 bringing together an amazing group of individuals from
16 across society, medical care, mental health care, the
17 private industry. And now, I think rightfully so, I have
18 stepped down from that position. It is actually held by the
19 Under Secretary of Defense for Personnel and Readiness.

20 So we are reaching beyond and recognizing this is not
21 just a military problem, not just an Army problem. It is a
22 problem throughout society, the civilian as well as the
23 military. And working together with the VA and others will
24 do us all a great deal of good.

25 Senator Blumenthal: I have heard you talk about it,

1 General Odierno. And I wonder taking the word "stigma" that
2 Secretary McHugh used, whether the stigma that sometimes
3 surrounds this topic can be removed and what the Army is
4 doing.

5 General Odierno: So I think first off, in the Army it
6 is about our commanders understanding the fact that our job
7 and the stress that we put onto people, it is important that
8 we deal with the behavioral health issues, and that we have
9 to make people realize and understand that it is okay to
10 come forward. And sometimes, as we have talked before,
11 Senator, some of our mantra actually works against that, but
12 I think we are making some progress.

13 The one thing I would say about the transition between
14 us and the Veterans Administration -- one of the complaints
15 the soldiers have, as they do a transition, is that they are
16 getting treatment by a doctor in the Army, and then as they
17 change to a new doctor in VA, sometimes the treatment
18 changes and it is not what they are comfortable with. And
19 so one of the things we are working at is how do we make
20 that an easier transition. We are not there yet, but we
21 want to do a doctor-to-doctor transition so you have a
22 doctor who is working with somebody in the Army talking to
23 the VA doctor that is taking over the case, and they get a
24 treatment that is similar, at least to begin with, because
25 it is traumatic for somebody, especially who has some

1 behavioral health issues, that they are maybe given
2 different medicine or different types of treatment. And
3 that really has an impact sometimes on our soldiers.

4 So that is one of the things I think we have to really
5 work on is that transition. The Surgeon General is working
6 on that. We are working more closely with the Veterans
7 Administration, but we have a long way to go on this issue
8 because there still is a gap.

9 Senator Blumenthal: My time has expired, but I think
10 you have really very pointedly and powerfully summarized
11 what one of the problems is in that transition, which is the
12 change from doctor to doctor, sometimes from medicine to
13 medicine, formulary to formulary among drugs. So I hope
14 that we can help you make that kind of progress. Thank you
15 very much.

16 Senator Cotton: I will now recognize myself. Being
17 the acting chairman for John McCain is almost as powerful as
18 I felt as having staff duty at Fort Myer, checking on
19 General Odierno's house a 0200 in the morning, although he
20 was not there in 2007. He was in Iraq, and I want to thank
21 him, as all my colleagues have, for his many years of
22 distinguished service, particularly in that country.
23 General Odierno, just in case you are not back in front of
24 us again, as you no doubt hope that are probably not.

25 And, General Welsh, thank you as well for your service.

1 Both the Secretaries, thank you for your service to our
2 country, for being here.

3 We have heard many members of this committee talk about
4 the dangers of sequestration to your services. We heard
5 before from the Navy and the Marine Corps as well. I think
6 most of us, if not all of us, are in agreement. We are now
7 engaged in a debate on exactly what to do about that during
8 the budget season in both the House and the Senate.

9 The House of Representatives proposed its budget today.
10 I believe the Senate Budget Committee is working on the
11 budget today as well. The drafts that have been introduced
12 would keep the DOD portion of the base budget at \$498
13 billion and spend some substantial more than that in so-
14 called OCO funds, overseas contingency operations, perhaps
15 as much as \$90 billion. I think when you add in the non-DOD
16 parts of the defense budget, it would get up to about 613 or
17 so.

18 You do not necessarily need to comment on either
19 budget, but I would like to hear what General Odierno and
20 General Welsh have to say about the concept of funding the
21 base budget at \$498 billion for defense and a much larger
22 OCO request than appears in the President's budget.

23 General Odierno: Thank you, Senator. So first, I
24 would just say there is risk to not funding the base and
25 putting it in OCO because with that has to come a

1 flexibility within OCO for us to spend it on the things that
2 are necessary because OCO has limits and it has restrictions
3 and it has very strict rules that have to be followed. And
4 so if we are inhibited by that, it might not help us. What
5 might happen at the end of the year, we have a bunch of
6 money we hand back because we are not able to spend it. So
7 the first thing is it would have to have some level of
8 flexibility.

9 Now, I would say that getting money in OCO, if there is
10 flexibility with it, is certainly better than not getting
11 any additional money. It could help us with readiness.
12 There are ways that maybe we could work with the committee
13 to make it work.

14 But I would tell you I would much rather have it in the
15 base budget because at some time we are going to have to
16 shift it to the base, and if we put it in OCO, we are just
17 delaying that potential. It is going to have to happen at
18 some time.

19 Senator Cotton: Senator McCain and Senator Reed have
20 both called in their budget newsletter for \$577 billion, and
21 they have endorsed in concept the National Defense Panel's
22 recommendation of \$611 billion as a minimum floor. If that
23 were not to happen, if you did have the base budget
24 somewhere around \$498 billion and OCO somewhere around \$90
25 billion, would you be able to stop some of the force

1 reductions that you have predicted in your testimony today?

2 General Odierno: We would still be going to 450,000:
3 335,000 in the Guard and 195,000 in the Reserve. But what
4 that money would do is it would help us with our readiness.

5 Senator Cotton: So force structure would probably not
6 change, but readiness of the remaining force would improve.

7 General Odierno: See, the problem with OCO, it is
8 year-to-year funding. So we do not know how long it would
9 go. But our ramp is continuing, down to 450,000.

10 Senator Cotton: General Welsh?

11 General Welsh: Senator, with modernization as a major
12 issue we face, OCO presents some problems because it is hard
13 to start a new program with OCO when you are looking at a
14 1-year budget cycle. It is not guaranteed over time. There
15 are limits on what you can spend it on. So that is the big
16 issue with us. Modernization is a huge deal for the Air
17 Force at this point in time. But as Ray said, at some point
18 in time, if it is green and it smells pretty and it is not
19 your St. Patrick's Day tie, it is okay.

20 Senator Cotton: Are you talking primarily about
21 longer-term modernization like the long-range strike bomber
22 or shorter-term procurement matters as well?

23 General Welsh: I would think that the Congress would
24 probably help us with flexibilities on the shorter-term
25 things. I am more worried about for a platform-based force,

1 Air Force or Navy, for example, the types of systems we buy
2 will take longer and produce overtime. It is not just the
3 development. It is also the production and supply chain
4 that goes on for 20-30 years as you change hundreds of
5 platforms.

6 Senator Cotton: General Odierno, we did not touch on
7 modernization. Obviously, the Army has much smaller, lower
8 unit cost platforms than does the Air Force. But would you
9 care to touch on modernization, how this approach might --

10 General Odierno: Yes. So, again, it depends. OCO
11 limits what we can do for modernization if it is in OCO.
12 Now, there are ways around that. So, for example, if you
13 had end strength over 475,000 or 450,000 funded in OCO, we
14 could then use that money to do potentially modernization.
15 But again, the wording and other things would have to be
16 about right in order to make that happen. But there is some
17 potential that we could use it for modernization depending
18 on the flexibility that is inside of that.

19 Senator Cotton: So my time has expired, but if I could
20 briefly synthesize what I think I am hearing from both of
21 you, it is not good, better than nothing, but depends
22 heavily on the details or the kind of flexibility that the
23 OCO funding provides.

24 General Welsh: Senator, if I could add. It would help
25 us continue the readiness recovery that the last 2 years of

1 BBA has allowed us to start, at least at the individual and
2 unit level.

3 Senator Cotton: Best for readiness, marginal for force
4 structure, not good for modernization. Thank you.

5 Senator King?

6 Senator King: I would like to congratulate the chair.
7 To deliver one's maiden speech and chair the Armed Services
8 Committee in the same week is a meteoric rise.

9 [Laughter.]

10 Senator King: And also, Secretary James, I love your
11 description of space: congested, contested, and
12 competitive. The first thing I thought of was my old high
13 school football coach who said we want our boys to be agile,
14 mobile, and hostile. And that came back to me when you said
15 that.

16 I want to, first, for the record associate myself with
17 Senator Wicker's comments about Afghanistan. I think it
18 would be a tragedy if we pull our forces out of there
19 prematurely. To follow with the football, it would be like
20 fumbling the ball on the 5-yard line in my opinion based
21 upon the tremendous progress that has been made. And I
22 hope, General Odierno, you will continue to relay those
23 thoughts through General Campbell to the appropriate
24 officials.

25 Senator Wicker and I were at the budget meeting this

1 afternoon. I can report good news and bad news or I should
2 say bad news and good news on the budget. The budget that
3 was proposed by the majority in the Budget Committee does
4 assume sequestration. That is the bad news. The good news
5 is that there is language in it which is a kind of
6 placeholder for a replacement for sequestration if we can
7 find it. I can assure you that there are a lot of people,
8 good people, working on finding it, but I can also tell you
9 because I am one of those people that it is hard. There is
10 no low-hanging fruit. There is no easy solution to it.

11 And that is why your testimony about the damage is so
12 important because as we look at difficult alternatives, we
13 have to keep in front of us the difficult reality that
14 sequestration poses for all of the services. So it is very
15 important to keep that information flow going about what the
16 real effects will be in terms of squadrons grounded, pilots
17 not being trained, force structure. Readiness, of course,
18 is the key. And I just urge you to continue to make that
19 case.

20 General Welsh and Secretary James, can you briefly on
21 this question of sequester touch upon the loss of ISR
22 capabilities in the sequester budget? I see that as a real
23 problem for us.

24 Ms. James: Let me start and, please, Chief, you jump
25 in as well.

1 So we did make it a big point, as I was mentioning
2 earlier to talk to the combatant commanders and find out
3 what their top priority was for any additional dollars that
4 the Air Force could bring to the table, and they said ISR,
5 ISR, ISR. That is the way it went all the way.

6 So as a result, we put in additional things which would
7 have to be stripped back out under sequestration. So under
8 sequestration, we would have to divest the U-2, which would
9 reduce high altitude ISR capacity by 50 percent. We would
10 have to divest --

11 Senator King: Let me stop you there. It would reduce
12 high altitude ISR capability by 50 percent. That is a
13 stunning fact, it seems to me.

14 Ms. James: Yes. No, it is. It is very serious and it
15 gets worse. We would also have to divest the Global Hawk
16 block 40. We would have to reduce our combat air patrols,
17 the Predators and the Reapers, by 10 combat air patrols. By
18 the way, 10 is roughly the equivalent of what is in Iraq and
19 Syria today. So that is a substantial chunk. We would have
20 to divest seven AWACS, which of course are command and
21 control aircraft. So the list is draconian.

22 Senator King: This is like General Lee losing J.E.B.
23 Stuart before the Battle of Gettysburg. As I remember,
24 General Lee's comment was "I am blind." And that is what we
25 are talking about.

1 Ms. James: That is what we are talking about.

2 Senator King: General Odierno and Secretary McHugh,
3 you have talked about a term "velocity of instability in
4 today's world." Clearly that is where we are. All the
5 testimony both in the Intelligence Committee and Armed
6 Services has been from professionals. They have never seen
7 anything quite like the instability and unpredictability of
8 the world that we are in.

9 Talk to me a little bit more, General, about OCO and if
10 we use OCO for what amounts to base, that means we do not
11 have OCO for OCO. And what does that do to your flexibility
12 of being able to respond?

13 General Odierno: Well, I think what would happen is we
14 would have additional OCO dollars. The problem again is
15 what happens is OCO is supposed to fund our missions that
16 are being conducted, whether it be in Iraq, Syria,
17 Afghanistan. If they increase the OCO, then we could use it
18 for training of units that are preparing to go to operate in
19 those areas. What it does not do is train our forces that
20 have to go to unknown contingencies. If, for example, we
21 wanted to deploy a bunch of soldiers to Europe, if something
22 continued to go wrong there, we might not be able to use the
23 money to do it. Or if we had to send people to Korea, we
24 would not be able to use that number to train our forces to
25 be prepared to go to Korea.

1 Senator King: By definition, a contingency account is
2 not a contingency account if you are spending it for base
3 budget purposes.

4 General Odierno: That is correct.

5 Senator King: A final question for the record because
6 I know my time is up.

7 General Welsh, I would like you, if you could, to give
8 the committee a justification, if you would, for the new
9 bomber, for the long-range strike bomber in terms of what
10 are we gaining over the B-2, and how do we control for the
11 risks of a new airplane. The B-2, of course, we were going
12 to get 100. We ended up with, I think, in the 20's. How do
13 we mitigate the risk both in terms of cost and duration of
14 project? And is it worth that risk vis-a-vis the advantages
15 of the new aircraft? You do not have to answer now, but if
16 you could give us some background to the committee I would
17 appreciate it. Thank you.

18 [The information follows:]

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1 Senator Reed [presiding]: Senator Cruz?

2 Senator Cruz: Thank you, Mr. Chairman.

3 And I want to thank Secretaries McHugh and James and
4 Generals Odierno and Welsh for your distinguished service to
5 our country and for coming here today to testify to this
6 committee.

7 I would like to start, Secretary McHugh, with you and
8 General Odierno. The Army force structure and personnel
9 manning projections were based on a set of assumptions about
10 very limited commitments to the Middle East, Europe, and
11 Afghanistan. Under the 2016 budget request, the Army's end
12 strength would decrease to 450,000 by the end of 2018. Mr.
13 Secretary and General Odierno, you have both testified in
14 the past that this level is the minimum force necessary to
15 execute national defense strategy, but you have also
16 mentioned that everything in that estimate relies on the
17 underlying assumptions regarding required operations.

18 With a resurgent Russia imposing violence on its
19 neighbors, ongoing commitments to fight radical Islamic
20 terrorism and groups like ISIS, and the potential for a
21 longer-term commitment to Afghanistan, how confident are you
22 that these numbers are enough to fight and win a regional
23 conflict?

24 General Odierno: Senator, what I would say is there is
25 concern. Again, these numbers, what we originally

1 developed, were based on the fact that we would not have to
2 have significant presence in Europe. That was assumed that
3 there would not be significant issues there, that we would
4 not have a prolonged presence in the Middle East and I mean
5 a larger presence than we have there today, a prolonged,
6 larger presence than we have there, and if we have to have a
7 presence in Europe or if there is some significant more
8 aggression than we have had so far and we had to sustain
9 that for a long period of time, i.e., over a year or 2, then
10 our force structure would not be enough to meet those
11 requirements.

12 Mr. McHugh: Senator, if I could add.

13 Senator Cruz: Sure.

14 Mr. McHugh: As you noted and as the Chief and I have
15 testified, the 450 number is the absolute minimum we need to
16 do the things we see today. And as your remarks clearly
17 illustrated, a lot of the things we see today we did not see
18 a year ago, 18 months ago. And it is that unknown that
19 truly troubles certainly me and I think the rest of us at
20 this table.

21 Former Secretary of Defense Bob Gates once said that
22 when it comes to predicting the future, our record is
23 perfect. We have been wrong every time.

24 And I truly worry about that next thing that we do not
25 see or the things we are dealing with today that, all of a

1 sudden, exceed their bounds. We would be hard-pressed to
2 answer that bell.

3 Senator Cruz: General Odierno, in your personal
4 judgment, what number of soldiers would be required to
5 perform the functions that are needed?

6 General Odierno: In 2012, when we originally developed
7 the Defense Strategic Guidance, we developed it with an idea
8 of an end state of 490,350 in the Guard and 205,000 in the
9 U.S. Army Reserve. And that was based on our analysis of
10 what we thought we would have to do. So I would say that
11 that is about the level I think we should be at in order to
12 meet the future needs. But, again, I have testified -- and
13 I stick with it -- that I think 450,000 is the minimum, but
14 it assumes a lot of things. So if those assumptions are
15 right, we are okay. If they start to go wrong, we have no
16 wiggle room, and that is why I think the 490, 350, 205 is
17 the right number.

18 Senator Cruz: Well, let me ask a follow-up question,
19 which is if we find ourselves in a situation where we have
20 cut the Army to 450 and suddenly we need to grow, we have
21 too little capacity. Can you provide an estimate on the
22 length of time and effort it takes to reconstitute the force
23 and not just the size but the readiness we would need?

24 General Odierno: So, Senator, in 2005 and 2006, when
25 we grew the Army, it took us 30 months to grow one brigade,

1 and that is to recruit it and that is to individually train
2 it and collectively train it. So it would take 30 months to
3 develop a new brigade if we had to do that.

4 Senator Cruz: Secretary James and General Welsh, the
5 National Defense Panel observed that the Air Force's bomber,
6 fighter, and surveillance forces are scheduled to draw down
7 to approximately 50 percent of the current inventory by
8 2019. What do you believe is the proper approach to
9 increasing the Air Force's ISR and long-range strike
10 capabilities?

11 General Welsh: Senator, I am not exactly sure what
12 those numbers mean. But we have been drawing down for quite
13 some time. As the chairman mentioned at the beginning of
14 this hearing, in the first Gulf War, the Air Force deployed
15 33 fighter squadrons, but we had five times that many in the
16 Reserve to do something else. This budget will take us to
17 49 fighter squadrons. If we have another event like the
18 first Gulf War, which is the last time we deployed a full
19 airpower package, it would be just on the fighter side -- 33
20 fighter squadrons -- it would require 14 for homeland
21 security, if there is any kind of increased risk to the
22 homeland, which there likely would be in that scenario. And
23 that would leave you with two other squadrons to do whatever
24 else you wanted to do in the world, to include things like
25 Iraq and Syria, Afghanistan, anything in the Balkans, the

1 Levant, Eastern Europe, all the other things that we have
2 force structure in today. The problem is quantify does have
3 a quality all its own in this business. It just does.

4 Senator Cruz: So in your personal judgment, what level
5 is required to adequately protect this country?

6 General Welsh: Well, we understand we have to be part
7 of the solution of the debt problem. Everybody in the
8 Department understands that. What we cannot do is continue
9 to downsize every capability area not just fighter
10 squadrons. We are cutting every one of our five core
11 mission areas in this budget, as we did last year and the
12 year before. The trend is all in the wrong direction in
13 every mission area, and we do not see it stopping. That is
14 the danger, Senator.

15 Ms. James: And if I could add, Senator, the way I
16 would put it is we think just you heard the Army say, that
17 the President's budget level is our bare minimum in order to
18 do what we are supposed to do under the strategy. That does
19 not mean it is perfect. You know, we already feel like we
20 made some important down payments, and we are certainly
21 scrubbing all the time looking for additional efficiencies.
22 So I would say that budget level is what we consider our
23 bare minimum in order to do the strategy as it is laid out
24 right now. We will have to rewrite the strategy if we do
25 not get it.

1 And then a couple other points I would make on long-
2 range strike. We need to modernize it. So that is why we
3 are investing in the F-35, we are investing in the long-
4 range strike bomber. And then when it comes to ISR, of
5 course, partly as a result of the additional dollars in this
6 President's budget level above sequestration we were able to
7 essentially buy back some of the investment that we
8 otherwise might have retired in some of our systems like the
9 U-2, for example, like the AWACS. Some of these we are
10 going to retire -- we would prefer not to retire them at
11 least not so early because we need replacements for these
12 things. So the budget does provide for both long-range
13 strike and ISR investments.

14 Senator Cruz: Thank you very much.

15 Senator Reed: Thank you, Senator Cruz.

16 On behalf of the chairman, Chairman McCain, I want to
17 thank you all for your testimony and for your service, your
18 commitment. Again, please thank all the men and women in
19 uniform for us.

20 And with that and on behalf of Chairman McCain, the
21 hearing is adjourned.

22 [Whereupon, at 5:17 p.m., the hearing was adjourned.]

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