

Stenographic Transcript
Before the

Subcommittee on
Readiness and Management Support

COMMITTEE ON
ARMED SERVICES

UNITED STATES SENATE

HEARING TO MARK UP THE NATIONAL DEFENSE
AUTHORIZATION ACT FOR FISCAL YEAR 2017

Tuesday, May 10, 2016

Washington, D.C.

ALDERSON COURT REPORTING
1155 CONNECTICUT AVE NW
SUITE 200
WASHINGTON, D.C. 20036
(202) 289-2260
www.aldersonreporting.com

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HEARING TO MARK UP
THE NATIONAL DEFENSE AUTHORIZATION ACT
FOR FISCAL YEAR 2017

Tuesday, May 10, 2016

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

The subcommittee met, pursuant to notice, at 2:05 p.m.,
in Room SD-G50, Dirksen Senate Office Building, Hon. Kelly
Ayotte, chairman of the subcommittee, presiding.

Members Present: Senators Ayotte [presiding], Fischer,
Rounds, Ernst, Kaine, Shaheen, Hirono, and Heinrich.

1 OPENING STATEMENT OF HON. KELLY AYOTTE, U.S. SENATOR
2 FROM NEW HAMPSHIRE

3 Senator Ayotte: Good afternoon. At this time the
4 Readiness and Management Support Subcommittee will come to
5 order.

6 Today the subcommittee meets to mark up an original
7 bill, the National Defense Authorization Act for Fiscal Year
8 2017. I first want to thank ranking member, Senator Kaine,
9 and your staff for the bipartisan work that we have done
10 putting this mark together.

11 I want to specifically thank the majority and minority
12 committee staff for all their hard work on this bill: Cord
13 Sterling, Bill Greenwalt, Jeremy Hayes, Jackie Kerber, Diem
14 Salmon, Brad Patout, John Quirk, Arun Seraphin, Ozge
15 Guzelsu, and Leah Scheunemann. Senator Kaine, I also want
16 to thank Ryan Colvert of your staff for his hard work, and I
17 would like to thank my own staff for their hard work: Brad
18 Bowman, Ryan Clark, Rick Dressler, and Shawn O'Donnell.

19 I am also pleased to say that the committee will once
20 again hold this markup in open session. We have shown that
21 we can conduct our business in a transparent manner while
22 producing a strong bill and also protecting classified
23 information. While I look forward to the public discussion
24 today, I would remind colleagues that there will be no
25 discussion of a classified or confidential nature today. If

1 there are matters of that nature, we will obviously have to
2 address that in a closed session. Additionally, I would ask
3 that any senator who wishes to offer an amendment or raise
4 an issue of a classified nature to defer that amendment for
5 the full committee's consideration.

6 Before proceeding, I want to make a few comments about
7 the Readiness mark. As many witnesses have testified before
8 our committee, the United States confronts a growing and
9 diverse range of threats, and yet the readiness of our armed
10 forces has declined dangerously. This has occurred because
11 our defense budget is based on artificial budget caps rather
12 than an objective assessment of the threats we confront and
13 a clear-eyed determination of the military we need to
14 protect our national security interests. One of the most
15 significant and important priorities for Congress is to
16 eliminate once and for all the defense sequestration and the
17 artificial budget caps that have increased the gap between
18 the military we have and the military that we need to defend
19 this Nation.

20 According to the Army's Fiscal Year 2017 posture
21 statement, less than one-third of Army forces are at
22 acceptable readiness levels to conduct sustained ground
23 combat in a full spectrum environment against a highly
24 lethal hybrid threat or near peer adversary. With the Air
25 Force, which is currently at its smallest, oldest, and least

1 ready in its history, less than half of our combat forces
2 are ready for a high-end fight. We have seen similar
3 readiness challenges with the Navy and Marine Corps.

4 Given these challenges, our mark attempts to improve
5 readiness by authorizing roughly \$140 billion in operations
6 and maintenance funds, which would pay for maintainers,
7 parts, equipment, and workload at bases, depots, arsenals,
8 and shipyards around our country. For military
9 construction, this mark authorizes more than \$7 billion to
10 support important projects all over the country for our
11 active, Reserve, and Guard components.

12 With this mark, we have also done everything in our
13 power to cut wasteful or redundant spending and to
14 reallocate those resources to core readiness priorities.
15 For example, we have taken savings realized in both foreign
16 currency fluctuations in bulk fuel and devoted those
17 resources to funding more than \$2 billion in critical
18 unfunded requirements. This will result in improvements to
19 training, aviation readiness, cyber reporting, and depot
20 maintenance. This mark authorizes roughly \$300 million in
21 military construction priorities identified through the
22 services' unfunded requirements list, and pays for them by
23 taking reductions from non-defense related projects, or
24 those that continue to face overruns and delays.

25 I am pleased that this mark explicitly authorizes three

1 military construction projects at the Portsmouth Naval
2 Shipyard worth more than \$74 million, as well as two
3 military construction projects for the New Hampshire Army
4 National Guard at Hooksett in Rochester, and a \$1.5 million
5 project at Pease to install a fuselage trainer to prepare
6 for the arrival of the KC-46A.

7 Our small businesses play a critical role in driving
8 innovation and ensuring that our warfighters have the best
9 equipment that they need. That is why I am pleased that
10 this subcommittee's mark reauthorizes the Small Business
11 Innovation Research, SBIR, and the Small Business Technology
12 Transfer, STTR, Programs for small defense businesses.

13 I would like to point out something that this mark does
14 not do. The Administration has requested another round of
15 base realignment and closures, or BRAC, round, and this mark
16 does not authorize DOD to conduct another BRAC round. I do
17 not want to give the Department the open-ended authority to
18 pursue another BRAC round that will incur significant
19 upfront costs when we do not have the room in our budget
20 over the next years to afford many fundamental readiness
21 investments. In addition, with the threats we are facing
22 around the world, I believe that this is not the time to
23 undertake a BRAC round.

24 Also as I mentioned, our military is currently sized
25 based on artificial budget caps instead of being sized to

1 protect our national security interests from the threats we
2 face. In short, there is a significant and dangerous gap
3 between the military we have and the military we need.
4 Therefore, it makes no sense to authorize a round of base
5 closures when many of us are hopeful that the next
6 Administration will align its proposed defense budget with
7 the size of the military we need to face the growing threats
8 that we see around the world. And we will need many of our
9 bases that DOD might propose to close to do that.

10 Historically, the subcommittee has used the chairman's
11 mark as the markup vehicle subject to amendment. The staff
12 has -- the staff had briefed the markup recommendations in
13 detail to the staff of the subcommittee members and to the
14 members. Unless there is an objection, we will adopt the
15 chairman's mark subject to amendment.

16 [No response.]

17 Senator Ayotte: Unless there is an objection, we will
18 use the chairman's mark as a markup vehicle subject to
19 amendment. Any objections?

20 [No response.]

21 Senator Ayotte: Thank you. There being no objection,
22 it is so ordered.

23 At this point I would like to offer the ranking member,
24 Senator Kaine, the opportunity to make an opening statement.
25 Senator Kaine?

1 STATEMENT OF HON. TIM Kaine, U.S. SENATOR FROM
2 VIRGINIA

3 Senator Kaine: Thank you, Madam Chair. I am honored
4 to work with Senator Ayotte in this committee's traditional
5 bipartisan manner, and I look forward to the next few days
6 with all my colleagues.

7 After 14 years of sustained combat coupled with the
8 Budget Control Act of 2011, the Nation will continue to
9 struggle with a self-inflicted readiness problem unless and
10 until we repeal sequestration. I believe, along with the
11 chairwoman, that we need a repeal not just for the
12 Department of Defense, but across the entire government.
13 There is a better way to do budgeting than sequester. And
14 if the budget caps remain in place, we will unnecessarily
15 subject DOD to conditions in which they are basically not
16 funded to succeed in the missions we are asking them to
17 succeed in.

18 Given the challenge that the military continues to face
19 under these fiscal constraints, I am pleased with the
20 Readiness Subcommittee's mark. It is a bipartisan step in
21 the right direction. Overall the mark provides an
22 additional \$505.5 million in O&M above the President's
23 budget request with targeted funding increases to crucial
24 unfunded requirements aimed at restoring full spectrum
25 readiness as soon as we can.

1 For example, there is a \$400 million increase across
2 all of the services for depot maintenance and sustainment
3 for various weapons platforms. This is not the sexy stuff,
4 but it is the necessary stuff, and I am pleased to see this
5 increase. There is a \$244.6 million increase in Army O&M
6 for home station training for active, Guard, and Reserve to
7 support the Army chief of staff, General Milley's, unfunded
8 requirements. The mark adds \$58 million for Marine Corps
9 training exercise shortfalls. There is a \$55 million
10 increase in Army and Air Force Reserve lodging in-kind
11 assistance to help defray costs for reservists who sometimes
12 must travel hundreds of miles to execute their Reserve duty.

13 And the mark also adds \$802.9 million in facilities
14 sustainment, restoration, and modernization funding, which
15 is badly needed across the active, Reserve, and Guard
16 installations.

17 In the area of military construction, I am pleased we
18 are able to pay for approximately \$300 million worth of
19 projects identified by the service chiefs and combatant
20 commands as priority unfunded requirements. One that I am
21 particularly pleased with is a \$27 million proposal for the
22 recap of Chambers Field Magazine at Naval Station Norfolk.
23 And I also support a provision that would help DOD labs
24 revitalize antiquated facilities to increase the funding
25 ceiling of minor MILCON projects connected with DOD

1 research.

2 On acquisition and the environment, this subcommittee
3 mark includes nearly 60 acquisition reform improvement
4 provisions which are intended to open DOD up to commercial
5 industry, streamline government data requirements, push for
6 rapid prototyping, as well as firm fixed price contracts on
7 cost type contract platforms. I am also pleased that the
8 mark fully funds the President's request for environmental
9 programs. There is an \$18 million fund that I would just
10 note for Navy environmental restoration to a landing field,
11 Naval Auxiliary Landing Field Fentress, to solve a drinking
12 water problem. And we have seen other problems of that
13 kind, and I appreciate the mark including that.

14 I want to voice my opposition to an amendment I think
15 -- that I think we will be taking up in the main committee.
16 Without going into the details of the amendment, it is an
17 amendment dealing with biofuels. And I would just note for
18 the committee's sake that there has been remarkable progress
19 in the cost effectiveness of biofuels purchased by the
20 military in the last few years.

21 When the Navy was purchasing biofuels in 2012, they
22 were paying \$15 per gallon for that purchase, but they
23 justified the cost on the grounds that the purchase would
24 guarantee a level of research and investment that would
25 ultimately bring down the per unit cost. That cost has

1 dropped from \$15 a gallon to \$2.04 a gallon last year, and
2 the pressure continues to bring that price down.

3 The U.S. spends roughly a billion dollars every three
4 days on imported oil, so domestic production of sustainable
5 non-food biofuels is an important strategic goal. And I
6 would note that the American Farm Bureau, the National
7 Farmer's Union, the Airline Pilots Association, Airlines for
8 America, USDA, the DOD, and many others would be against an
9 amendment that would try to stop the progress we have made
10 in bringing down the cost of biofuels and developing this
11 independent energy source.

12 Senator Ayotte, I would like to end by thanking you
13 again for your work as subcommittee chair. We work well
14 together, and I know that will continue. I would also like
15 to express my appreciation to the staff members that you
16 have identified, the Readiness Subcommittee's majority and
17 minority professional staff members who you have named, to
18 the military legislative assistants, Brad Bowman and Ryan
19 Colvert, and especially to our Readiness staff assistant,
20 Leah Scheunemann, who put together the very, very thick book
21 that we are working out of. Thank you, Leah.

22 Senator Ayotte: Well, thank you so much, Senator
23 Kaine.

24 We have received 14 amendments that do not have
25 reporting requirements that have been cleared by both sides.

1 Those amendments begin with Ayotte Number 1 -- you have them
2 before you -- Ayotte 05 and end at 14 at Ayotte 234. Is
3 there an objection to adopting all 14 of these amendments
4 that you should all have before you? Any objections to
5 these 14 that are being included in the manager's package?

6 [No response.]

7 Senator Ayotte: Without objection, the reporting
8 requirement -- excuse me -- the manager's amendments without
9 reporting requirements is adopted.

10 Consistent with the chairman's guidance, we will now
11 proceed to the consideration of amendments that have
12 previously been cleared by both sides but include a
13 reporting requirement. I will invite members to offer their
14 cleared amendments, and when all those amendments and the
15 reporting requirements have been offered, I would propose
16 that we adopt these amendments en bloc. We will save
17 ourselves some time here.

18 I have before you a package of the amendments that have
19 reporting requirements on it, and they begin with Tillis
20 Number 1 -- at Number 1 and then ending at the 23rd
21 amendment, which is Donnelly 239. Does anyone have an
22 objection to any of these amendments?

23 [No response.]

24 Senator Ayotte: Without objection, these amendments
25 for reporting requirements will be included as part of the

1 manager's package.

2 I will now entertain a motion that the subcommittee
3 adopt these agreed upon amendments. I guess we have already
4 done that, without objection.

5 And so, let me just say of all of the amendments, both
6 those with reporting requirements and without reporting
7 requirements, all in favor, say aye.

8 [A chorus of ayes.]

9 Senator Ayotte: Any opposed?

10 [No response.]

11 Senator Ayotte: The ayes have it, and the motion is
12 agreed to.

13 Are there any other proposed amendments? Senator
14 Shaheen.

15 Senator Shaheen: Thank you, Madam Chair, and I would
16 like to thank both you and Ranking Member Kaine for all of
17 your great work on the mark. As you pointed out, there are
18 a number of things in here that at a personal level we think
19 are very important to the State of New Hampshire, the
20 National Guard facilities in Rochester and Hooksett, the
21 investments at Pease for the KC-46A, and at the shipyard for
22 the junior enlisted barracks, and a number of other
23 investments that I think will not only be good for the
24 military, but I think on a -- as I said, on a parochial note
25 will be good for New Hampshire and Maine.

1 I want to offer two amendments this afternoon, and I
2 very much appreciate the willingness of all of the committee
3 staff to work to include so many of the amendments that we
4 have offered, particularly around energy issues. And I
5 think as I look at all of the amendments that have been
6 offered, both those that have reporting requirements and the
7 others, it is impressive to see how many deal with energy
8 issues. And I think it speaks to the leading role that our
9 military is playing with respect to energy use.

10 But I would first like to call up Shaheen Amendment
11 224, which is a revised policy on ground combat and
12 camouflage utility uniforms. Back in the 2014 NDAA we
13 established the policy that DOD shall eliminate the
14 development and fielding of service specific combat uniforms
15 in order to adopt and field a common combat uniform. And I
16 think that was really the result of work that had been done
17 for a number of years because before 2002, DOD did have the
18 same uniforms that were used by all of the branches, except
19 for the dress uniforms.

20 And in 2010, the GAO took a look at this issue. They
21 found that there were no performance standards or criteria
22 for evaluating the effectiveness of camouflage patterns, no
23 requirements for the services to test interoperability
24 between their uniforms and tactical gear despite the fact
25 that DOD has a Joint Clothing and Textile Governance Board

1 that was created in 2008.

2 And in previous years the GAO had cited combat uniforms
3 as the top DOD issue in their annual report on duplication
4 and overlap. The fact is GAO estimates that this will save
5 at least \$82 million. And as I pointed out, in 2014 in the
6 NDAA, we established the policy that DOD should eliminate
7 the development and fielding of service specific combat
8 uniforms. I want to be clear that I am talking about combat
9 uniforms. DOD established a Joint Clothing Textile Board in
10 2008. They have been -- they have established criteria for
11 uniforms that we required them to do in 2014, and yet they
12 have been sitting on that criteria since then.

13 So this amendment is really an effort to continue what
14 has been the policy of this committee to try and get all of
15 our branches to use the same combat uniforms. Prior to
16 2002, again, all the services wore the same combat uniform
17 patterns for years. The decision to dovetail into at least
18 eight different combat uniform patterns has caused
19 unnecessary inefficiencies, and unfortunately it has had the
20 effect where troops are deployed to combat with different
21 levels of camouflage.

22 So I would hope that the committee would take a look at
23 this, consider it, and adopt it so that we can ask DOD to
24 get back on board with what has been the policy of this
25 committee and of the Senate.

1 Senator Ayotte: Thank you, Senator Shaheen. Senator
2 Ernst.

3 Senator Ernst: Madam Chair, I would request that this
4 go to the full committee for further discussion so we can
5 hear from the other members as well.

6 Senator Ayotte: Then I would move this amendment up to
7 the full committee for a full discussion, and we can make
8 sure that it gets obviously a full debate and vote in the
9 full committee.

10 Senator Shaheen: I thought I had another amendment,
11 but I understand that it was cleared in the -- before this
12 markup, so thank you. I appreciate that, and we will take
13 the other amendment to the full committee.

14 Senator Ayotte: Excellent. Thank you, Senator
15 Shaheen. Does anyone else have another amendment they would
16 like to discuss or offer?

17 [No response.]

18 Senator Ayotte: Hearing none, I move that the
19 recommendations of the subcommittee be reported to the full
20 committee, and that the staff be authorized to draft
21 necessary bill and report language, and to make necessary
22 technical and conforming changes.

23 Voice. Second.

24 Senator Ayotte: And before we do that and before we
25 move on this, does anyone else have any other amendments you

1 want to make pending for the consideration of the full
2 committee?

3 I would offer my own. I would like to make an
4 amendment, Ayotte 74, pending for consideration before the
5 full committee.

6 With that, then I would ask all who are in favor of
7 moving the recommendations of the subcommittee to the full
8 committee, say aye.

9 [A chorus of ayes.]

10 Senator Ayotte: All opposed?

11 [No response.]

12 Senator Ayotte: The ayes have it. The motion is
13 agreed to.

14 And is there any other business to come before the
15 subcommittee?

16 [No response.]

17 Senator Ayotte: Thank you all. And seeing none, this
18 meeting is adjourned.

19 [Whereupon, at 2:25 p.m., the hearing was adjourned.]

20

21

22

23

24

25