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SENATE ARMED SERVICES COMMITTEE

STATEMENT OF  
LIEUTENANT GENERAL MICHAEL G. DANA  
DEPUTY COMMANDANT, INSTALLATIONS AND LOGISTICS  
HEADQUARTERS, UNITED STATES MARINE CORPS  
BEFORE THE  
SUBCOMMITTEE ON READINESS AND MANAGEMENT SUPPORT  
OF THE  
SENATE ARMED SERVICES COMMITTEE  
ON  
DEFENSE WARFIGHTER READINESS  
ON  
29 MARCH 2017

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Lieutenant General Michael G. Dana  
Deputy Commandant, Installations and Logistics

Lieutenant General Dana was promoted to his current rank and assumed his duties as Deputy Commandant for Installations and Logistics in September 2015.

Lieutenant General Dana was commissioned a Second Lieutenant in June of 1982 following graduation from Union College in Schenectady, New York.

From 1983-1986, Lieutenant General Dana was assigned to 2nd Tank Battalion, deploying with Battalion Landing Team 1/8 to the Mediterranean. In 1986 he was assigned as the Combat Cargo Officer aboard USS Duluth (LPD-6), deploying to the Western Pacific with Battalion Landing Team 1/9 embarked.

From 1988-1991, Lieutenant General Dana served as the Logistics Officer for Battalion Landing Team 3/1 and as a company commander and S-3 with 1st Landing Support Battalion from 1992-1994 (Desert Storm/Operation Restore Hope). From 1996-1999 he served with the Standing Joint Task Force at Camp Lejeune, as an ISAF Plans Officer in the Former Republic of Yugoslavia and as the II MEF G-4 Operations Officer. After a tour with MAWTS-1, Lieutenant General Dana commanded MWSS-371 from 2000-2002.

From 2003-2005 he was assigned to III MEF, serving as the G-7/3D MEB Chief of Staff, III MEF Deputy G-3, and OIC of the MARCENT Coordination Element at Camp Arifjan, Kuwait.

From 2005-2007, Lieutenant General Dana commanded MWSG-37, including a deployment to Iraq from 2006-2007. From 2010-2012 Lieutenant General Dana served as the Commanding General, 2d Marine Logistics Group, including a deployment to Afghanistan from 2011-2012. He was then assigned as the Assistant Deputy Commandant for Logistics (LP) until October 2012.

Joint assignments include service with EUCOM, NORTHCOM and, most recently, PACOM. Lieutenant General Dana is a graduate of Amphibious Warfare School, Marine Corps Command and Staff College, School of Advanced Warfighting and the Naval War College.

## **INTRODUCTION**

Chairman Inhofe, Ranking Member Kaine and distinguished members of the Senate Armed Services Subcommittee on Readiness, thank you for the opportunity to appear today and to report on the readiness of your United States Marine Corps.

I have the privilege to lead an Installations & Logistics (I&L) team that delivers the installations, logistics, and ground equipment readiness that ensures the Marine Corps remains capable of "Making Marines and Winning our Nation's Battles". We are grateful for the continued support of Congress and of this subcommittee for your appreciation of this pivotal role to our nation's defense and in ensuring we remain ready when the nation is least ready.

## **YOUR MARINE CORPS TODAY**

Today, your Marine Corps continues to operate at the same tempo as it has over the past 15 years. With a dynamic and complex operating environment, the Joint Force requires and actively employs our expeditionary capabilities. During the past year, your Marines executed approximately 185 operations, 140 security cooperation events with our partners and allies, and participated in 65 major exercises. Nearly 23,000 Marines remain stationed or deployed west of the International Date Line to maintain regional stability and deterrence in the Indo-Asia-Pacific region. Our Marine Expeditionary Units (MEUs) support the joint force by executing counterterrorism (CT) operations in Iraq and North Africa, providing humanitarian assistance and disaster relief (HA/DR) support in Japan and Haiti, and remain forward deployed to respond to crises and emerging threats.

## **MARINE CORPS RISK**

As we operate around the globe today, fiscal constraints and instability have impacted our readiness. As resources have diminished, the Marine Corps has protected the near-term readiness of its deployed and next-to-deploy units in order to meet its operational commitments. Since the conclusion of OIF and OEF, the Marine Corps has not had the benefit of an “inter-war” period to reconstitute and modernize our force. Fifteen years of continuous combat has placed tremendous stress on the force, our Installations, our equipment, and our readiness.

## **INSTALLATION AND LOGISTICS OVERVIEW**

In support of Marine Corps operations, our bases and stations are collectively the "launching pad" that produces and deploys ready, trained forces. Further, our enterprise ground equipment management efforts provide an end-to-end, total life cycle process to account for and maintain-sustain our gear to ensure a high state of readiness.

In terms of total Marine Corps Force serviced on our Installations, there are over 180,000 Marines, 176,000 Dependents, 29,000 Civilians, and 140,000 Retirees. The support ranges from 23,000 housing units, 600 barracks, 56 fitness centers, 43 child development centers, 5,284 miles of road, 146 hangars, 58 runways and close to 15,000 buildings. We are responsible for the management of a \$3.8 Billion annual portfolio of programs, systems, and projects in support of Marines and their military equipment and supplies valued at over \$30 billion and real property valued at over \$70 billion.

## **INSTALLATION RISK AND CONDITION**

The state of facilities is the single most important investment to support training, operations, and quality of life. The Marine Corps has 24 bases and stations valued at over \$52 billion. We greatly appreciate the approximately \$1.5 billion a year we received from 2007-2014; this investment supported new barracks, new aviation platforms, and improvements to our infrastructure. However, since 2015 our MILCON budget has averaged approximately \$570 million per year, well below our requirements. Based on the current fiscal landscape, we foresee \$5.4 billion in requirements with only \$1.1 billion in available funding over the next 6 years. At the current level of investment, it would take over 204 years to recapitalize our infrastructure.

In addition to MILCON funding, our installations require the requisite amount of Facilities, Sustainment, Restoration, and Modernization (FSRM) money. Due to historic funding challenges, we have seen our FSRM backlog grow to \$9 billion. The effect of this shortfall is that of 29,000 facilities in the Marine Corps, 15 percent or 4,300 facilities are in poor or failing condition. Overall Facilities Condition Index (FCI) across the Marine Corps is 82 percent (Fair).

At current funding levels, we are able to complete new construction projects supporting the “Rebalance to the Pacific”, the fielding of new aviation platforms such as the F-35 and V-22, and renovating some of our worst barracks; however, without additional investments there will be long term impacts on support to training, operations, logistics, and ultimately readiness. Many projects to replace existing inadequate and obsolete facilities that directly support operational forces are unaffordable. We are deferring critical infrastructure required to support training, operations, and logistics.

To offset these challenges, the Commandant of the Marine Corps signed an Infrastructure Reset Strategy in November 2016 to reverse the ongoing decline in Marine Corps Facilities

condition and close the growing gap between facilities requirements and available resources. The Commandant's vision is to sustain infrastructure and installations as capable, resilient, right-sized platforms to generate force readiness and project combat power.

Although we have a comprehensive strategy, we will continue to prioritize investment of limited resources based on mission and condition. Further, current levels of investment will cause the condition of our facilities to degrade as we defer sustainment and it will lead to more costly repairs and restoration costs. We do appreciate the additional \$154 million provided this year for hangars at Miramar. We would appreciate Congress' continued support of our optimization and modernization efforts.

## **GROUND EQUIPMENT RISK AND CONDITION**

The prioritization of current readiness also comes at the expense of equipment modernization, which equates to future readiness. Further, the high op-tempo of the last 15 years of operations has strained our equipment set and has caused accelerated aging. While our equipment has performed well, the dual challenges of equipment age and continued wear-and-tear has led to ground equipment readiness challenges. Adequate maintenance funding is stretched to maintain readiness across the depth of the force.

Due to the tremendous support of Congress, the reset of our equipment is 92 percent complete. While this is a significant accomplishment, the constrained fiscal environment has prevented us from reconstituting and modernizing the force. Our most important ground legacy capabilities continue to age as modernization efforts are not moving quickly enough.

We have extended the service life of older platforms such as the Light Armored Vehicle (LAV) and Amphibious Assault Vehicle (AAV) well beyond expected retirement dates; both

platforms remain operational due to the extraordinary sustainment efforts of our Marines and civilians, as well as continued investment in service-life extension programs. Our AAVs are now more than four decades old. Our AAV Survivability Upgrade (SU) Program will sustain and marginally enhance the capability of the legacy AAV, but this does not remove the need to modernize this nearly obsolete platform. Additionally, the average age of LAV's within our inventory is 26 years; the oldest vehicle is 34 years old. As of today, there is no program identified to replace this capable, but outdated platform and we continue to incur increasing costs to extend its life.

Although resourcing of depot and field level maintenance has kept pace with requirements over the last decade with both baseline and OCO funding, sufficient funding is required in the future to maintain ground equipment readiness due to the aging of our equipment . Four critical weapon systems (AAV, LAV, Tank, and M777 Howitzer) account for approximately 70 percent of the Marine Corps' depot maintenance budget and these costs are steadily rising. For instance, the AAV depot sustainment plan cost \$49 million in FY11 and now costs \$82 million.

Our High Mobility Multipurpose Wheeled Vehicles (HMMWV) is another example of the ground equipment readiness challenges we face today. Thirty years ago, the HMMWV was not developed through the prism of asymmetric warfare and improvised explosive devices (IED). Increased weight on the chassis with the armored variant and a challenging operating environment has led to higher sustainment costs. Continued support for our procurement requests to purchase the Joint Light Tactical Vehicles (JLTV) to replace our HMMWVs is appreciated. Another challenging subset of equipment is high demand/low density (HD/LD)

items, primarily communication assets and specialized tool sets, which support the ability of units to operate in dispersed locations.

Our Depot Production Plants at Albany and Barstow are an essential component to our ground equipment readiness strategy and have been instrumental in maintaining the readiness of our equipment. However, we can only fund our depot maintenance account to 80 percent of the identified requirement which has led to a backlog. To offset this, we are instituting a refined conditions based methodology to better inform future maintenance actions.

Our constrained maintenance funding has made it difficult to keep up with the level of maintenance required. Critical, aging weapons systems, such as tanks, AAVs, and artillery, are increasingly costly to maintain resulting in readiness levels near 70 percent. To maintain readiness levels across our entire equipment set, available readiness funding is stretched. Your support of our readiness funding requests will improve combat equipment availability in support of operations and training. As we look to the future, our enterprise ground equipment management efforts will align USMC material requirements with available resources to ensure the Marine Corps is the most cost effective and cost efficient steward of the US taxpayer dollar.

The Marine Corps has a plan to regain and sustain unit readiness; and with your continued support, we can achieve our organizational readiness requirements leading to a balanced Marine Corps that is healthy and is able to train and operate with needed equipment for all assigned missions.



## **INNOVATION**

While we are focused on readiness for today, we are innovating to achieve readiness in the future. We are implementing unmanned platforms, 3D printing and predictive supply/maintenance capabilities to optimize tactical distribution, modernize the supply chain, and increase equipment readiness. Within our Installations, we are moving towards “smart cities” and advanced transportation technologies to reduce operating costs. Across the Installations and Logistics portfolio, we are leveraging the rapid advancements in technology available today. Most importantly, we are committed to delivering these future capabilities to ensure sustainable readiness.

## **CONCLUSION**

On behalf of all of our Marines, Sailors - many deployed and in harm’s way today - and their families and the civilians that support their service, we thank the Congress and this committee for this opportunity to discuss the key challenges your Marine Corps faces. Your support of our funding requests will provide the “ready bench” our Nation requires and the infrastructure the force needs to train and sustain itself. Our future readiness relies upon sufficient procurement and modernization funding. With the support of the 115th Congress, we will move forward with our plan and vision to ensure your Marine Corps is organized, manned, trained and equipped to make Marines and win our Nation’s battles.