

STATEMENT BY

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ON

**“CURRENT MATERIEL READINESS OF U.S FORCES IN REVIEW OF THE
DEFENSE AUTHORIZATION REQUEST FOR FISCAL YEAR 2012 AND THE
FUTURE YEARS DEFENSE PROGRAM”**

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Chairman McCaskill, Ranking Member Ayotte, members of the Subcommittee, on behalf of all Soldiers, Army Civilians and their Families, I appreciate the opportunity to appear before this Subcommittee.

As the Secretary and the Chief of Staff of the Army have testified, the war is not over yet, and we remain in an era of persistent conflict facing an uncertain and increasingly complex strategic environment. To that end, I continue to be impressed by the work of Army Soldiers and Civilians. I have visited them as nearby as Ft. Lee, Virginia and as far away as Bagram, Afghanistan, and I can say without equivocation that the Army's sustainment system, and the personnel who make it work, is a well-tuned enterprise capable of supporting a versatile and adaptable Army.

As I appear before you today, the Army is seamlessly moving supplies and equipment out of Iraq to multiple destinations, while simultaneously supporting complex military operations in the land-locked country of Afghanistan, with its treacherous terrain and poor infrastructure. We have utilized our prepositioned stocks several times, most recently to aid our allies in Japan, and after each usage, quickly rebuilt them to be ready for the next requirement -- Army pre-positioned stocks are doing precisely what they are intended to do. Our depots, arsenals, and ammunition plants have surged to keep the warfighter on the front lines stocked with the best and most reliable equipment and supplies. And on top of all this, we are working to get even better: the Army's Soldiers and Civilians are pursuing cutting-edge technologies in operational energy, improving

efficiencies and accountability. Because of these efforts, your Army is more prepared to meet operational challenges than it ever has been—a state of readiness that I think will improve even more in the coming years.

Of course, such a feat would not have been possible without the support of the Congress. Speaking on behalf of the Army, let me just acknowledge that this Subcommittee's commitment to our men and women in uniform has been instrumental to our success, and we are committed to being good stewards of the resources you have authorized us.

Responsible Drawdown

As you know, the Army is currently drawing down our presence in Iraq. As part of this effort, we will redistribute over 3.4 million pieces of equipment, redeploy more than 143,000 U.S. military personnel, and transfer or close 505 Forward Operating Bases. These bases were supported by 22 Supply Support Activities (the Army equivalent of a Walmart store), containing a total of over 135,000 lines of repair parts, 21,000 short-tons of common-use supplies, and 34,000 short-tons of ammunition. As part of our drawdown effort, we have already retrograded roughly 2.3 million pieces of equipment, and have only 74 Forward Operating Bases still in place. This is, as you would imagine, no small task. Based on results of reviews by both the Army Audit Agency and the Government Accountability Office, I am pleased to report that we are currently on track or ahead of schedule in every measurable area, and I am confident we will complete this mission on time, and do so responsibly.

Since the beginning of the Iraq drawdown process, the Army has had clearly defined, coordinated, and synchronized plans and policies for the redistribution and retrograde of materiel. Our first priority for any piece of equipment no longer required in Iraq is to fill requirements in Afghanistan. After we meet those needs, some equipment redeploys home with units for unit level Reset; the remainder is sent directly to industrial base facilities for national level Reset. Upon completion of Reset, we distribute this equipment in accordance with Army priorities to fill unit equipment authorizations in the active Army, Army National Guard, and Army Reserve, or to restock Army Prepositioned Stocks (APS). Also we are using Congressionally granted authorities to provide varying types of equipment to Iraqi and Afghan Security Forces to help build up their minimum essential capabilities. And finally, we are working with State and local governments to provide them the opportunity to claim certain pieces of excess, non-standard equipment.

Supporting Operations in Afghanistan

While our efforts to draw down successfully and responsibly in Iraq have been noteworthy, what makes it even more remarkable is that this drawdown in Iraq is being accomplished while concurrently supporting combat operations in Afghanistan. And as many of you who have traveled to these places know, the challenges a Soldier faces in Iraq are not always the same as he or she faces in Afghanistan. In Afghanistan, a land-locked country with poor infrastructure, we are put to the test every day to find new and better ways to sustain the warfighter, both in moving supplies into theater, and then

also in successfully delivering it to Soldiers in remote locations under austere and dangerous conditions. The Army, working in conjunction with our partners in United States Central Command and United States Transportation Command, use multiple modes of transportation to get the Soldier what he or she needs on the battlefield. Critical and sensitive equipment, such as communications equipment, ammunition, repair parts, and weapons are delivered by air, while the remainder of the equipment is generally delivered by ground. In some cases, the poor to non-existent roadway infrastructure and the high risk of enemy activity require us to resupply remote military outposts by airdrop. Recently, the Army and Air Force conducted the largest ever resupply of fuel when they dropped approximately 20 thousand gallons of JP8 fuel for Wasa K'wah, an outpost that has not had ground convoys resupply it in nearly three years.

Industrial Base

While supporting the war effort, the Army has relied heavily on our organic industrial base, which has operated at historically high rates, the highest since the Vietnam War. In fiscal year 2011, the Army expects to Reset approximately 116,000 items at our depots (including 1,000 Mine Resistant Ambush Protected (MRAP) vehicles). Army rotary wing aircraft continue to operate at up to six times non-combat usage levels; and many tactical wheeled vehicles have similar and, in some cases, even higher OPTEMPO. Yet our maintenance facilities have enabled the Army to maintain operational readiness of equipment in theater at rates of over 90% for ground, and 75% for aviation equipment. Our current equipment readiness rates are a good

indicator that we are meeting our requirements, but the Army continues to look for ways to keep improving. With our efforts in Iraq winding down, we are pursuing strategies that will sustain capabilities in the long-term, both in terms of workforce and facilities.

The Army, with the help of Congress, needs to make the right choices to maintain the critical capabilities of depots and arsenals in the future. The fiscal year 2012 President's Budget Request is a good step forward in transitioning from a reliance on overseas contingency operations (OCO) funding to the standard base budget. This will allow us to better ensure that depots sustain core capabilities as we draw down from the high wartime OPTEMPO. Additionally, given all the new equipment brought into the inventory as we have conducted operations in Afghanistan and Iraq, we need to adapt our depot programs to accommodate the latest systems. A good example of that is the work we are doing right now in establishing a competency for repair of MRAPs at Red River Army Depot, and route clearance equipment at Letterkenny Army Depot.

I know the industrial base is an issue of importance to this Subcommittee. As part of the fiscal year 2009 National Defense Authorization Act, Congress required an independent study on the capability and efficiency of the Department of Defense depots. Prior to this study, the Army was already working to address many of its key elements. The Army has instituted a "portfolio review" process to provide overarching analysis and recommendations to posture us even more effectively for the future -- we are using this process to comprehensively assess the organic industrial base and consider options to sustain ready and relevant depots, arsenals, and ammunition plants

for the 21st Century. In addition, we had already been working hard to ensure we had a well thought out industrial base strategy, and were meeting our core requirements in our maintenance depots.

Army Prepositioned Stocks (APS)

Like the industrial base, our Army Prepositioned Stocks (APS) must be maintained to meet the need of future contingency operations. The APS program is doing exactly what it was created to do, which is to give our Combatant Commanders access to strategically placed equipment to enable a rapid response to contingencies. As an example, we have issued and reconstituted our APS-5 set in Southwest Asia several times in order to meet operational requirements in both Afghanistan and Iraq. To help restore APS, the Army has requested \$679 million in Base funding and \$288 million in OCO funding in the fiscal year 2012 budget request. Our current focus is the reconstitution of a fully operational APS-3 Army Strategic Flotilla I Infantry Brigade Combat Team, APS-3 Army Strategic Flotilla III Sustainment Brigade, APS-3 Army Strategic Flotilla IV Theater Opening/Port Opening Package, APS-4 Heavy Brigade Combat Team, APS-5 Sustainment Brigade, APS-5 Heavy Brigade Combat Team, and APS-5 Infantry Battalion. With your continued support, the Army is committed to completely restoring our prepositioned stocks, a task we expect to accomplish by the year 2015. The APS program supports our National Military Strategy by positioning critical warfighting stocks afloat and ashore worldwide which provides Combatant Commanders maximum strategic flexibility and operational agility.

Operational Energy

Access to energy is also an important function of readiness. The Army purchased just over \$1 billion worth of fuel in Afghanistan during fiscal year 2010. Operational Energy represents a complex set of challenges and opportunities for us. It requires synchronization across the Army and with Joint and other external organizations. In terms of sustaining our operations in theater, it is critically important that we manage our energy resources in order to maximize our overall combat effectiveness. That means our approach to managing fuel and energy requires a comprehensive approach —no single solution (process/procedural change, technology-insertion, or otherwise) can address the challenges we face across the full spectrum of operations. In addition, it is important to note that Operational Energy is inextricably linked to the management of water and other resources.

There are several system initiatives underway for Army Operational Energy, with energy efficiency improvement of Army Base Camps representing one of the best opportunities to reduce, and more intelligently manage, energy and water usage. The Army is taking a systems approach to demand reduction of both energy and water -- this includes the use of energy-efficient shelters, micro-grids and renewable power and water reuse systems.

To support our focus on energy savings, the Army developed a tool to estimate the Fully Burdened Cost of Fuel (FBCF) and made it available to the entire Department of Defense, so that it can be used to estimate the FBCF for specific types of equipment,

different types of units, and various locations throughout the world. Reducing our demand for energy will take fuel convoys off the road and save lives.

Efficiencies

As part of the overall Army efficiency initiatives, we logisticians are looking at ways to reduce the need for taxpayers' dollars without adversely affecting current or future readiness. The Army is partnering with the U.S. Transportation Command to consolidate shipments and use more efficient modes of transportation. We are also saving money by accelerating the completion of chemical demilitarization activities. By reducing War Reserve Stocks for Allies Ammunition Stockpile in Korea, we are saving money on the associated storage and maintenance costs -- we are currently reducing that stockpile by 32,000 short tons per year. The Army is also becoming more efficient by using bar code technology to reduce processing times and improve inventory management for Organizational Clothing and Individual Equipment, along with an entire suite of initiatives aimed at streamlining supply operations across the board for this gear.

Equipment on Hand Readiness:

The Army is also taking actions to improve our equipment on hand readiness and to ensure we do a better job of reporting the true capability of our modular force. The logistics, readiness and equipping staffs are conducting a thorough review of all the Army's equipping requirements to ensure we have the right capabilities in the right quantities reflected in our authorization documents. Taking advantage of the

experience and advice of our combat-experienced commanders, we are validating and where appropriate, adjusting our requirements. This allows us to redistribute on hand equipment so that we can make maximum use of the dollars Congress provides.

Stewardship

Property Accountability is the foundation of good stewardship and a top priority of the Army's leadership. The Army is adapting its corporate equipment accountability policies and processes to support Army Force Generation and streamline its procedures. We have placed increased emphasis on stewardship by publishing orders that mandate that all Army Commands, Army Service Component Commands, and Direct Reporting Units account for everything, account for and redistribute excess, and educate leaders at every level to reestablish a culture of supply discipline. The Army's Property Accountability Campaign is a highly visible, enduring effort that enables the Army to make prudent use of its resources and enhance its readiness.

Ammunition Readiness

Over the past nine years of war, the Army has steadily improved its ammunition readiness while supporting our deployed forces. Our forward positioned forces can fully support their missions, while maintaining their stocks at the highest readiness levels. The Army's ability to flex to support missions and operations has vastly improved since 2003, when we came out of our post Cold War hiatus on ammunition production. We continue to monitor our ammunition readiness closely, working in conjunction with the

other Services, to ensure that the Department of Defense is able to supply a highly trained force when and where they are needed.

Conclusion

Army logisticians work tirelessly to make sure that the Army is ready whenever called upon; and we continue to improve on our readiness every day. We are simultaneously meeting our goals of drawing down in Iraq while supporting the needs of the warfighters in Afghanistan. In addition to these military operations, the Army has executed multiple humanitarian assistance and disaster relief missions in which it has provided support in the aftermath of events such as the earthquake in Haiti, the flood in Pakistan, and the earthquake and tsunami in Japan. Here at home, we are determining the best ways to respond to future contingencies by supporting our industrial base facilities, strategically placing equipment and supplies across the globe in prepositioned stocks, fully supporting deployed forces with critical ammunition and other supplies, and pursuing new initiatives in operational energy. As mentioned throughout my testimony, Army logisticians are also looking at ways to become more efficient. We believe we are successfully addressing current challenges and working to posture our equipment, policies, industrial base, and people so that we can be ready for the future. I would like to thank the Subcommittee again for their support and look forward to your questions.

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