

House Appropriations Subcommittee on Military Construction, Veterans Affairs, and Related Agencies Hearing on the Proposed Fiscal '14 Appropriations as it Relates to Force Structure Issues and the Impact on Military Construction

March 5, 2013

CULBERSON:

Good morning. I want to welcome everyone to the first hearing of the Military Construction and V.A. Subcommittee of the House Appropriations Committee. It's a great privilege to -- to chair this extraordinary committee, with so many members of the House who share my passion for the -- to help the United States military is something that we all are arm-in-arm in and we're honored to be here with you this morning, gentlemen.

And we have a lot of questions that we want to have your help in answering to help us better serve you, to make sure that the men and women of the United States military have everything they need to do their job and don't have to look over their shoulder or worry for one moment about their -- about their facilities, their living conditions, their health care when they are active duty or when they retire. This is an extraordinary privilege for us, and we're looking forward to hearing from each and every one of you this morning. But before I introduce our witnesses, I would like to turn to our ranking member, Mr. Bishop, for any opening remarks that he would like to make.

Mr. Bishop?

BISHOP:

Thank you very much, Mr. Chairman. I'd like to thank all of you for your continued service to our nation. You certainly are truly deserving of our nation's affection and support.

BISHOP:

Mr. Chairman, we're facing some very difficult times. And, of course, March 1st, the automatic cuts called sequestration are being implemented.

And it was included in the Budget Control Act to force all of us in the Congress, both Democrats and Republicans, to work together to resolve our fiscal problems, but the cuts that are set to go into effect are really unacceptable, and I find it hard to believe that -- that some of our colleagues are willing to accept cuts that would significantly harm our national security and our military's ability to handle any contingency now and -- and going forward.

Some of our colleagues believe that these cuts won't threaten the hundreds of thousands of middle-class jobs; that this is just hyperbole to scare the public, but I just want my colleagues to know that these cuts are real, and that they will have a devastating impact. For example, in Georgia, sequestration will affect over 37,000 jobs. In my district, just for the Army, 17,000 jobs will be affected. And the people in our district are really hard working folks, and they just want a chance to pursue the American dream. Many of them are federal employees who have already been forced to cut back as a result of some of the actions that -- that have already been taken. Others are defense contractors, who support are men and women in uniform, and who -- at the point of the spear -- and rely on -- we rely on the defense contractors to keep them well equipped and well trained. They can't afford the arbitrary irrational cuts that are being implemented by way of the sequester.

Many of our colleagues have forgotten that we've already cut \$487 billion over 10 years in the defense under the Budget Control Act, not to mention the \$138 million that Secretaries Gates and Panetta implemented.

We can't continue to address the budget issues on the backs of our servicemen and - women and their families. I think there's no question that we need to cut our deficit, but it has to be done in a balanced way that protects the investments in middle class, doesn't jeopardize our national security. It's important for us to have this hearing today, because I know that you gentlemen share our concern when it comes to defense of our nation.

Mr. Chairman, you and I have worked very hard in the last Congress, and we've tackled some very difficult issues. And we look for compromises. And I look forward to hearing from witnesses today, and to hear your thoughts on these issues, particularly the terrible impact of sequestration.

With that, Mr. Chairman, I thank you for the remarks, and I -- I yield back.

CULBERSON:

Thank you very much, Mr. Bishop.

I would like, if I could, recognize the chairman of the Defense Appropriation Subcommittee, our former chairman, and truly a man who's a national treasure for all that you have done, Bill Young, for the United States of America, and for our military.

I know we -- we all owe you a great debt of gratitude sir, and I'd like to recognize you sir for any statement you'd like to make.

YOUNG:

Mr. Chairman, thank you very much. And it is a distinct honor to actually serve as a member of this subcommittee.

I wanted to just take a couple of minutes and say that last week we were wondering where were we gonna go with the problem of the continuing resolution. You know, everybody focused on sequestration.

Continuing resolution, when it came to national defense is every bit as serious. And, frankly, we were on dead center. We needed some movement, and you all came, a week ago today, and you gave us some powerful, powerful testimony on the problem of the C.R. and what needed to be done. So our plan actually got a huge boost from what you told us.

And we went that very same day to our leadership and to the membership of the Republican conference and presented your testimony where they were cool in the beginning, they really warmed up. So the plan that we have is moving, and we are going to pass that plan in the House this week.

So thank you very much, not only for what you do in your military capacity, but you actually help us move our plan forward, hopefully solving some of the possible -- potential problems of a continuing resolution. So I don't think we can thank you enough for what you do for our country.

And Mr. Chairman, thank you very much for letting me make those comments. I think it's important that they be recognize as to the importance of what they do.

CULBERSON:

Thank you so much, Mr. Chairman. I -- I share those sentiments, and I deeply appreciate your service to the country, the men and women you represent, doing an extraordinary job, and it is truly our -- our mission in Congress to ensure that they don't ever have to look over their shoulder or worry about their paycheck, their -- their living conditions,

their health care, the equipment that they have we want to make sure is the best in the world.

So I would, at this time, like to introduce our witnesses. The four gentlemen that are well known to the nation, General Raymond T. Odierno, chief of staff of the United States Army; Admiral Jonathan Greenert, chief of Naval operations; General James F. Amos, coming out of the Marine Corps; General Mark A. Walsh III, chief of staff United States Air Force, deeply appreciate the time that you've taken to be here today with your busy schedules, and of course would like to ask without objection that your written statements be entered into the record in their entirety.

And due to the number of witnesses today, we'd welcome your summarization of your statements in approximately five minutes. We will, as we go through the year, members, I just want to emphasize, we will start promptly on time. And for those members present in the room when I gavel, the hearing to order will recognize you for questions in order of seniority alternating between majority and minority.

And for those of you who arrive after the hearing has started, I'll recognize you in order of -- arrival.

I deeply appreciate your being here today, each and every one of you.

And we will start with you, General Odierno. Thank you very much sir for your service to the country and for being here today. We look forward to your testimony.

ODIERNO:

Thank -- thank you -- thank you sir, Chairman Culberson, Ranking Member Bishop, and the rest of the committee thank you for allowing us to be here today.

I would just start out by saying, the combination of the continuing resolution, a shortfall in overseas contingency operation funds for Afghanistan, and the sequester in fiscal year '13 has resulted in at least an \$18 billion shortfall to the Army's operation and maintenance accounts. As well as an additional \$6 billion worth of cuts across all of our other programs.

As I've said previously these cuts will have grave and immediate impacts to the Army readiness that will not only last in '13, but will last well beyond '13, and mitigate itself into '14 -- excuse me -- promulgate itself into '14 and beyond.

Under sequestration and a full year continuing resolution, the Army will reduce all military construction by 7.8 percent, \$567 million reduction in F.Y.'13, and all unobligated prior year accounts. We'll be forced to delay progress on our tarp -- top construction priorities, the renovation of an existing cadet barracks, and the construction of a new cadet barracks at West Point, and the -- and the Arlington National Cemetery expansion.

Until the Army receives an appropriations measure with new start authority, we cannot initiate 102 military construction projects that are scheduled for award in 35 states. We are reducing our base sustainment funds by \$2 billion in F.Y.'13, a 70 percent drop from what has been historically required to run our installations. This translates into an estimated 100,000 facility work orders per month that will not be executed, which places the Army on a slippery slope, where our buildings will fail faster than we can fix them. All restoration and modernization projects for fiscal year '13 will be deferred. Budget cuts will have tremendous impact on one of my top priorities, family programs. The furlough of -- of 251,000 valued civilian employees, reduction in base sustainment funds, and the elimination of service contracts will strain our ability to protect our Army family

programs across every one of our installations. Sequestration will force us to reduce resources for our schools, our day care centers, and every one of our family assistance and community service programs that rely upon the installation's infrastructure to provide services.

Sequestration will impose a \$44.7 million cut to our family housing program. Consistent with the Budget Control Act of 2011, the Army is reducing its authorized end strength by 89,000. Sequestration will impose an additional loss of at least an additional 100,000 soldiers from the active Army, the Army National Guard, and the U.S. Army Reserve. Together this will represent a 14 percent reduction of the Army's end strength, which will crate (ph) to an almost 40 percent reduction in our brigade combat teams.

This means we will have excess U.S. base installation infrastructure, therefore a future round of base realignment and closure is essential to identify excess Army infrastructure, and prudently line civilian staffing and infrastructure with reduced force structure, and reduced industrial base demand.

If we do not make the tough decisions necessary to identify efficiencies and eliminate unused facilities, we will divert scarce resources away from training, readiness, and family programs and the quality of our installation services will suffer.

I understand the seriousness of our country's fiscal situation. We have and will continue to do our part, but we simply cannot take the readiness of our force for granted.

In my opinion, sequester's not in the best interest of our soldiers, our civilians, and our national security. Furthermore, I do not -- I do not want to see the impact of these cuts rest on the shoulders of our soldiers and civilians who so -- so adequately and -- and courageously defended our country over the last 12 years. Furthermore, I'd ask that you provide us with an appropriations bill that would provide flexibility to reprogram funds to at least reduce some of the O&M shortfalls and allow for new starts.

Thank you Mr. Chairman and thank you to the committee for allowing me to testify here today.

CULBERSON:

Thank you, General Odierno.

We in a -- in a bit of a -- you know, this is a little bit confusing and it's frustrating to me just because of the nature of the process, but we are -- thank goodness -- gonna be able to pass an appropriations bill. It'll be a C.R. with the defense appropriations bill that Chairman Young has put together and our military construction bill for '13.

CULBERSON:

So you're actually -- we're going to get, thank God, a complete defense appropriations bill and a complete MILCON, and V.A. bill, thank goodness. So the -- the -- we're certainly in a very difficult fiscal environment, so fortunately, General -- Admiral, General Amos, and General Welsh -- the -- you're gonna have, by the end of the week, out of the House, a DOD bill and a MILCON-V.A. bill for '13 that actually gives you a certain amount of cushion and protection.

There'll be some cut out of that '13 level, but it won't be as difficult a course as it would have been with a -- with a C.R. and automatic cut out of that '12 level.

So as you go through your testimony, keep that in mind, that we are doing our best to -- to cushion the blow as much as possible.

Admiral Greenert, we welcome your testimony. Thank you.

GREENERT:

Thank you, Mr. Chairman. Then you'll recognize my points. Thank you and Ranking Member Bishop for what you've done, distinguished members of the committee. And I want to thank you for your support on our military construction request, especially. Our naval forces are defined by two important qualities, Mr. Chairman. We operate forward where it matters, at the maritime crossroads of the world. And we are ready when it matters. And this remains our mandate.

And because of it, your Navy and your Marine Corps are uniquely able to quickly respond to crises and assure our allies, build partnerships, deter aggression, and contain conflict.

Our near-term concern with the implementation of sequestration and the current lack of an appropriation bill is the impact on deployed operations, both this year and next year. However, make no mistake, the \$10 billion to \$13 billion per year reduction to our budget over the next eight years will fundamentally change the shape, it'll change the size, and it'll change the way we operate in our Navy.

We will not be able to respond in the way we can today and the way we have in the past. That's the -- that'll be a fact of life.

We should make that kind of strategic adjustment consciously and deliberately, however. And now that sequestration has been implemented, we will pursue solutions that minimize acute readiness degradation caused by the simultaneous impact of sequestration and a continuing resolution.

Now, within the Navy Department, we have resources that can be reallocated to fund our operations and maintenance for this year.

For example, the continuing resolution constrains our accounts at the level of last year's funding level. But this fiscal year, we are implementing a new defense strategy, and that emphasizes readiness over capacity.

So as a result, we currently have about \$3.7 billion more in our investment accounts than we requested, and we currently have \$4.6 billion less in our operations accounts than we requested.

So we're out of balance. We made -- and this unbalance is made worse in our operations account because of sequestration.

Today we are reducing our presence in every theater and stopping training for next year's deployments. Now, in our appropriation bill are the authorities to reallocate funds where they are needed, we would first be able to restore the training and maintenance and keep a carrier strike group and an amphibious ready group in the Middle East and the Pacific through next fiscal year.

As more funds are transferred and as we can recover here into our operations account, we would restore the rest of this year's planned deployments, training and maintenance.

That wouldn't bring back all the activities that we requested for this year, but it's the minimum needed to support the department's Global Force Management Allocation Plan.

Mr. Chairman, that's our demand signal; that is our covenant with the combatant commanders, the Global Force Management Allocation Plan.

Given that funds are available, we should not delay. And in the last two months, we missed \$600 million worth of ship, aircraft and facility maintenance, training, and we also missed some program management.

In this month alone, we will miss more than \$1.2 billion of maintenance and operations because we're deferring planned activity. These are lost opportunities, many of them, and these will increase each month as we go on a continuing resolution.

Again, most are not recoverable. For example, we can't go back and redo a deployment that was already gaffed and we can't go back and redo a ship maintenance when that ship's schedule requires it to continue on into its deployment.

Our Navy is at its best when it operates forward. And our modest overseas MILCON and facility investment requests enables our ships, our aircraft, and our sailors and civilians to operate from or be based in overseas places where they can rest, refuel, repair and resupply. Operating forward is more efficient than rotationally deploying units from the continental United States.

Under the continuing resolution all of our military construction projects are on hold. You know that.

Because of the continuing resolution and sequestration, we were compelled to stop almost all of our facility renovation and modernization. Our ability to continue operating forward is constrained because of that.

The continuing resolution and sequestration directly impact our Sailors, our civilians and also our families. Our folks are stressed by uncertainty -- the uncertainty about their jobs, the uncertainty of their schedules and their future.

So we ask that the Congress quickly act to provide an appropriations bill for this fiscal year or a continuing resolution that at least gives us the authority for new projects, allows the department -- us -- to reallocate the funds that we have very quickly.

Time is critical, Mr. Chairman.

I want to thank you for this opportunity to testify on behalf of our Sailors, our civilians, and our families.

CULBERSON:

Thank you very much, Admiral, for your testimony and your service.

General Amos? Look forward to hearing from you, sir. Thank you.

AMOS:

Chairman Culberson, Ranking Member Bishop and the committee, I'm heartened by what I saw come across my computer yesterday afternoon and the likes of a draft NDA or a resolution to an NDA for a Department of Defense NDA, so thank you.

Thanks for your faithfulness, thanks for your willingness to understand where we are at the Department of Defense, as it relates to the security of our nation.

All my colleagues and I take that very, very seriously. We've testified three times to that. This is more than just C.R.; this is more than sequestration. Quite honestly, the world is looking at us, as a nation, both our enemies and our friends, to determine which way we're going to go.

So thank you for that, and I look forward to hopefully a successful passing in the House and in the Senate as well.

I'd like to thank this committee for its enduring commitment to our Marines, our sailors and our families. As a historically frugal service, for decades we have grown accustomed to substandard barracks and inadequate facilities.

However, in 2006, that began to change, as a result of the faithful support of Congress and this committee in particular.

Long overdue, it was time to raise the standard of living for our Marines. Thanks to your commitment, both single Marines and Marine families are enjoying the finest housing and facilities we have ever known.

During more than a decade of conflict, we've worked hard to ensure that the critical needs of our families and our single Marines are met during rigorous deployments as well as in garrison.

Providing the high-quality services, facilities and programs for our all-volunteer force, they have thrived, while facing the challenges of a rigorous operational tempo.

With the help of this committee, we have successfully constructed new barracks and family housing all across our Marine Corps.

We built wounded warrior housing and care complexes at Camp Lejeune and at Camp Pendleton, and improved the many facilities around our bases and our stations.

This has had an immediate affect on improving the quality of life of our Marines and their families around the world. But we're not finished.

For F.Y. '13 we proposed a military construction effort with the following priorities:

First, infrastructure development, replacement of inadequate facilities at our bases and our stations, construction of much-needed professional training and military education facilities, and, finally, aviation support facilities in support of our new aircraft.

Our military construction request has been adjusted to accurately reflect our planned downsizing to an end-strength of 182,000 by the end of F.Y. '16, and it represents a 45 percent reduction from last year's F.Y. '12 submission.

As military construction funds likely become even more constrained and competitive, we will have to rely on the sound stewardship of existing facilities and infrastructure to support our needs.

However, with the continuing resolution and sequestration, all 37 of our planned F.Y. '13 military construction projects are halted and unable to proceed.

The value of these projects equals \$716 million. These well-planned, critical projects fitting into those four categories that I mentioned before include key elements in our support for the president's strategy in the Pacific, to include relocation of an MV-22 squadron from -- from Miramar to Hawaii, and support facilities for fueling the F-35 JSF in Japan.

Additionally, we have been forced to halt construction plans on hangars for the F-35 in Beaufort, South Carolina, as well as road improvements aboard our major installations designed to correct safety deficiencies. These projects are ready to begin today.

Without F.Y. '13 MILCON appropriations or the authorities for new starts, we are forced to defer to future years' budget, causing a ripple effect which will no doubt significantly impact our modernization and our sustainment efforts.

At the heart of the matter, sequestration by its magnitude, its timing and its methodology will have a devastating impact on our nation's readiness, both short and long term.

Because of our unique role as America's crisis response force, Marines place a premium on maintaining a high state of readiness. I have done everything within my current authorities to preserve the tenets of a ready Marine Corps. I will continue to do so until I run out of money.

Under continuing resolution, I have kept deploying units ready, but only by stripping away the foundations of a long-term readiness for the total force.

While these near-term mitigations are possible, the enduring effect of these decisions puts

the future health and readiness of the force at risk.

But the -- I know, concern of the committee and the Congress is that the readiness of all our forces could be at a tipping point. We're -- we're very concerned about that. I'd like to ask, if I could, each one of you to briefly for the record reiterate how critical it is that Congress pass this C.R. with the Department of Defense, MILCON and V.A. bills funded at the appropriate levels for '13. How important is that for each one of the services?

General Odierno?

ODIERNO:

Thank you, Chairman. First, for us, I believe we're at a significant point where the impacts to our readiness will impact everything that we do for the next two to two-and-a-half, three years if we don't make these decisions. We've already begun to cancel our combat training center rotations, which is the culminating event of our readiness for our brigade combat teams. We're going to have to reduce all training by the units that are not in Afghanistan, about 80 percent of the Army. We're going to have to almost eliminate a significant amount of training.

We now believe up to between 37,000 and 50,000 flying hours will have to be reduced, which means about 750 pilots will now be untrained. That will take us two to three years to catch up on that readiness level. So it's a combination of all of these things, as well as the impact on our installations, as well as the impact on our family programs that hits at the heart of Army readiness.

And I remind everyone that as we sit here today, I still have nearly 60,000 soldiers deployed in Afghanistan and another 21,000 deployed in other places in the Middle East.

CULBERSON:

These changes you're describing, that's assuming we had a C.R. with no DOD bill?

ODIERNO:

That is -- so, what I described to you is a combination of the continuing resolution if -- if we do not have a bill, of sequestration, and a shortfall that we currently have in our OCO funds.

CULBERSON:

Sequestration at the 2012 level, because we are going to get, of course, a bill at '13 levels and the cuts that we would see with the sequestration would be at the -- on the '13 level.

That will minimize or mitigate to a certain extent...

ODIERNO:

That will help mitigate some of the problems.

CULBERSON:

Yes, sir, mitigate some of the problems.

ODIERNO:

That's right.

CULBERSON:

So it's in your opinion, then, critical that we do a C.R.

ODIERNO:

Absolutely critical that we do it. It mitigates...

CULBERSON:

That's what I'm looking for.

ODIERNO:

It mitigates at least one-third of our problem.

CULBERSON:

There you go.

ODIERNO:

It also, depending on what -- what it does for OCO, could help us on the OCO shortfall we have as well.

CULBERSON:

Thank you.

That's what really the thrust of my question is -- the effect. How does the passage of the 2013 appropriations bill with DOD and MILCON mitigate the effect of what would have otherwise been just a straight C.R. with sequestration. You say it mitigates about a third.

ODIERNO:

Right.

CULBERSON:

That's the impact. Yes, sir. Thank you.

Admiral Greenert?

GREENERT:

Well, for us, it's almost night and day, Chairman, because right now, I'm \$8.6 billion -- when you take the two -- sequestration and continuing resolution -- out of balance in my operations account. You eliminate \$4.6 billion of that imbalance right off the bat. And what that means in simple terms, today we are able to put one carrier strike group and one amphibious ready group forward, and pretty much, not much in the other theaters of the world.

With -- with a bill, what we can do is we can restore, if you will, the Global Force Management Allocation Plan, the vast majority. We can get back to the covenant that we have with the combatant commanders to get almost all of that back. So we get the get-back, if you will. We get two carrier overhauls. We get a carrier new construction. We get new construction. We get all the military construction.

We don't have any of this right now. So, all of that comes back. And of course, all the installation readiness -- excuse me -- renovation and modernization, which we have none of now because we've had to put it off to pay for this imbalance.

CULBERSON:

So it's night and day -- night and day.

GREENERT:

Yes, sir.

CULBERSON:

I also want to ask, if I could, Admiral Greenert, very quickly on something near and dear to my heart, and I know that as members of Congress, we appreciate seeing the Dolphins (ph) there, sir. We get this bill done, you know, that funds you at 2013 levels as needed, with the support of the chairman and I know the subcommittee and the full Armed Services Committee.

Will you be able to build and launch two Virginia Class submarines a year, that are so vital to our strategic security with the Chinese launching 10 top-of-the-line, state-of-the-art submarines a year?

GREENERT:

Well, Chairman, I can't today tell you, "Yes, I can." But I tell you, without your help, I can't. What this bill provides for us is the advance procurement, the multi-year

procurement authority that we would have. Now, what we need is the ability to use incremental funding to get that second submarine. And then it's over to us to look into our '14 bill, balancing with sequestration and the other requirements, to come up with the remainder of that money. And as we brought to the committee when we brought you our '13 bill, that's something we very much want to do and that would be a priority for me. I'd do the very best I could.

CULBERSON:

Thank you, sir.

And I -- I know the committee will support you in that, and I certainly want to encourage Chairman Young and our subcommittee. I'll do everything I can to help make sure that the Navy gets everything you need to make sure we're continuing to build and launch at least two Virginia Class subs here and continue to design the Ohio replacement.

GREENERT:

Thank you, Chairman.

CULBERSON:

And I want to also compliment the Navy and the Marine Corps, and I know the Army and the Air Force are not far behind, but it's my understanding that, you know, over the years all of us as members of Congress, we learned that it's not -- in the past, it has not been possible for -- for example, PriceWaterhouse or an outside auditor to audit the Defense Department because over the years, the -- just the way your accounts have developed over time, that there's sort of a little, I guess, tangled up.

But I understand that Navy and the Marine Corps are the first two branches of the services to adopt generally accepted accounting procedures so that Navy and Marine Corps are now in a position that an outside independent auditor, PriceWaterhouse, could actually come in and audit the Navy and the Marine Corps in the same way they would, you know, ExxonMobil or a private entity. And that's a credit to you and certainly a great help to the Congress as we do everything we can to make sure that our -- our constituents' hard-earned tax dollars are spent right where they need to be.

And I compliment for that, sir. And thank you, and I know the Air Force and the Army's not far behind.

General Amos, could you talk to us about the difference -- the importance of the passing of a complete DOD appropriations bill and a MILCON bill along with that C.R.? How important is that to the Marine Corps?

AMOS:

Sir, I'd be happy to.

Just on the -- but on the audit business, a week ago while we were in testimony in front of the -- the Appropriations Committee, we were getting our final grade from two years' worth of auditing. I think DOD started with us because we're the smaller service, so it's a little bit easier.

But two years of going through that, (inaudible) lessons that can be passed on to the other services. We finished that last week. And, to the best of my knowledge, we came out the other end of it OK.

CULBERSON:

Congratulations. Thank you.

AMOS:

Thank you.

Chairman, here's -- here's some facts. Some of these I've already talked a little bit about in my opening statement, but -- but without funding it for this year, just this year in C.R., without restoring operations and maintenance, and that's really where, operations and maintenance, military construction, and the ability to get some multi-year contracts underway are really the impacts that you're gonna -- you're -- you'll solve with the House and the Senate, if they pass this -- this new appropriation or the new bill. Greater than 55 percent of our non-deployed ground units and 50 percent of our non-deployed aviation squadrons will be C-3 or less by -- by mid-year of next year. But this is not done (ph). This is a function of training dollars, flight hours -- 39,000 flight hours are going to be taken out of the Marine Corps. That may not sound a lot for -- for my sister services that have a large -- a larger fleet, but for us, that's significant. That means, effectively, our pilots are going to be flying about 10 hours a month.

When you get historically, we've become pretty -- we've become pretty adept at figuring out how many hours a month a pilot has to fly to maintain a sense of currency that -- that plates (ph) to safety records. It's typically right around 15 to 17 hours a month. We're going to be done to about 10 hours a month.

We're going to close aviation depot maintenance in the third and fourth quarter of this year, if this thing isn't done. If C.R. -- because they get funded by operations and maintenance. That's how we pay for the personnel. So those will be closed. And, for us, what that means is, there'll be no more airplanes going in the front door of the depots. There'll still be some work going on inside our aviation depots, but -- nothing more will come in.

Half of my F-18 fleet, my 254 F-18s, half of them will either be stuck in depot or stuck outside the garage door waiting to get into depot. And my sense is, although it's -- it's hard for me to tell, but I've been flying for 42 years and managing this, so this is -- my instincts are, we will never catch up. In other words, the airplanes are old enough now where it takes so much to extend their service-life and get them out the back door, our F-18s, that we may very well never catch up with the amount of depot maintenances required to get the fleet back up to flying status.

The, and by the way, when we do that, that -- that means all our forward-deployed squadrons will have the -- the standard compliment. If they're on a carrier, they'll have 10 airplanes per squadron. If they're a shoreintywillcony (ph) like our 3-4 deployed squadrons, and the one we have in the Persian Gulf, they'll have 12. All the rest of the squadrons back home will average between four and six airplanes. That's it in a squadron. That's all we'll have because there won't be anything else available.

We can -- we're going to reduce our theater security cooperation. In other words, the stuff we do in the Pacific, by (ph) 30 percent, we're going to cancel what we do in SOUTHCOM, down Central America and southern command this year. We're going to cancel it completely. And we'll cancel most of what we do in NORTHCOM.

Facilities' sustainment, we fund, we typically budget in the Marine Corps because those great facilities you bought us, we fund for 90 percent of the requirement. In other words, if it -- if it takes a dollar to maintain a facility, we fund, we budget 90 cents. We're going down to 71 cents with C.R. And if sequestration and C.R. combine, we're going down to 67 cents on the dollar, which means we're going to have a harder time maintaining those great facilities.

The reduced depot maintenance for Albany and Barstow for us will go down to 27

percent of the requirement. In other words, if I have a -- if I have 100 vehicles, I've gotta get through Albany, under C.R., I'm only going to be able to get through 27 of them under C.R. So -- and that's operations and maintenance funds.

So I already -- I already said that I've moved money around. Here's the money I've moved around this year. We're about \$1 billion short of operations and maintenance money, this year alone. I moved \$450 million underneath, you know, various -- various pookas (ph) that I have in the Marine Corps -- \$450 million this year. I've put \$280 million back out to the operating forces so that those forces, getting ready to deploy, will be ready to go to combat, which is what I promised you I would do. I put \$112 million in Albany and Barstow into the operational -- my operations and maintenance funds -- put them in there so that we could maintain the contractor and temporary and term workforce that we have. We'll keep those workers on. There's 845 of them between the two facilities until one May. And then after one May, I'm going to have to let the contractors and term employees go, and then the rest of my employees fall under -- fall under the sequestration.

CULBERSON (?):

Sir -- sir, are you saying that -- excuse me, are you saying that is with or without the C.R.?

AMOS:

No, this is without the C.R.

CULBERSON (?):

Without the C.R.

AMOS:

Right now, I've -- the money that I moved in there will -- will sustain -- I did that to keep the workforce whole so we could get the vehicles through. I've got something like 45,000 principal endiners (ph) we brought in from Afghanistan. A lot of it's sitting on the -- on the shelf out there ready to start through the depot.

So we've done that. And -- and -- and lastly, Mr. Chairman, they -- a budget this year will allow me to get a B-22 on a -- my last multi-year contract, the very last one for that wonderful airplane. And, by doing that, it will save \$1 billion. In other words, if I have to buy these things one at a time, instead of a multi-year, it will cost, at the end of the day -- several years from now, it will cost the federal government \$1 billion.

And then, lastly, I've already talked about the \$761 million in military construction. And I need to get going. I need to finish these things and 37 (ph) projects.

CULBERSON (?):

General Welsh, (inaudible) recognize my good friend from Georgia, Mr. -- Mr. Bishop. General Welsh, what's the difference between passing a complete DOD bill and MILCON versus the C.R. to the Air Force?

WELSH:

The surge was huge, as -- as you know. Flexibility, reprogramming capability, use their own unobligated funds to mitigate the impacts of sequester on those projects that we either have under way or will begin -- ability to use those onibadagun (ph) funds against emergency that actually occur, as opposed to throwing them at a problem by requesting reprogramming authority without a bill.

In a big way, it allows us to look at our civilian workforce and -- and figure out a way around this idea of furloughing in the Air Force, 180,000 great civilian airmen. We want

no part of that. And this would give us the ability to look at it. Of course, the -- the C.R. kills us in the MILCON project side. The new starts, we -- we have 19, which are significant to us, as I mentioned, because we cut it down to what we thought was the bare minimum.

And the final thing is in many of our acquisition programs, the -- the multi-year authorities, the quantity increases, the ability to mitigate the impact of sequestration on those programs by reprogramming across account lines -- just having the ability to request that authority. It is significant for us. It's a huge change.

CULBERSON (?):

Thank you.

I recognize, again, my good friend from Georgia.

BISHOP:

Thank you very much.

Let me, again, thank you, gentleman, for -- for what you do. And it's good news to hear that the C.R. will help mitigate the challenges that all of you face, and that -- that's a good thing.

Let me look a little bit more provincial. General Odierno, I want to talk a little bit about the Army Programmatic and Environmental Assessment, which goes with the challenge that you -- you face. The 2005 BRAC moved the Army center down to Fort Benning, and the committee was very supportive of the Army in that endeavor. We spent almost \$3.5 billion in infrastructure improvements and the expansion of training areas.

On top of those improvements, the state and local governments made significant investments, such as \$57 million for an interchange into Fort Benning on Interstate I-85, the passage of an education special purpose local option sales tax to raise \$223 million to provide additional schools for children of soldiers and civilian personnel and defense contractors.

I noticed that the decisions that you have of -- of force -- on force restructure a very difficult. But I worry that all of these investments that have been made on behalf of the Army at Fort Benning would all be for naught if our third -- third brigade -- 3rd Infantry Division were to leave, which would remove 17,815 soldiers and dependents with them. How are you taking into account these investments in your decision-making process in the PEA, and how will sequestration affect this process? Because, obviously, building new facilities might become very difficult in -- in the future.

ODIERNO:

Well -- well, first, Congressman, the impact you're talking about is just from the original Defense cuts based on the Budget Control Act of the \$487 billion, where the Army's reducing the active component by about 80,000, which translates into about 60,000 worth of -- of force structure.

We -- in '13 -- in '12 and '13, we took about \$12,000 out of Europe. We've done that already. We -- we are -- we are -- we'll finish that up this year and the beginning of next year. And then we'll move to reducing our structure in the United States in order to meet the requirements that we have.

So when we -- as we've -- as we've put out now, the Programmatic Environmental Assessment, we are now getting feedback from the installation. But the criteria we're going to use will be a couple of things. It will talk about the facilities. It'll talk about training space. It will talk about housing. It'll talk about all the things that we look at.

And we will categorize all of those things and do an evaluation of every installation. Then after that, we will make decisions on where we -- we decide to take further reductions that we're going to be forced to take based on the Budget Control Act. With sequestration, you can basically double that number. And -- and, in fact, it will now double, probably -- it will be about the same amount of -- in structure out of the active component, probably another \$60,000 or so out of the active component -- 50,000 to 60,000. And now we'll have to start reducing force structure in the National Guard and the U.S. Army Reserve, as well, which we had not taken out of, based on the first reduction from the Budget Control Act.

So it will be a significant reduction in over the next seven, eight, nine years, in Army capacity, in all of our installations as we move forward.

BISHOP:

Construction-wise, you -- were a lot of investment in the infrastructure. Staying with the PEA (ph), in the P.A. (ph) you describe two alternatives to the 2020 forced restructure. Under alternative two, you would actually add an additional maneuver battalion to each of the brigade combat teams, and if sequestration were to go into effect, would you still be able to choose alternative two?

ODIERNO:

We would if we decide to do that. And because under that course of action, what we're able to do is we add battalions to the brigade, but we -- we start to eliminate the number of brigades. So what we're able to do is get rid of some overhead, but sustain more combat capability by -- by putting in additional maneuver battalion under the brigades. And there's some other things that we've identified over the last 10 years, such as engineers and some other shortfalls that we have in our brigades. So our brigades would get larger, but there would be less of them, and it would be more -- and it -- what the course of action looks at, potentially a more efficient way of sustaining some of our combat capabilities.

BISHOP:

So that would result in inactivation of some other battalions...

(CROSSTALK)

ODIERNO:

Yeah, really, brigade headquarters, because the -- and some maneuver battalions. But, again, it would add maneuver battalions to the brigades, as well.

BISHOP:

So if that takes place, what are you going to do with the facilities, the infrastructure that we've...

(CROSSTALK)

ODIERNO:

Well, again, the assessment we will do will maximize the use of the facilities that are available across the Army. You know, the -- we have -- because of this committee, the increase in the capacity and capability of our facilities on many of our installations is very good. But -- so what we would do is we'd maximize our best facilities as we go forward. That'd be one of the criteria that we assess as we go forward.

BISHOP:

Thank you.

CULBERSON:

Thank you very much, Mr. Bishop.

Now my pleasure to introduce -- to recognize our chairman, Bill Young, for any questions you may have, Mr. Chairman.

YOUNG:

Well, Mr. Chairman, thank you very much. And I do have one quick question. Are there any military construction projects at some phase of construction or preparation for the construction or cleaning up after the construction, anything that's ongoing that would have to be stopped or changed if we don't get the C.R. issue settled and get the appropriations bill?

(UNKNOWN)

Mr. Chairman, the -- we do -- we have about \$1.2 billion right now of unobligated funds kind of carrying over from last year, and these are contracts that -- some of which have started, some of which are waiting to start, but of that \$650 million, our -- is in jeopardy. As a result, these are projects that we've already contracted out. These are projects that have follow-on monies that are required to finish the contract and whatever. So the answer is yes. I can get you the precise number of buildings, projects themselves, but for us, it's \$650 million.

(UNKNOWN)

Chairman, the increment two of the Strategic Command headquarters renovation project, that is not a new start this year, but if under the C.R., we would run out of money in July. And under the FAR (ph), the project would have to be terminated. Because we don't have an appropriations bill yet, the \$120 million in this year's increment is not available to us. We have a major concern about that.

(UNKNOWN)

Without a bill, we can't start projects, but we have no projects in progress that would have to stop because of this.

(UNKNOWN)

Chairman, a little bit different take. We're -- we have a \$93 million shortfall in our -- which prevents us from closing our European bases that we've already identified in closing. So if we don't get that, we would have to delay that. What that means is, it's about \$112 million in savings we avoid and so we have in VSPA (ph) and that we would lose.

There's about \$66 million in base sustainment funds that we would lose. And then it could delay the inactivation of 5,000 soldiers if we're not able to relocate. So for us, that has a pretty significant impact as we move forward with reducing the size of our force in Europe. And so that's -- that would be fixed, if we're able to get the appropriations bill.

YOUNG:

Glad you all -- and that is exactly what we've -- what our plan is, to make that happen, so stick with us. Watch us this week, because I think we're going to have some additional progress.

Mr. Chairman, thank you very much.

CULBERSON:

Thank you, Chairman Young.

We recognize our good friend from -- OK, Mr. Farr from California?

FARR:

Thank you very much, the prior graduate of the high school that General Amos went to.

Small high school, Carmel High School, so we're up here on the dais today.

I want to apologize to -- first of all, thank you for your great service to our country. I want to apologize for our institution. I have never -- I've been here 20 years, and I've never seen it lead the nation into such an epic confusion over the fiscal future of this country. And obviously, this dialogue for the last hour has shown that.

We all represent districts -- I represent a district that has some great institutions, institutions which former General Abizaid when he was field commander that, had he not gone to the DLI and worked with the Naval Postgraduate School, those schools were a national treasure and that America could never win the peace until we learned to cross the cultural divide.

So my questions really are on the impact of not only sequestration, but I think more so that we have the \$10 million addition. And let me -- let me ask a question, Mr. Young, because I haven't really gotten the answer yet. Every one of the speakers today asked that we give them flexibility in their cuts, and I know we're giving them money, but are we also giving them the flexibility that they've requested?

YOUNG:

If you would yield, I would say yes. With a C.R., there's no flexibility, as the witnesses have testified here. What we will -- what we present -- what we will present does provide certain flexibility in the area of reprogramming, new starts, yes. The answer is there is some flexibility, maybe not as much as they would like, but there is flexibility in our plan that we're moving this week.

FARR:

Thank you. I mean, I -- I think that's -- unfortunately, Mr. Chairman, we -- you know, this is the only hearing we're going to have. I've never been full of more questions or more uncertainty, and the inability of our institution to have the hearings to really get to the bottom of what the impact is going to be. And, you know, we have -- we have the C.R. up until the end of the month. In the meantime, the hatchet dropped on sequestration, which is a lot -- bigger cuts than the C.R. had intentioned, and then we're going to have a second C.R. for the rest of the year, and we're going to restore \$10 million here. That's coming from somewhere us. There's going to be impacts. It seems to me, we ought to have a lot more hearings to really understand the full impact and whether the flexibilities we're giving you is -- is enough.

Let me just ask some specific questions. The -- now, I'm just wondering what the sequester in itself will affect the services in being able to -- in sending personnel to the Defense Language Institute and the Naval Postgraduate School. You're getting -- the sequester is going to affect that, but now you've got some authorities with a \$10 million increase -- \$10 billion increase. Do you have any idea what the impact will be at DLI and NPS?

(UNKNOWN)

Congressman, right now, we have a little over 183 students at the Naval Postgraduate School in Monterey. It's yet to be determined what -- we're working through that now. It's not just Monterey. It's our resident schools we have at Quantico and around the Marine Corps. Those are funded by operations and maintenance funds. I mean, all our PME, professional military education, to include the postgraduate school, that's O&M.

So we're working through it right now. It's a 10 percent cut under sequestration, roughly 9 percent, as we go into this thing for O&M in these areas, of PME and all that. So there is

going to be an impact. I can't tell you how much, 183 right now. I think we're planning on -- we're hopeful we get to maintain that.

Our numbers at DLI are going down some from what we currently have, and the reason for that is the downsizing of the force. You know, we use -- FAOs (ph) and coronary officers (ph) and (inaudible) officers and language expertise, cultural experts. So by virtue of the downsizing of the Marine Corps, our DLI requirement will go down.

FARR:

Even with the new increase you're getting, the O&M increase in the new C.R. that we'll be passing this week, with a \$10 billion increase?

(UNKNOWN)

Sir, that...

FARR:

That's going to affect -- that'll mitigate some of these...

(UNKNOWN)

Oh, it will. It will this year. I mean, that's this year, and if this bill is passed, we get -- we get an authorization -- an NDAA bill authorization, we're going to be fine this year. You won't see a blip there at all. I'm thinking about in the future, we get into '14, '15 and '16, the 10 years of sequestration.

FARR:

Admiral Greenert, you operate the Naval Postgraduate School. Is this going to have an effect on furloughs and layoffs, the civilian personnel?

GREENERT:

Well, it -- of course, if we get the bill, the furloughs go away, the school is restored faculty-wise, and returns to, if you will, normal operations. That's an important institution to me. When I now look and turned to sequestration, it's a matter of balancing the accounts, dealing with sequestration. And Naval Postgraduate School is a priority. I don't see a change in our student population. That's my seed corn. That's where I build my Jedi knights, you know? There's a lot of important issues, acoustics, cyber, financial management, it goes on. You know that, sir.

FARR:

I haven't heard the term "Jedi knights." I'm going to use that more often. Nice to have that training program in our backyard.

General Odierno, you know that these cuts are -- I mean, the Army's -- you're operating the DLI, the Defense Language Institute. And I really applaud your efforts to seek the efficiencies that are needed, but you recently stated in the strategic intent that to be effective once deployed, the soldiers must be familiar with local cultures, personalities, and conditions they're operating -- where they're operating. We can't afford to gain this knowledge under fire. Through the regional alignment of forces, we will meet both these imperatives, ensuring that our Army remains globally responsive and regionally engaged. You can't achieve that strategic guidance with budget cuts and modernization. And I'm hopeful that you realize how important language is and understanding of cultures play in that.

ODIERNO:

Congressman, absolutely. As part of our strategy going forward, it's the continuing to develop of language and culture among our soldiers that will support us to do this. And I would even talk about the fact that our cyber program, which we are investing in with

more people, also will require the ability to speak numerous languages. And so it becomes a critical component of as we move forward. So DLI remains for us a very critical program.

And I would just add, you know, we have -- we send many soldiers to Naval (inaudible) strategist (ph) school, as well.

And so for us, both of those institutions are important, and become more important based on how I see us reaching out to -- more into the Pacific, remaining in the Middle East.

And even now into Africa, as we're conducting and looking at how we're gonna conduct operations there.

So for us it'll -- it'll continue to be a key piece as we continue to develop not only our intel core, but also our operational capabilities to operate in these areas.

FARR:

Well, I -- I appreciate that, I -- I think we're on the -- if we're gonna have a leaner military, we've certainly gotta have a smarter military. And I always say to get smarter, you gotta go to Monterey.

I also want to thank you for the -- the leadership you provided our former secretary. He's now back in -- a constituent of mine. And Leon Panetta's really looks (sic) forward to being home, but also I think he's gonna remain close contact with those institutions as well.

I have -- I -- I mean, I -- I think we need to know what these MILCON project cuts are gonna be. If we can get a list of those from the services. So far, I mean, you've all mentioned the number and 102 construction projects in 32 states from the Army, I'd like to -- we have some buildings at DLI and some stuff at the Naval Post-Graduate School I'd like to know if they were infected (ph). The local economy really depends on those construction projects as well.

(UNKNOWN)

If -- if I may, in our bill, Mr. Farr, we're fully funding the requests to the branches of military for '13...

FARR:

The (inaudible)...

(UNKNOWN)

At the '13 level that's asked for. Yes sir, we fully funded them.

However, of course, the sequestration will automatically kick in, but there'll be cut -- (inaudible) -- 7.8 percent, but they'll be cut to the -- 7.8 percent to the '13 level, rather than 7.8 percent to the '12 level, which will mitigate, as we were discussing, some of the impact.

FARR:

And Mr. Young said that you were able to give him some discretion as to how they make those projects -- cut those projects.

(UNKNOWN)

Yeah. The -- we understand there's about \$4 billion of general transfer authority that Chairman Young provides in his bill that the -- yes, the DOD bill, Chairman Young has produced will give that -- the branches -- the services general transfer authority of \$4 billion, and we provide in our bill for military construction special transfer authority of \$3.5 billion for the OCO accounts. So we've given them as much flexibility as we can in this tough environment to make sure that you can continue to do what you do and

mitigate the blow as much as possible.

FARR:

If -- if I can, I'd like to submit for the record the unique programs that we provide in the district to implement the national strategic -- national security strategy.

YOUNG:

Without objection, of course.

And I know that the branches of the military always enjoy getting a chance to go to California coast for some of that important training, beautiful part of the country.

All right, sir. Let me move, if I could, on to my colleague from Texas, Judge Carter.

CARTER:

Thank you, Mr. Chairman.

And gentlemen, thank you for being here. I really appreciate it.

I'm blessed to represent Fort Hood. We call it the great place, and I'm gonna be directing a lot of my questions to the Army because I live with the Army every day. But I appreciate all of you, and thank you for the service to our country you have -- have more than adequately shown for us over the last 10 years and we're very, very proud of all of you.

General Odierno, I know you're working on this Army programmatic environmental assessment. Preliminarily, I got information that under alternative one, we'll be reducing about eight BCTs across the Army.

When you made that assessment, was that based upon the -- the C.R. and the sequester, or was it just based on the C.R., or was it based on a appropriations bill as we are hoping we will be able to pass?

ODIERNO:

Congressman, that was based on the numbers based on the Budget Control Act of last year. And the reduction of eight BCTs was based on first course of action, so it was two battalion brigade combat teams. So, if we make the decisions to go to three battalions it would be more brigades, but it would -- it would be more of battalions that remain in the force in order to fill those.

CARTER:

And alternative too would be to insert a battalion in each of the remaining...

ODIERNO:

That's right.

CARTER:

... brigades.

ODIERNO:

That's right.

CARTER:

And yet, you're still working on the assessment, but what number will you working -- we're hopeful that, of course, the House -- our I think our colleagues are seem -- seem to be pretty united thus far that in the House we'll get this thing done, and have an appropriations bill for defense and appropriations bill for MILCON and -- and C.R. for the rest of the government. We still have to get through the Senate, we don't know what their feelings are yet for sure, but we're hopeful -- hopeful there.

Does this analysis change any if we get an appropriation...

ODIERNO:

It -- it doesn't, because the -- what the C.R. -- what the appropriation does for us is increase readiness, it doesn't impact force structure. The force structure is based on our -- our base budget numbers, and our ability to balance readiness, modernization, and force structure and strength. So it will not adjust that.

So the initial assessment was based on the \$487 billion reduction in the Budget Control Act. With sequestration signed into law, and if that continues, that will cause us to take probably a double amount of the BCTs, or another five to six or seven more BCTs out of the force structure.

So that's why -- what we're trying to do is -- that's why we gave ourselves an alternative, a course of action one, a course of action two. Although we might take out more brigade headquarters in a course of action two, it might allow us to keep more battalions, which is important to us.

So that's the difference between the two courses of action that we're working, and once we get the results back from the PEA, which I think finishes 21st of March, we will then begin to assess how we move forward. I think we'll do some listening sessions out at each one of the installations so we get to hear the concerns, and then we will move forward with our decision making process after that.

CARTER:

On the flexibility that this -- that we are hoping to get you (inaudible) one of the things that (inaudible) with me and I've heard from you personally, and others, and it's so very important, and I think everybody on this committee absolutely understands this, you don't put any of your people in harm's way without training.

Will you have enough flexibility to maintain training schedules, because I'm very concerned about that comment you made about going to the national training center, and the fact that you would be a shortfall on that?

ODIERNO:

It will allow us to mitigate portions of it, it will not allow us to mitigate all -- but -- but again, we have a \$6 billion shortfall in O&M, it almost corrects that completely based on the C.R.

So you correct that problem. I have another \$12 billion problem because of sequestration and because of our OCO shortfall. So we'll be able to correct some of it, but not all of it.

CARTER:

Well this -- this nation should never send any of your people in harm's way without training and -- and that's gotta be our first priority, and...

ODIERNO:

And I will...

CARTER:

... whatever it takes, we need to do it.

ODIERNO:

And I will say, Congressman, that \$6 billion will definitely help us in ensuring we -- we don't do that.

CARTER:

Thank you for what you do.

YOUNG:

Thank you, Judge Carter.

I want to turn to my friend from North Carolina, Mr. Price.

PRICE:

Thank you, Mr. Chairman. And thanks to all of you for being here today, and for the -- the work you do.

General Odierno, I will address this first to you, but invite others to -- to contribute as they -- as they wish. Before the C.R., before the sequester there was the Budget Control Act, and there was the strategic review. And of course, all of you are already contemplating how to bring our military construction needs into line with the personnel reductions envisioned in the strategic review.

I've particularly been aware of this, because many in my congressional district have expressed concerns about the scenarios that are projected in the programmatic environmental assessment published earlier this year of the impact on the communities adjacent to -- to Fort Bragg. And again, that was before sequestration.

I heard a panel of economists yesterday respond to the question, what's the perspective of history likely to be on what we're going through right now, 20, 30 years from now. And they said, the question likely would be one of great puzzlement. How could a great country do such damage to itself through artificially created crises and ideological rigidity.

Economists of all stripes will tell us this process we're engaged in right now will damage this recovery. There's no question about that, hundreds of thousands of jobs will be lost, or not restored. As much as a percentage point will be shaved off of economic growth. There's a radically uncertain climate for business investment. So that's the macroeconomic impact.

And then there's the impact on specific functions of government, from cancer research, to building highways -- we've basically stopped that, by the way -- to border control, to many of the specific functions that you are discussing here today. Huge damage at the overall economic level, and at the level of specific critical governmental functions, defense and non-defense.

Now, the continuing resolution does include some well considered defense and military construction appropriations bills as worked out on -- on this committee. And -- and why can't it include more? We have a -- we have a homeland security bill ready to go with the same -- having -- having undergone the same process and the same's true of many bills.

PRICE:

The defense and military construction piece do anticipate and mitigate some sequestration effects, but by no means all. The sequester will still fall on this bill. All of you have reaffirmed that, and there -- there's a clause in the continuing resolution that makes that abundantly clear. And it -- it's also clear, by the way, that the -- that the C.R. does not cancel or -- or totally mitigate the across the board character of the sequester, that's what a sequester is by definition, and the sequester will fall. So, in light of that, my question is -- is pretty basic: At what point is it going to be simply unsustainable to maintain the force levels that we need when the various programs and personnel who sustain and support our active duty personnel are subject to the indiscriminate acts of sequestration?

Now, I think we all agree that men and women in uniform, men and women in harm's way, shouldn't be subject to the whims of congressional malfunction. So the -- the active duty troops properly were excluded from the sequester from the beginning.

But that's not true of the support personnel. That's not true of the civilian personnel.

That's not true of a lot of support functions.

So I'm asking you to reflect on what the breaking point looks like when it comes to cutting all the other programs upon which our troops rely.

ODIERNO:

Congressman, first, as we look at this -- and I mentioned it earlier, as I look at this, we have to stay in balance between end-strength, modernization and readiness. And if we don't do that, we become a hollow force because we have too much end-strength, and we can't give them the right equipment, we can't train them properly.

And, frankly, that's going to happen pretty quickly.

Now, for the -- for eliminating active duty soldiers, that's really just for '13. And so, when we go beyond '13, we can then start to submit budgets that would continue to balance between end-strength, readiness and modernization.

And in the Army, that means we're going to have to cut people, because 48 percent of our budget is people.

So, as I've testified, right now we think it's somewhere between -- if you include the Budget Control Act cuts with sequestration, it'll be somewhere between 185,000 to 200,000 military personnel, a large majority of those being active component, but some National Guard-Reserve. It'll include another significant amount of civilians as well.

So in just the Army alone, I would tell you it's about 230,000 to 250,000 jobs that will be affected by the Budget Control Act and sequestration, as you move forward.

If we don't do that, we will be out of balance. And we can't be out of balance, because, as we've talked about here, we cannot send soldiers into harm's way without the right equipment and the proper training. We simply can't do it.

And so, we've gotta make sure we've got that -- that right balance.

So, to me, I don't know what the number is yet. We're working our way through that.

We're doing some analysis on when do I say it's just too low to meet our nation's needs.

We've not come to any conclusions on that. And we will do that as we get further in to our development of how we will execute sequestration plus the Budget Control Act over the next 10 years -- nine years.

PRICE:

Thank you.

General Amos, you -- you referred very precisely (ph) I thought in your statement to the stresses of -- of these civilian workforce cuts. Do you have anything in particular to -- to add?

AMOS:

I do. But if you'll allow me just a minute to put my Joint Chiefs' hat on for just a second because you -- you alluded in your earlier comments to General Odierno about the United States and -- and when is it going to be a bend in the knee of the curve or knee in the curve with regards to when you can't -- when you can't do it.

Congressman, we have -- I think we're -- the larger question for me, and I think for all of us that sit on the Joint Chiefs, is what is it our nation expects to be able to do in the world over the next decade to two decades? What is our global responsibility?

I realize that's not a state -- it's not Texas, North Carolina, Carmel. I understand that. And I could never get elected, because nobody would ever vote for me.

But the fact is, is that we that wear the JCS hat, and, quite frankly, we're worried about that. We're worried about our -- our responsibility as, quite honestly, the world's sole

global power. That's it. There are rising powers, but we are it.

So I look at this in sequestration and I look at the impacts on the Department of Defense and all of our services and, quite honestly, I get very worried about it. I worry about what does that equate to with regards to presence, engagement, partnership.

We've got five major treaties in the Pacific. We've had them for over 50 years. They -- they depend on us. So when we start retrenching, we start coming back to America and -- and are the assurance of allies will be -- they're gonna look at us the same way they're looking at these hearings, and going "Hmm, I wonder if they're going to be there for us." So I just throw that out.

Sir, we're got 20,000 -- almost -- almost 20,000 regular civilian Marines and another almost 8,000 what we call nonappropriated funds, where we actually raise those funds through other facilities or other means.

The bulk of those are gonna be furloughed. Sixty-eight percent of our Marines -- civilian Marines, are veterans. Sixty-eight percent are wounded veterans that are classified as having gotten out of the service as a result of their wounds.

I mean, that's significant.

By the way, the bulk of them don't work in Washington, D.C. They're -- almost all of them are outside of Washington. They're out at our bases and stations. They're our health care workers.

I've got some -- this is -- this is fairly staggering. I asked last night my staff to tell me, go into the health care and behavioral health and family readiness and our sexual assault prevention -- highly qualified experts and folks that we've asked to come in and join our efforts.

And here's the -- here is the cut. It's gonna furlough about 500 -- a little over 500 of these folks; 25,000 behavioral health counseling hours will -- will be eradicated; 15,000 what we call transition readiness, which is our transition for our veteran -- our Marines into -- into society, that will go away; 5,600 hours of Marine Corps family team building will go away; 114,000 child-care hours are gonna go away; and 1,500 sexual assault victim advocate hours are gonna be reduced.

So -- so it's -- in my previous testimony, I've said this is not about things, it's about people. And people count. We are a people- intense organization in all our services and in particular mine.

PRICE:

Thank you.

I don't know how much time I have. I'd welcome any kind of response from other -- others of you.

(UNKNOWN)

If I could reiterate a little bit what General Odierno said, which is, one, we've got to -- to look into the future and give you a strategic answer. We've got to get in balance for where we are today, or it's just too difficult to look into the future.

So, number one, as the committee has said, a bill, appropriations bill, very important. That'll help us get in balance.

But we still have sequestration, which is equal opportunity reduction across all the appropriations. So, there -- my point would be we still will need some reprogramming. And the wisdom of Chairman Young earlier applies to the -- the transfer authority to come in later in the year, we say, "OK, great. We've got a bill; now we get balance, now

what about sequestration and where does that put us, and how do we patch up the programs, you know, that lost the 9 percent here or there that are really important, and what do we do with the remaining? And do we want to now, again, come in and ask the Congress for the ability to reprogram?"

Once we can get that foundation, we can then look into the future, with the other caps, and -- and determine what that really means.

Thank you.

PRICE:

Thank you, Mr. Chairman.

CULBERSON:

Thank you, Mr. Price.

I recognize my friend from Florida, Mr. Diaz-Balart.

DIAZ-BALART:

Mr. Chairman, thank you very much.

Gentlemen, thank you all for the service you provide to our nation.

And let me also, Mr. Chairman, thank you for mentioning Bill Young. Bill Young, as you said, is a national treasure. But for us in Florida, well, he's -- he's just a very special icon. So thank you for mentioning him as well.

Gentlemen, a few issues, let me just kind of throw them out there, and -- and so -- so you all can kind of respond to them.

SOUTHCOM, it was mentioned briefly. We all know the issues in Latin America, whether it's the, you know, incivility and some not-so- friendly players, like Hugo Chavez in Venezuela, even though nature may take care of that one soon, Evo Morales in Bolivia, Rafael Correa in Ecuador, Daniel Ortega in Nicaragua, et cetera.

While at the same time Iran, China and Russia are making, frankly, very concerted (ph) efforts to gain influence and power in the region, including sales of advanced weapons. So I have -- I have, obviously, serious concerns about what -- what sequestration would mean for our -- our operations and our ability to -- to deal with the issues in Latin America, but as well as drug interdiction. And I understand that sequestration could have a -- frankly, a devastating impact on -- on -- on the -- on the interdiction of drugs.

If you would comment briefly on the, I would -- it would be helpful.

Number two is Guatemala. In 2005 -- you know, in the 1980s under Jimmy Carter, President Jimmy Carter, military aid to Guatemala was suspended because of concerns of human rights. In 2005, the aid began to flow through the Foreign Military Sales, for example, to Guatemala. And in 2008, Congress started allowing International Military Education Training, IMET, funds, but only to certain components of the armed forces. Now, currently, you know, our government works very closely, hand-in-hand, with the Guatemalan counterparts on drug interdiction and on security operations.

Members of the Guatemalan military participate in U.N. sanctioned peacekeeping operations in Haiti, in Lebanon, in the Democratic Republic of Congo, in South Sudan. So, clearly, the Guatemalans meet at least U.N. threshold for those guidelines. So I'm not quite sure why they're still not receiving that aid.

And -- and are you all going to be trying to get State and Congress to -- to rethink that policy, which I think is, frankly -- makes no sense whatsoever.

And, lastly, we've heard -- and we're all concerned about the budgetary impacts that sequestration and -- and the C.R. is having on you, and they are -- they are devastating.

DIAZ-BALART:

I was, frankly, shocked to hear in some press reports late last year about I believe the Navy's spending \$200 billion in biofuel. According to press reports, at the rate of \$26 a gallon. Two questions on that. Is that -- which I think is just, frankly, you know, amazing. And I know that the secretary of the Navy mentioned that he wanted to create a market, a world market for biofuels. So it was not because -- for our national security interests. It was to create a world market in biofuels.

Is that -- and I believe the secretary said he was going to spend \$1 billion on biofuels in the next year. Is that off the table? You know, at a time when we are, again according to press reports and we know it's true, when the Navy is not able to send a carrier task force out, are we still going to be now at this time of sequestration and C.R.s and tight budgets, are we still looking at spending, you know, close to whatever -- \$26 a gallon or hopefully less, but what are doing there? Three questions, three issues, and thank you very much, gentlemen.

Thank you, Mr. Chairman.

GREENERT:

If I may, I'll answer the question on biofuels. The Navy's budget -- total budget for alternate fuel, and that includes biofuel as well as others, is \$17 million; \$11 million of that is testing different mixtures of fuel, in addition to pursuing the testing and evaluation of other alternative energy sources. The other \$6 million is for research.

The money frequently quoted with the larger sums are outside the Navy. They're DOD sources which you apply for. It's called a DPA fund, and I'll have to get you the specifics of that act and what it stands for. And -- and over a two-year period, a two- or three-year period, when you add all that up, if the Navy were to get that funding, effectively held in escrow, and apply for it, then it could total the number of about (inaudible).

DIAZ-BALART:

So Admiral, that's -- and right now, that's, I would assume, that in the list of priorities of the very tough choices that you're having to make, I'm assuming -- and that's just when you get a chance, I'd like some information. Is that something that is really low on the priority list? Or is that still something that is -- because I know it was a very high priority for the secretary. So I just want to make sure that, if you could, you don't need to now, but just let us know where that is on the priority list.

GREENERT:

I'll provide that for you.

DIAZ-BALART:

Great. And then the issue of Guatemala, are we going to -- is that something that you all disagree with my assessments that -- that Guatemala should be now receiving -- because they are receiving funding, but just not their army. I think they're -- you know, there are other parts of it. Is that something -- is my assessment wrong? Is that something that you all are looking at?

And thirdly, remember the other issue about -- about drug interdiction mission with -- how sequestration will impact that.

ODIERNO (?):

Well, I would just say, Congressman, that decisions like that are based obviously on our policy decision, but also some legislation. There's amendments out there that limit our ability to provide aid in certain situations. I think that's why we are unable to do that. So

until, you know, either they can be in compliance with the legislation that's been developed, as well as determined by the State Department that they're meeting all those requirements, we are not authorized or allowed to spend money.

I'm not -- I'm not -- I'm not completely familiar with Guatemala, but I do know it stands in that category right now and that's why we're unable to spend money.

DIAZ-BALART:

Any comment on the drug interdiction efforts? And my understanding is that -- that it would be a rather dramatic reduction of our ability to interdict narcotics.

GREENERT:

In the maritime sense, sequestration will -- will affect it. And the deal is our force structure is going down, and particularly the ships that we employ down there. But there's also a shift going on, Congressman. We're going from our frigates -- using our frigates and some destroyers, to littoral combat ships, which are a new class of ship -- very fast, a lot of volume, and have already proven their value down in the Southern Command.

Also, called a "joint high-speed vessel." It's a catamaran, very high-speed. It, too, we will deploy it soon to the Southern Command and it's custom-made, among other things that it does, for counter-drug, and has proven itself in exercises.

So we're evolving in this regard. We've got to get more innovative. And as our strategy says, our footprint will be, by direction really, fiscal direction, smaller.

But I commit to you, we value the importance of the mission. We'll do whatever we can.

It's a balance in our global force management allocation plan, but we have other things up our sleeve that we can do to bring to that.

DIAZ-BALART:

With the C.R., would that -- would that -- in other words, how -- how -- how affected would that effort be due to sequestration? And would this -- would the, you know, C.R. -- I guess, the C.R.-plus, would that -- how would that change the scenario?

GREENERT:

If we can get a spending bill once again, now, that's a horse of a different color, especially for this year. Now, we have these operating funds for this year that we can go back and revisit and do the balance and try to get back those operations, including Operation Continuing Promise down there. These are things that aren't interdicting drugs, but they're very important because they help preclude people from being interested in becoming drug runners.

DIAZ-BALART:

OK. Thank you, Mr. Chairman.

CULBERSON:

Thanks very much.

I recognize Mr. Fattah.

FATTAH:

Thank you, Mr. Chairman.

And General Welsh, in your testimony you talked about some of the effects of these cuts in terms of weapons sustainment systems in Florida, Arkansas, a number of other locations. And my colleague who was asking just before this, I mean, there seems to be kind of a, you know, an argument that on the one hand, these cuts are not going to weaken our military readiness. And that's basically being made by people who are not wearing the uniform.

So since you're sitting here, you've got this testimony that says that there's going to be real challenges with the cuts, I think that it would be helpful for the committee to understand when we say that there will be these delays, how that really impacts the force.

WELSH:

Thank you, Congressman.

Let me give you just an example. The commandant talked a little bit ago about depots and equipment not getting into depots, and what that does to us. There's impact across the force, from readiness to people -- to organizations and businesses who support the military. And I'll just use an aircraft depot as an example.

Under the current sequestration law, without any new appropriations bill, without any mitigation, we will not put 150 Air Force aircraft into the depot this year, and about 85 engines won't go into depot. That's about \$500 million worth of depot work that will not occur. Now, that depot workforce will also be undergoing the furlough activity for 22 days apiece over the rest of the year.

Along with that, we'll stop about half-a-billion dollars in contract logistics support for that because the depot work is not occurring. That goes to small businesses that support the depot with spare parts, specialized expertise, tooling and people. Recreating those small businesses that will be dramatically impacted by this takes years.

FATTAH:

Let me ask you a question. So, there was a set of cuts -- almost about \$500 billion that were in the -- the Budget Control Act that DOD has to deal with over the next 10 years. How are those cuts different from these automatic cuts?

WELSH:

From our perspective, what's happened is a series of cascading effects have now put us at a place where we are walking a knife's edge between being able to maintain readiness or not. It was the cuts at the end of the Gates administration. Remember, they were (inaudible) on how we calculated somewhere between \$87 billion and \$200 billion. There was the Budget Control Act, which took effect back in 2011, really hit our budget in 2013.

And so -- and the Air Force, for example, has been trading readiness for modernization for the last 10 years because we need to modernize our force. We critically need to do it. Our readiness rates have been coming down for 10 years consecutively because we've been moving money into modernization accounts, focusing on the activity in the Middle East, not doing full-spectrum training across our force, so we could begin modernization. When the Budget Control Act hit our budget in 2013, it exposed the margin that we were operating on -- a fine margin between manageable risk and readiness and now an inability to maintain it. Sequestration exposed that completely. And so now we have had to think about taking money out of readiness -- or excuse me, out of modernization and putting it back into readiness. That's why we canceled the Global Hawk Block 30 a year ago. That's why we recommended canceling the C-27 program, not because we don't want them, but because we can't afford everything.

Sequestration now magnifies the problem. Everything's affected. And it happens abruptly and arbitrarily. The biggest frustration for the people at this table are all the commentary -- all the commentary we read and hear about, hey, we're making this stuff up. We're not. Nobody's emotional about this. It's pretty matter of fact.

The big issue over time for us, I believe, is what is our topline going to be for the next 10

years with sequestration. And until we know that, we can't even help define the specific impact on acquisition programs, modernization programs, infrastructure, numbers of people, force structure. We don't know yet.

FATTAH:

And one fairly kind of pinpointed question, the battery issue with the Dreamliner. Some of your fighter planes use similar types of batteries. You've looked through this issue and are you comfortable?

WELSH:

Yes, sir. We don't have anything that I would consider a similar problem. I don't know where Boeing stands on their (inaudible). I know they're comfortable with (inaudible).

FATTAH:

They're moving along pretty well.

WELSH:

But we -- we're very comfortable. We do not have that same problem.

FATTAH:

Thank you, Mr. Chairman.

CULBERSON:

Thank you, sir.

Mr. Fortenberry from Nebraska?

FORTENBERRY:

Thank you, Mr. Chairman.

And first of all, let me say how much I appreciate being a part of this new committee, being new, and I look forward to serving under your -- your leadership.

And thank you all, gentlemen, for coming today and for your very informed and thoughtful and heartfelt testimony.

As I recall, Admiral Mullen several years ago was asked: What is the greatest threat to America? And he said: "Our debt." And so we are, as you are, caught trying to work through very difficult principles here. One is stopping the over-spending and getting our fiscal house in order so that we can help save this economy, turn it around, and also prevent national security problems that are resulting from this high level of debt and deficit, while also at the same time, delivering smart and effective, prudential, reasonable government services, the core essence of which is defending our country.

So all of you obviously are struggling, I think, with most good-willed members of Congress, as to how to best achieve this balance. And I agree with you, the sequester is a clumsy mechanism. It disproportionately affects the military and there should be more prudential ways to find appropriate reductions.

FORTENBERRY:

Yet at the same time, we are where we are. And it, of course, is becoming a leverage point for the broader necessary discussion that has to take place in Congress as to how we move forward on proper fiscal order.

With that said, let me move specifically to a question for you, General Welsh.

I represent Bellevue, Nebraska, which is where STRATCOM is located. STRATCOM came under an assault in December of 2010. It wasn't by the Russians. It wasn't by the Chinese. It wasn't by terrorists. It was by a broken water vein, which flooded the basement of a nearly 60-year-old facility, which was designed when the telephone was the main way in which we communicate. And this was the central place where we

basically take care of our nuclear infrastructure and planning. So an important process has been under way for a number of years to provide a new facility. We broke down on it recently.

I want to go back to a couple of comments that you made. Two being -- one being to Chairman -- the Chairman Young, as to how sequestration, in of itself, would potentially or fully stop construction of a new STRATCOM headquarters, plus the furlough question. If we passed a continuing resolution with the Department of Defense Military Affairs appropriation bill attached, from what I hear you saying is, those projects perceived normally and a significant number of the furloughs could be prevented. Is that correct?

YOUNG:

Yes, Congressman, that's exactly what I said.

FORTENBERRY:

Why don't I just stop there, Mr. Chairman, in the interest of time?

Thank you, sir.

CULBERSON (?):

Thank you, very much. Right on target.

And then, Mr. Nunnelee, Mississippi.

NUNNELEE:

Thank you, Mr. Chairman.

Yesterday I had in my office a young Marine, and when he got finished telling me his story, he just grabbed my heart. He said, "I saw an IED blow up, the colleagues on my right and left were blown to bits." And he said, "I'm home now, and I'm begging for help." And he said, "There's numbers all over my base. I called the number. Maybe somebody answers the phone. If somebody answers, I don't get a call-back." He said the intake workers "are very, very good. Once I sit down with them and -- they -- they talk about the issues I'm dealing with."

But it appears that whatever paperwork they complete on the intake gets put in a file, and nobody ever follows-up. And he said, "There's many of us that are begging for help, and we're not getting it." And I don't question, in any way, your commitment to the men and women under your command. I -- I know you want for them the best. But -- but I do question if all the demands that are on your time, if this is something that get -- gets lost in the bureaucracy.

So, since it was a Marine, General Amos, I'll ask you first, but also the -- the other servicemembers. What are we going to do to help these people?

AMOS:

Congressman, first of all, thanks, from the great state of Mississippi your concern about our Marines. And I -- obviously, I can't -- I can't specifically dive into, although I'd be happy to, and get you some specifics on the young Marine that -- that came and spoke to you.

Since we crossed the border in 2003, in March of 2003, we've had 13,362 Marines wounded. Twenty-five percent of those Marines are what we would call seriously wounded. The other 75 percent are Marines that were patched up. Sometimes it's something as a grazing shot, it's something is a shrapnel is pulled out of a piece of flesh. But -- but 75 percent return back within, probably, the first two to three weeks, back to their unit. They're patched up, and their life moves on.

That other 25 percent, there's a percentage of them that struggle with this matter of PT -- it is real. There's nothing -- there's not a single service here that -- we're well past the point of being in denial on that. That was many years ago. We believe in it. We have put untold amount of effort to try to have the counselors, try to have the right people, have the programs. But it's more than programs. It's got to be a compassionate individual that sits down with a wounded sailor, soldier, Marine, and actually takes their story and talks to them.

That's what we try to do, and of that 25 percent of those 13,000 plus, I -- I think we're pretty successful, that almost a clear majority of the time. There are -- every day I'll get an e-mail from somebody. It'll come often from a -- from a family member or somebody of a Marine that was released from active duty two or three years ago. So this is out there. And we'll find out that this Marine is struggling. This Marine is homeless. This Marine's without a job. This Marine is suffering from PT -- this Marine has attempted suicide. And, Congressman, I -- I've come to understand, having touched this now for six to seven years personally, you -- you've got to -- they come to you one at a time. You've got to deal with them one at a time. You can't deal with them in a, kind of, a group think thing. Each one of these young men or women are individuals. And we try. We try to get them while they're on active duty. We try to take care of them once they go out the other side and enter civilian life.

So, sir, I -- I'd be happy to give you the specifics of that young man, but I've got to tell you, there is no more compassionate organization right now to care for our young men and women that are wounded than my service.

ODIERNO:

Congressman, if I could jump in on this, this is, obviously, a very important issue. And it goes along several different lines. Let me just try to quickly summarize those.

So -- so one is, as we talk about both traumatic brain injury and Post Traumatic Stress, this is something about the continuum of care that we have to develop. And it -- it starts, first with the individual coming forward, when he does come forward, as you just addressed in this one case, that the appropriate capability is there to assist him.

And for the Army, it's in a variety of places because of our National Guard, our U.S. Army Reserve, as well as our active duty soldiers. They are all over the United States. So how do we develop a network of continuum care to make sure they can reach out and be treated?

And then the third is our ability to then hand them off to V.A. And how do we do that in such a way where everybody understands their -- their problems, the medical records are handed over, the counseling sessions are handed over, so it is a constant continuum of care? This is what we owe our soldiers, sailors, airmen and Marines, is this continuum of care, and that they don't get lost in the system, that we're going to continue to fund this, because (inaudible) go on for 10, 15, 20 more years, as we all know to make sure that -- that we continue to have the programs in place.

ODIERNO:

In the Army, one of the issues we've had is, we have -- we -- we have the authorization, and we've allocated the dollars, no matter how constrained our budget is, is to hire the counselors. But, frankly, there aren't enough counselors out there. There's incredible competition between us and the -- and the local communities for these counselors. So we're continuing to work on our recruiting efforts to bring them in so we have plenty of

counselors to deal with, not only the soldiers, sailors, air, Marines, but their families, as well, who are affected by this.

So we -- we absolutely are -- we -- we take this on as one of our most important functions. And not a day goes by, as the commandant said, that -- that we are not aware of an individual case that might not be going the way we want it to.

I will tell you, there are hundreds and hundreds of cases that are going very well, but if one does not do well, that's on us, and we gotta continue to work that together. So this is a complex issue that's gonna take a lot of time and effort across a wide variety of areas. So I -- I'm with you on this, and we'll do all we can to continue to work this and we'll work with you all as we come up with more issues (inaudible).

(UNKNOWN)

(OFF-MIKE) Not only do the services have all their issues of (ph) programs and how they're trying to care for (inaudible) and they're all basically the same, I mean there's -- we (inaudible) best practices from each of the services. It's not institutional prerogative (ph). We've stolen best thoughts and ideas from all our sister services to try to come up with the best product and the best venue. The V.A. is doing exactly the same thing. If General Shinseki was here, he would talk with a great passion about (inaudible).

One of the things that's happened as a result of almost 12, 13 straight years of combat, is there are different organizations -- some of them are church-centered, but a lot of them have grown up, they've become homegrown organizations that have now great institutional impact, civilian-wise, that -- that touch the Army, the Air Force, the Navy, the Marine Corps outside, and provide those extra bits of care, the money, the capability, the capacity to be able to care for these young men and women beyond what V.A. and beyond what the Department of Defense can.

And there's goodness to that, and without getting into some specific names of some of these organizations -- because that would probably be inappropriate -- but -- but there are some wonderful organizations and institutions that care for -- care for them beyond what we could ever care for what the V.A. (inaudible).

GREENERT:

Something I would add to my two colleagues on my right and left, is there's an element of stigma that when the kids come back it's OK to not be OK, and -- and driving that home is sometimes difficult. So we'll do a post-deployment assessment, and they don't want to for fear of leaving the unit, they'll say, no I'm all right.

We have to have the discipline, and there is a process to follow up on everybody. So that's the part where somebody says, "Well, Billy said he was OK," you know, whatever. We have to follow up on that. And as -- as Jim and Ray both said, that's an incredibly important process.

NUNNELEE:

Well, again, I -- I do not question your individual commitment to those young men and women. The only reason I raise the issue to request that you make sure that -- that your organizations carry the commitment that you just expressed here. Make sure that every returning young man and woman gets particularly the mental health care that -- that they have every reason to expect.

Thanks (inaudible).

CULBERSON:

Thank you very much. Our witnesses are coming up against a hard stop. I know several

of y'all have to leave. So I'd ask the committee members, if we could, any additional questions, we'll certainly submit in writing, but I -- I, you know, have a brief closing statement, but I would like to recognize my friend Mr. Bishop for any closing remarks or questions he'd like to ask, and then we're gonna need to conclude.

BISHOP:

First of all, let me just thank you for -- for your service, thank you for your hard work in dealing with the challenges that we face. I -- I do have some additional questions for all of your gentlemen, but we will submit them for the record. I understand that at this time there's great demand for your time, because of the knowledge that you have and the challenges that -- that we're facing, there're others who want to -- want to explore that. So I thank you for -- for coming. I thank you for the information. And I thank you for your service. And we will submit some additional questions for the record.

Thank you.

CULBERSON:

Thank you, Mr. Bishop.

I just want to reiterate how united the Congress is in supporting you and helping you in every way that we can. We recognize the -- the -- that this is a very dangerous world out there, just very briefly looking at the headlines this morning, the supreme commander of North Korea said that they are -- intend to cancel the 1953 cease fire, and that's an extraordinarily dangerous situation in North Korea.

We face -- in the communist Chinese, they have announced that they're gonna raise their annual military spending by almost 11 percent a year. The Chinese gold reserves, in fact, Chairman Young and committee members Chinese foreign -- foreign sea reserves have surged 700 percent since 2004, and they've got enough money right now on hand to buy every central bank in the world's official gold supply twice.

And I also saw this morning that the -- it was reported that the -- there's a Chinese -- communist Chinese military delegation visiting the Pentagon, Hawaii, and the District of Columbia and the Pentagon (sic), and this includes a general who said they were prepared to do a first strike nuclear attack against the United States -- I mean, that's of real concern. I hope we're limiting what those folks have access to.

We face a very dangerous world. The committee is committed as is the Congress to support you and help you in every way that we can to make sure the United States military is the very best in the world, and again, that you never have to look over your shoulder or worry about the equipment, the supplies, the support, the facilities and the health care that are men and women in uniform receive.

We'll continue to make sure that it's the very best in the world. And we thank you very much for your service to the country. And we'll submit any additional questions in writing.

Thank you, very much.

And the hearing is adjourned.

Thank you.