

Chief of Naval Operations Adm. Jonathan Greenert
House Armed Services Committee Holds Hearing on Sequestration in Fiscal 2014 and
Military Perspectives
Sept. 18, 2013

MCKEON:

The committee will come to order.

Good morning, ladies and gentlemen. The House Armed Services Committee meets today to receive testimony on planning for sequestration in fiscal year 2014 and perspectives of the military services on the strategic choices and management review.

I'd like to begin by expressing the committee's shock and sadness about this week's tragic shooting at the Washington Navy Yard. The victims and their families continue to be in our thoughts and prayers. At this time, I request the committee hold a moment of silence to honor those patriots who lost their lives.

Thank you.

Admiral Greenert, I hope you will convey the committee's deepest sympathies to all those who were affected under your command. I spoke yesterday to the secretary and asked him to express our thoughts also to every member of the naval family that he comes in contact with. The nation is grieving with you.

GREENERT:

Thank you, Mr. Chairman. I appreciate it.

MCKEON:

Thank you.

As you're all aware, this committee has held numerous hearings on the impact of sequestration to our national security since 2011. While many of us have warned about the catastrophic impact these cuts have had to our military readiness and offered specific legislation to fix them, we've nonetheless encouraged the Department of Defense to fully plan for sequestration. Our attitude has been work for the best, but prepare for the worst.

With that said, we welcome this review in the hopes that it would answer some of the many unanswered questions we have about how the department will operate in a post-sequestration budget environment. While I appreciate the intent of this review as an assessment, frankly I was

disappointed and troubled by the lack of specificity it offered. The review contained little in the way of new information, leaving us only marginally more informed than we were two years ago.

Last month, Secretary Hagel directed each service to develop two separate future-years defense programs for fiscal year 2015: one at the president's budget level and an alternate accounting for full sequestration. While we all would agree that the higher budget level would be preferable, our focus today is on the alternative -- alternate program under development.

Earlier this month, I wrote to Secretary Hagel urging him to authorize each of you to discuss the specific impacts you've identified in the preparation of your alternate program, including the reductions in size of the force, the modernization programs that will be canceled or curtailed, bases that will have to be closed, capabilities that no longer can be sustained, and training that will be limited.

In your testimony today, I hope you'll be frank about the deviations that will have to occur to the president's fiscal year 2015 budget request as a result of sequestration, and how those decisions will impact the execution plans for fiscal year 2014.

MCKEON:

Gentlemen, for two years, you or your predecessors have come to this committee describing the consequences of sequestration in generalities and percentages. The chairman of the Joint Chiefs told us you can't be cut one more dollar without changing the defense strategy. But when your cut administration downplays the impacts, your credibility with this committee and with me is on the line this morning.

I respect each of you deeply, but now is the time for you to act. Each of you carries the responsibility to give Congress your best and unbiased military advice. Each of you has a higher obligation to provide security for the American people.

Today I expect to hear in very clear terms what elements of that security you will no longer be in a position to provide, should sequestration continue. I expect to hear what risk you will have to assume in order to provide it.

Last week, we had a hearing with Secretary Kerry, Secretary Hagel, and General Dempsey. I have been talking for the last couple of weeks against going into Syria or going anywhere else with this military until the sequestration problem is fixed, until we have backloaded the money that's been taken from defense over and above the \$487 billion, which all of you said you could live with, but not a dollar more.

But they each pointed out in their testimony that I was probably focused too much on just money. When things evolved -- developed, occurred about our national security, we'd find the money. There's no question we'll find the money, but it comes out of something else, something else that's very important.

I'd like to hear from you today what that would be. I look forward to hearing your testimony. I thank all of you for your -- witnesses for being here, for your service to this nation.

And now I recognize Ranking Member Smith for his statement.

SMITH:

Thank you, Mr. Chairman. First of all, I join the chairman in expressing my condolences to Admiral Greenert and the Navy and to our entire military family for the tragic and horrific incident this week. You know, our thoughts and prayers are with you. Whatever we can do to help, please let us know.

GREENERT (?):

Thank you, Mr. Smith.

SMITH:

I thank the chairman for his leadership on that, and I also thank the chairman for, you know, the consistent hearings that we've had on sequestration. This is a significant challenge, and I don't think anybody in this Congress has been more out front than Chairman McKeon and early, you know, explaining to us what was coming and the challenges in trying to sound the alarms so that hopefully we'd do something about it. And I appreciate those hearings and those discussions.

I would hope today that we would skip the normal partisan arguments about whose fault it is. We've, gosh, gone that back and forth throughout so many times that, I think, just about everybody in this room could probably repeat what I would say and what others would say, and so we know all that. We don't need to have that argument. We need to figure out, you know, where we're going to go, how we're going to deal with this. And it is a multifaceted problem.

Certainly, sequestration, which is, you know, set to go on for another nine and a half years. You know, we've only been dealing with it now since March. I have to do the math in my head, but I think that's roughly six months. You know, those six months have been bad, the choices that have had to be made, members in their individual districts. If you have military bases there, you see the impact on the military. You certainly see the impact on the contractors, but that's six months. We got nine and a half more years to go of sequestration if we don't do something about it.

In addition, here we go again in terms of another threat of government shutdown as we come up to September 30th, and it's to the point where there's, you know, virtually no hope of getting an appropriations bill. We're hoping that we can get a C.R. And a C.R. is, in many ways, depending on who you are, as bad as sequestration in terms of how it impacts what money can be spent by the various departments within DOD.

Then, of course, shortly thereafter, we have the debt ceiling, and the debate over whether or not to raise that. I will just say that, you know, I -- you don't have the debate with your credit card

once you've incurred the charges. You pay the bill. Then you can have a discussion about whether or not you want to continue to rack up bills that are that high. But, you know, if you're the United States government, I don't think you have the option of not paying your bills, but we will face that, as well.

On all of those fronts, you know, we need to figure out, you know, what money we have. I would hope that Congress will continue to work to solve sequestration, to pass appropriations bills to get past the debt ceiling. I know that's going to be a challenge, but it's not something that we can throw up our hands on say, "Nah, it's just -- you know, we're not gonna get there."

We have to keep trying to get there. And in the meantime, you gentlemen have to try to figure out whether or not we are gonna get there or how short of there we're going to wind up and try to figure out how to spend the money.

And, you know, I -- I take the chairman's point about, you know, we'd like more specifics, but part of the challenge that I do want to remind the committee is you are not free at DOD to simply make the decisions that you want to make.

You are, to some degree, reliant upon us for a number of those decisions. Personnel costs are an enormous part of what you face, but if you want to do anything with retirement or anything with health care, you have to come through us. And about the only clear message that Congress has sent you is, "don't cut that."

That has been a lot of different things, from the Guard, to, you know, retirement of certain ships, and on and on and on. But you are limited by what we allow you to do in many instances, and then you have to sort of back fill from there.

So as we have this discussion, I hope members will approach it in that cooperative spirit, not just say, "what are you doing to do?" But more accurately, look at it and say, "what can we realistically do together?" Because I agree with the chairman: with the cuts that we're facing, you're going to have a fundamental change in our strategy. But to get to that change in strategy -- you know, it's the nature of our system -- no one person's in charge of it.

You know, the executive branch and the legislative branch have to work together to come up with whatever that new system is, and right now we're not. So I guess if I have one hope for this hearing, is that we can sort of have that cooperative spirit.

And if you gentlemen tell us, "hey, look, here's where we need to cut," and if any member of this committee says, "oh, we can't do that," well, then where do you want to cut? You know, what advice do we have for you on what would be acceptable to us on how we restructure our military strategy, given the fiscal realities that we've all talked about. So I hope we can have that discussion.

Again, I thank the chairman for his leadership on focusing on this issue, and I would say I look forward to your testimony and the questions. But honestly, I really don't because this is not an easy subject, and there is no good way out of it. We'll deal with it the best we can. Thank you.

MCKEON:

Thank you.

Let's start with General Odierno. We'll just go right down the line, please.

General?

ODIERNO:

Chairman McKeon, Ranking Member Smith and other distinguished members of this committee, thank you for the opportunity to speak with you about sequestration in fiscal year 2014 and the strategic choices facing the Army.

United States has drawn down military forces at the close of every war, and today is no different. This time, however, we are drawing down our army before a war is over, and at a time when there's grave uncertainty in the international security environment that we witness every single day.

Today, the total Army, the active Army, the Army National Guard, the U.S. Army Reserves, remains heavily committed in operations overseas and at home. More than 70,000 soldiers are deployed as we sit here today, including 50,000 soldiers in Afghanistan and nearly 88,000 soldiers are forward stationed across the globe.

During my more than 37 years of service, the U.S. Army has deployed soldiers to fight in more than 10 conflicts, including the longest war in our nation's history in Afghanistan. No one can predict where the next contingency will arise that will require the employment of ground forces.

We only know the lessons of the past. In every decade since world War II, the United States has deployed U.S. Army soldiers to defend our national security interests. There are some who have suggested there will be no land wars in the future. While I wish that were true, unfortunately, there's little to convince me that we will not ask our soldiers to deploy again in the future.

We have also learned from previous drawdowns that the full burden of an unprepared and hollow force will fall directly on the shoulders of our men and women in uniform. We have experienced this too many times in our nation's history to repeat this egregious error again.

As chief of staff, it's my responsibility to provide my best military advice in order to ensure that we have an army that will make -- meet our national security needs in the complex, uncertain environment of the future.

It is imperative that we preserve the full range of strategic options for the commander in chief, the secretary of defense, and the Congress. Together, we must ensure our army can deliver a trained and ready force that deters conflict, but when necessary, has the capability and capacity to execute a sustained successful major combat operation.

ODIERNO:

The Budget Control Act with sequestration simply does not allow us to do this. If Congress does not act to mitigate the magnitude and speed of the reductions under the BCA with sequestration, the Army will not be able to fully execute the requirements of the 2012 Defense Strategic Guidance.

By the end of F.Y. '14 we'll have significantly degraded readiness, in which 85 percent of our active and reserve brigade combat teams will not be prepared for contingency requirements.

For fiscal year '14 to F.Y. '17, as we continue to drawdown and restructure the Army into a smaller force, the Army will continue to have degraded readiness and extensive modernization program shortfalls. We'll be required to end, restructure, or delay over 100 acquisition programs, putting at risk the ground combat vehicle program, the armed aerial scout, the production and modernization of our other aviation programs, system upgrades for unmanned aerial vehicles, and the modernization of our air defense command-and-control systems, just to name a few.

Only in F.Y. '18 to F.Y. '23 will we begin to rebalance readiness in remodernization, but this will come at the expense of significant reductions in end-strength and force structure. The Army will be faced (sic) to take further end-strength cuts from a war-time high of 570,000 in the active Army, 358,000 in the Army National Guard, and 205,000 in the U.S. Army Reserves, to no more than 420,000 in the active Army, 315,000 in the Army National Guard, and 185,000 in the U.S. Army Reserves.

This will represent a total Army end-strength reduction of more than 18 percent over seven years, a 26 percent reduction in the Army -- in the active Army, a 12 percent reduction in the Army National Guard, and a 9 percent reduction in the U.S. Army Reserves.

Additionally, this will result in a 45 percent reduction in active Army brigade combat teams. In my view, these reductions will put at substantial risk our ability to conduct even one sustained major combat operation.

Ultimately, the size of the Army will be determined by the guidance and funding provided by Congress. It is imperative that Congress not implement the tool of sequestration. I do not consider myself an alarmist. I consider myself a realist. Today's international environment and its emerging threats require a joint force with a ground component that has the capability and the capacity to deter and compel our adversaries, who threaten our national security interests. The Budget Control Act and sequestration severely threaten our ability to do this.

I want to thank you for the opportunity to speak with you today, and I look forward to your questions to expand on the comments that I've made. Thank you very much, Chairman.

MCKEON:

Thank you.

Admiral?

GREENERT:

Chairman McKeon, Ranking Member Smith and distinguished members of the committee, thank you for the opportunity to testify about the Navy's situation in fiscal year 2014 and our perspective on the recent strategic choices and management review.

But Chairman, before I address that in this statement of mine, please indulge me. I'd like to extend my deep condolences to the families, the friends, and the co-workers of the victims of Monday's events at the Washington Navy Yard.

Chairman, we lost shipmates on Monday. The Secretary of the Navy and I, and our leadership, have our full attention on ensuring that the victims' families, co-workers -- and their co-workers are provided with the care and the support that they need and that they deserve during this difficult time.

We are grateful for the teamwork and the heroism which -- which the first responders showed when they reacted. And we are working closely with the FBI and other law enforcement authorities to conclude this investigation.

Now as directed yesterday by the Secretary of Defense, the Secretary of the Navy and me, we are reviewing the security procedures and the access control for all our Navy installations around the world. I expect to have a rapid review completed within two weeks, which, of course, we will share with you.

Nothing matters more to us than the safety and security of our people.

I know you are aware of the Department of Defense I.G. report released yesterday that cites cost control measures as a potential cause for vulnerabilities in contractor access, procedures for our bases.

Chairman, I've read the report. We are reviewing it right now. And to the degree we have vulnerabilities, we'll correct them, and we'll do it expeditiously. We are grateful to the DOD I.G. for working with us -- with us on this, and I can assure you, however, that the cost control measures that were mentioned in this report have nothing to do with budget shortfalls or sequestration itself. We don't cut budgetary corners for security, Chairman. The two are unrelated.

Now something needs added or changed, we'll fix it right away. Further, we will continue to work closely with the Department of Defense I.G. -- I.G. staff and we'll reconcile all these recommendations in this report I just held in my hand.

Again, nothing is more important to me, Chairman.

[OUR BUDGET STRATEGY FOR FY 2014]

Now, I'd like to address with the time remaining two more points: our budget situation and our plan in fiscal year 2014 and the long-term impacts of sequestration.

Mr. Chairman, presence remains the mandate for the Navy. We have to operate forward where it matters and we got to be ready when it matters.

Recent events have clearly demonstrated our ability to do that. Quickly we positioned ourselves and we offered options to the president in the past month. This ability also reassures our allies and it ensures that U.S. interests around the world are properly served.

Now as we prepare for 2014, sequestration's going to further reduce our readiness. The impacts of sequestration will be realized in two main categories: operations and maintenance; our investments.

There's several operational impacts, but the most concerning to me is that the reductions in operation and maintenance accounts is going to result in having only one non-deployed carrier strike group and one amphibious ready group trained and ready for surge operations. We will be forced to cancel maintenance. This will inevitably lead to reduced life for our ships and for our aircraft. Assure, we will, again, conduct only safety essential renovation of facilities, and that'll (ph) further increase the backlog in this area.

We will probably be compelled to keep a hiring freeze in place for most of our civilian positions, and that will, of course, affect the spectrum and the balance of our civilian force.

We will not be able to use prior year funds to mitigate sequestration cuts in our investment accounts like we could in fiscal year '13. So without congressional action we will lose at least a Virginia-class submarine, a littoral combat ship, and float forward staging base. And we will be forced to delay the delivery of the next aircraft carrier, the Ford, and will delay the mid-life overhaul of the George Washington aircraft carrier. Also we'll cancel procurement of 11 tactical aircraft.

The key to a balanced portfolio, Chairman, is a spending bill and the ability to transfer money. We need to transfer, I think, about a billion dollars into the operations and maintenance account and about a billion dollars into our procurement accounts post-sequestration -- mostly, so we can get shipbuilding back on track and to meet our essential needs. We'll need to do this by January.

[LONG-TERM IMPACTS OF SEQUESTRATION]

Other program deliveries of programs and weapon systems may be delayed regardless, depending on the authority that we are granted to reapportion funds between accounts.

Now when it comes to the strategic choices and management review, it's complete. And the Navy's focus now is on crafting a balanced portfolio of programs within the fiscal guidance that

we were provided. More details of what we're doing are outlined in my [written statement](#), which I request be entered for the record.

In summary, we will maintain a credible and monitored sea-based strategic deterrent. That's our number one program. We will maximize forward presence, as I passed -- forward presence as (inaudible) to you before. That's what we need to do. And we will use ready- deployed forces to do that.

And we'll continue investing in asymmetric capabilities while, with this committee's help, we'll do our best to sustain a relevant industrial base.

However, in a given fiscal scenario within the Budget Control Act cost caps, there are numerous missions that are in the defense strategic guidance (inaudible) that we signed up to a few years ago we can't perform. These are laid out in great detail in my written statement, and I'll save you going through each and every one of these in my oral statement here.

But applying one fiscal and programmatic scenario we would result in a fleet inventory of about 255 ships in 2020. That's our benchmark year for the defense strategic guidance. That's about 30 less than today. It's about 40 less than was in our pres bud submission. And it's 51 less than our force structure assessment of 306 ships.

[CONCLUSION]

Mr. Chairman. I understand the pressing need for the nation to get its fiscal house in order, and I'm on board with that. But I think we need to do it -- I think it's imperative that we do it in a thoughtful manner to ensure that we sustain appropriate warfighting capability, that we have proper forward presence and readiness. Those are the attributes we depend on from our Navy, from your Navy.

I look forward to working with the Congress to find solutions that'll ensure our Navy retains the ability to organize, to train, and to equip the great sailors in defense of our nation, who operate in concert with the Marine Corps.

GREENERT:

My thanks to you and this committee for the support and care you have shown our Navy during this difficult time, and in many other times. Clearly, you continue to have our best interests at heart.

Thank you.

MCKEON:

Thank you.

General?

WELSH:

Thank you, Mr. Chairman, Ranking Member Smith and distinguished members of the committee. It's always an honor to appear before you.

Thank you for your continued support of airmen and their families. The result of the SCMR were sobering, I think to all of us. And if sequestration remains in place for F.Y. '14, the Air Force will be forced to cut flying hours by up to 15 percent.

And within three to four months, many of our flying units will not be able to maintain mission readiness; we'll cancel or significantly curtail major exercises -- again; and we'll reduce our initial pilot production targets, which we were able to avoid in F.Y. '13.

Over the long term, of course, it will significantly impact our force structure, readiness and modernization. For force structure, over the next five years, we could be forced to cut up to 25,000 total force airmen, which is about 4 percent of our people.

We also will probably have to cut up to 550 aircraft, about 9 percent of our inventory. And to achieve the necessary savings in aircraft force structure, we'll be forced to invest -- invest -- divest entire fleets of aircraft. We can't do it by cutting a few aircraft from each fleet.

As we look at which force structure we need to maintain, we will prioritize global, long-range capabilities and multirole platforms required to operate in a highly contested environment. Other platforms will be at risk.

We plan to protect readiness to the maximum extent possible. We also plan to prioritize full spectrum training, because if we're not ready for all possible scenarios, we'll be forced to accept what I believe is unnecessary risk, which means we may not get there in time, it may take the joint team longer to win, and our people will be placed at greater risk.

If sequestration continues, our modernization and recapitalization forecasts are bleak. It will impact every one of our programs. These disruptions will over time cost more money to rectify contract breaches, raise unit costs and delay delivery of critical equipment.

We're looking at -- at cutting as many as 50 percent of our modernization programs if the OUTPOM (ph) is actually the way we go.

We will favor recapitalization over modernization, whenever that decisions is required. That's why our top three acquisition priorities will remain the KC-46, the F-35, and long-range strike bomber.

The United States Air Force is the best in the world and is a vital piece of the world's best military team. That won't change, even if sequester persists. And, when called, we will answer and we will win.

But the impacts are going to be significant, and the risk occurs from readiness in the ways it impacts our airmen.

Thank you for your efforts to pass a funding bill that gives us some stability and predictability over time, which is the thing we need most. I look forward to your specific questions.

MCKEON:

Thank you.

General?

AMOS:

Chairman McKeon, Ranking Member Smith, committee members, thank you again for the opportunity to speak to you regarding sequestration and the Strategic Choices and Management Review.

Sequestration, by its scale and inflexibility, will significantly stress our force, degrade readiness, and create a significant risk to our national security, all at a time of strategic rebalancing, all done on a world stage that is chaotic and volatile.

I urge this committee and the members of Congress to consider the full range of risks across the joint force, not just from my service, but for all of us, and ask for your continued assistance in mitigating the effects of sequestration.

Our nation expects a force capable of responding to a crisis anywhere around the globe at a moment's notice. Readiness is the critical measure of our ability to be able to do that. This is our nation's strategic hedge against uncertainty.

In times of crisis, forward-deployed naval forces provide decision-makers with immediate options that can control escalation, buy time, create decision space for our national leaders, and enable joint follow-on forces.

The Marine Corps' high readiness levels mitigate the risks inherent in an uncertain world by responding to a wide range of capabilities across real-world scenarios.

Your Marines remain a constant, effective hedge against the unexpected and provide the American people a national insurance policy.

Our world is a dangerous place, and America must always be ready to meet emerging crises that threaten our national security interests.

As a member of the Joint Chiefs, I am particularly concerned about the long-lasting and devastating impacts of sequestration. The very nature of sequestration erodes both Marine Corps readiness and that of the joint force.

Scheduled, tiered readiness is not an option for the United States Marine Corps. We must be prepared when a crisis erupts.

Over the last year, we have maintained our equipment readiness to the maximum extent possible. Maintenance costs are increasing and our Marines are working longer hours to keep aging equipment running. We have maintained the near-term readiness of our forward-deployed forces and our next-to-deploy forces at the expense of infrastructure and sustainment and modernization programs. This can't continue over the long haul.

We are in a catch-22. If we are to succeed on future battlefields, we must modernize, and we must care for our infrastructure and our training facilities.

Sequestration has already started to degrade our infrastructure. We have been forced to reprioritize infrastructure maintenance and recapitalization efforts on our facilities to be able to sustain a ready force. Soon there will be little left within these accounts to offset our readiness requirements.

Over my 43-year career as a United States Marine, I have seen the effects of strategic miscalculations resulting from declining resources and budget-driven strategies that resulted in wholesale force cuts.

We only need to look back to the 1990s when our nation executed the first drawdown of the all-volunteer force. Following the Gulf War, we saw first hand how deep cuts in our military produced unintended consequences and increased risk to our nation.

During the mid to late '90s, we were challenged by a host of limited conflicts in Liberia, Somalia, Kosovo, and along with the bombing of our East African embassies.

By the end of the decade, the U.S. military had reduced its active duty force by 25 percent. Operations and maintenance funds were slashed. Peacetime deployment tempo increased, wearing down the force and wearing down our families. For this very reason, Congress began to require the services to track and to report our deployment tempo. The force was overly stressed - and we considered this to be peacetime.

We see these same problems today. In order to meet the requirements of the defense strategic guidance, I need a Marine Corps of 186,800 active-duty marines, a force of 186.8 allows us to meet our steady state requirements, as well as be able to go to war. It preserves a 1:3 dwell for our Marines.

Our share of the 2011 Budget Control Act's \$487 billion reduction, cut our end strength to 182,000. Based on sequestration, I simply cannot afford a force that size.

Sequestration will force us to plow through scarce resources, funding our old equipment and weapon systems in an attempt to keep them alive and functional.

We will be forced to reduce or cancel modernization programs and infrastructure investments in order to maintain readiness for those deployed and next-to-deploy units.

Money that should be available for procuring new equipment will be rerouted into maintenance and spare accounts for our legacy equipment. This includes our 42-year-old Nixon-era amphibious assault vehicle.

In February we initiated a parallel study to the Department of Defense's Strategic Choices and Management Review. Our internal review redesigned the Marine Corps to a force that I could simply afford under sequestration.

This was not a strategy-driven effort, this was a budget-driven effort.

Our exhaustive research backed by independent analysis determined that a force of 174,000 marines is the smallest force that can meet mission requirements. This is a force with levels of risk that are minimally acceptable.

For instance, assuming that global requirements for Marine forces remain the same over the foreseeable future, a force of 174,000 will drive the Marine Corps to a 1:2 dwell for virtually all Marine units -- gone six months, home 12 months, gone six months.

Furthermore, the 174K force accepts risk when our nation commits itself to its next major theater war.

In plain terms, we will have 11 fewer combat arms battalions, 14 fewer aircraft squadrons to swiftly defeat our adversary. This is a single Marine major contingency operation force that would deploy and fight until the war's end. In other words, we would come home when the war was over.

Marines who joined the corps during that period would likely go from drill field to battlefield. Across the joint force, America will begin to see shortfalls in the military's ability to accomplish its national strategy.

Today we are seeing only the tip of the iceberg. Tomorrow's Marines will face violent extremism, battles for influence and natural disasters. Developing states and non-state actors will acquire new technology and advanced conventional weapons that will challenge our ability to project power and gain access.

In order to be effective in this new environment, we must maintain our forward influence, our strategic mobility, power projection, and rapid response capabilities that Marines are known for today.

We will balance an increasing force -- we will balance an increasing focus on the Asia-Pacific region with a sustainable emphasis in the Middle East and African littorals.

AMOS:

I will continue to work with the members of this committee to fix the problems we are faced with today.

I thank you for this opportunity to appear before you and I'm prepared to take your questions.

MCKEON:

Thank you very much again for your service and for your testimonies.

I'm going to yield my time this morning to the gentlelady from South Dakota, Kristi Noem.

NOEM:

Thank you, Mr. Chairman, for yielding.

And I want to thank all of our service chiefs for being here today and for your service to this great country.

Admiral, my thoughts and prayers are with you and the Navy during a difficult time. I appreciate your service.

We're again confronting the difficult choices and tradeoffs that we have in the face of sequestration. Like you, I've heard from service members about their concerns with sequestration. I found that their personal impact is secondary to their concerns about continuing to defend this great country.

As you mentioned, General Welsh, we've had our B-2 bomber squadrons grounded, which is eroding our readiness and costing more in the long run. Our National Guard military technicians were furloughed. While many of the technicians that I talked with were extremely concerned about the inconvenience for them and how hard it was on their personal budgets, they also mentioned that if we continue to break faith with them in the coming year and beyond, they've told me that they will find the need to start looking for another line of work.

The thought of losing such highly trained individuals, servicemen and -women is very troubling to me and I'm sure that it is with you as well.

Clearly, the options that are presented in the SCMR are not pleasant ones. I hope we can rally around what is our most important duty, and that's to provide for the common defense and to protect our national security.

General Welsh, my first question will go to you. As you know, Ellsworth Air Force Base is located in South Dakota. It's home to part of the B-1 bomber fleet. The SCMR contemplated all of the B-1's being retired. Given the B-1's strong track record in our operations in Afghanistan and elsewhere, I believe it would be very short-sighted. Are there foreseeable missions that would go unsupported if this aircraft is in fact retired? And how would you mitigate that loss of the aircraft group in this overall strategy?

WELSH:

Yes, ma'am, we have a problem with mitigating losses in the bomber fleet, as you know, especially over time. Were we to make a major reduction in the bomber fleet, we would have extreme difficulty meeting some of the guidance in the defense strategic guidance. As a result, I don't think there is major discussion inside the Air Force on that being a fleet that we would eliminate.

NOEM:

You know, in your testimony, you talked about -- in fact, you quoted that we cannot continue to bandage -- in your written testimony -- old airplanes as potential adversaries roll new ones off the assembly line. Then you go on to mention that the B-52 is as old as you are, which I won't speculate on that today, but why then would you consider retiring the B-1 bombers that are about half the age as the B-52s?

WELSH:

Ma'am, right now, we cannot retire a major portion of the bomber fleet at all and meet the defense strategic guidance. I think when we look at what we can do over time, we have to look at every platform, and we are looking at every platform, every upgrade program to those platforms, and the impact of divesting an entire fleet.

And what we'll need to do is balance the requirement to conduct an operation globally, which is something the entire bomber fleet is engaged in; the requirement to conduct that operation over time if, God forbid, we were in a major conflict requiring that fleet to be operated that way, versus the short-term risk to readiness and modernization that sequestration has presented us with. Those are the only two places we can go to to have an impact on this right now and to take money to pay for the bill over the first couple of years.

So, that's why we're having the discussion, not because we think strategically it's a good idea.

NOEM:

I was -- I was glad to see within your testimony that you talked about the long-range bombers being a priority and something that you've identified as well, although I did have some concerns with some of the ideas that were laid out within the SCMR as it was portrayed to us. So I will open up the questioning to anyone else or whoever would wish to answer this question.

We understand that prior year funds can be used to reduce the impact of sequestration on current year accounts. However, many available prior year funds have already been utilized to buy-down F.Y. '13 sequestration. To what magnitude does the lack of available prior year funds impact fiscal year '14? I'll open it up to General Amos first, if he would like to speculate on that.

AMOS:

Congresswoman, we've been successful in doing that in the past. And as you imply in your statement, as we move into fully sequestered budget, that flexibility is not there. As we move into procurement and even in some cases military construction accounts, there are opportunities to be able to realign monies and be able to reach and move monies across what might be a boundary, a rule boundary.

All I would like to see in the future, especially as we go into a sequestered budget, would be the ability to be able to take a look at how we are doing in execution. And as things become -- it becomes apparent that you can't do things, I'd like the opportunity, the flexibility to be able to move...

NOEM:

And that flexibility does erode as we get deeper and deeper into sequestration. Is that correct?

AMOS:

Yes, yes.

NOEM:

When it comes to the -- well, thank you. With that, Mr. Chairman, I'll yield back.

MCKEON:

Thank you.

Ranking Member Smith?

SMITH:

Thank you, Mr. Chairman.

And just one question, two parts. I know we're supposed to be talking about sequestration and I know we will continue to do that. But can you give us just a little bit of flavor for the impact of having to live with a C.R., assuming we can get one before the end of the year? And then also the impact of the threat of, you know, what if we don't raise the debt ceiling? How do those two things impact all of what we're talking about here today?

And I'll throw that open to whoever wants to dive in.

Admiral?

GREENERT:

Well, as we talked in this room before, Mr. Smith, the issue with the continuing resolution is you can't get any new starts going. And so every year, we would like to do new projects from repair barracks, to runways, to get shipbuilding started, to even overhaul an aircraft carrier. That's a new start. Under a continuing resolution, you can't do any of that.

You're also limited to the prior year funding. And when you're limited to a prior year funding level, well, when it comes to maintenance and operations, they're not consistent. And so, to the extent they are greater, we're out of luck. We just don't have that money because we're spending that the previous year's level.

When it comes to personnel, in order to shape our force and do the things we need to do for our people, those are new starts, too. So that can be anywhere from bonuses to changing reenlistment factors, if you will -- somebody gets more or less. And it's about shaping the force. You remove a lot of flexibility and the ability to operate the force.

SMITH:

Thank you.

General?

ODIERNO:

Congressman, as you know, it depends on long the C.R. is. Then all of a sudden, you have C.R. plus sequestration, which will pile onto what occurred in '13, and what we've already pushed -- \$400 million worth of problems from '13 to '14 in our depots; \$100 million of problems in our maintenance accounts to '14. We've pushed over \$100 million of training readiness to '14. And now you get a continuing resolution and now you get continued sequestration, so it starts to build and build and build.

And it gets to a point, as I mentioned, that by the end of F.Y.'14, if that occurs, 85 percent of our Army brigade combat teams are now unready because of this continued pressure on our budget. And the reason that is the case for the Army is I can't take the end strength down fast enough. And the way the budget has been written, any end strength above 490,000 is in OCO. So I gain nothing in our base budget even though we continue to reduce the size of our Army over the next several years.

So for us it's a huge problem. And that's one of the real issues that we face. And we're planning for that because, frankly, that's the worst-case scenario, and so that's what we are planning for this year. So, I'm looking for right now a significant degradation. My biggest fear, actually what keeps me up at night, is I have to -- I'm asked to deploy soldiers on some unknown contingency and they are not ready.

And so we're going to have to severely tier our readiness, to say I'm going to have, looking at now, maybe I can get seven brigades trained. So if we have to go, at least I have seven brigades

that are highly trained, ready to go. And if we have to go more than that, we now have a significant problem.

So that's the impact on us.

SMITH:

Thank you.

WELSH:

Congressman, if I could add. One of the things I think affects all of us is the longer the C.R. goes, the greater the impact. So the length of that period makes a major difference. The prior year unobligated funds question that was asked a moment ago is significant. We paid a full 25 percent of our F.Y. '13 sequestration bill with prior year unobligated funds which are now not available.

The other thing that the C.R. does to us is we have all deferred infrastructure maintenance sustainment, and we are down to only doing critical infrastructure sustainment. The C.R. keeps us from doing that as well, which adds into greater costs in the future and adds to the bow wave that we experienced last year.

SMITH:

Thank you.

AMOS:

Congressman, one last -- I'm in sync with all my colleagues here. Just a point of reference from just last year's C.R. effort, as we finally got that fixed in the H.R. 933. Because of no new starts, last year I had \$850 million worth of military construction that was in jeopardy because I couldn't execute it. H.R. 933 helped me.

This year, because of the way the budget is written under sequestration, I dropped by military construction by 40 percent. So if we get C.R. and I can't execute those military construction contracts, I've gone from 60 percent of the requirement to perhaps nothing. And in many cases, I can't roll that into -- in fact, I can't. We'll just have to re-start it again next year and it will pile on those requirements.

SMITH:

Thank you, gentlemen.

I yield back.

MCKEON:

Thank you.

Mr. Jones?

JONES:

Thank you, Mr. Chairman.

General Amos, the Marine Corps has recently issued correspondence to the families of Marines who died in the MV-22 crash at Marana, Arizona in April of 2000. The correspondence seems to acknowledge for the first time that problems with the MV-22 program may have contributed to this tragic mishap.

Can you please comment on that statement by me?

AMOS:

Congressman Jones, you're absolutely correct. The letter was sent to the families of both those great pioneers that lost their lives in that airplane in Marana. It acknowledged a series -- a complex series of programmatic program execution, monetary -- unsubstantial monetary support in the -- I mean, there are just a series of things that were all happening during the V-22 program during the summer of 2000, the spring time and summer of 2000. That's what the letter acknowledged.

There were also challenges air dynamically with the airplane because the test program had been cut back in some areas to the point where it was on bare minimum. And those pilots were the pilots who were flying that airplane using -- using the data that they had at the time. So it's an acknowledgment of that.

Congressman, I've -- as I've said to you in private, I'm going back through all of that right now. I mean, it was a complicated period of time, and interesting because we're talking about budgets, and we're talking sequestration and reducing costs.

That program was about as anemic as any program that I've ever seen -- or major acquisition program. And that is part of how we ended up getting where we were, not only during the March time frame, but as we went through the summer and the fall.

So, Congressman, I am going back in there again and not only the aerodynamics, but the programmatic and the reality of what was taking place at that period of time. And I intend to come back to you in this -- in this House with my final resolution on that.

JONES:

The co-pilot's wife Connie Grubell (ph) lives in my district. The pilot's wife lives in Steny Hoyer's district. And I want to thank the commandant publicly for making this statement and taking this position because I have always believed that the dead cannot speak for themselves.

And for the commandant to take this position, I want to thank you in behalf of the two wives, the 17 Marines' families sitting in the back of that plane who were burned to death. And, sir, this shows that you are a man of integrity who seeks honesty and to what happened, and I want to say that I have great respect for you for making the statement that you just made to the committee.

Thank you so much, sir.

AMOS:

Thank you, Congresswoman.

MCKEON:

Thank you.

Ms. Davis.

DAVIS:

Thank you, Mr. Chairman. I certainly want to thank you all for being here, and I especially want to thank you for, you know, continuing to sound the alarm. Because I think that, you know, we're here, we hear what you are saying. We know that readiness is at risk, and yet I do sincerely worry that we're not acting on that, on what we're hearing. And this is really getting serious.

I wonder if you could talk about some of the decision-making that goes on. I mean, you're dealing with capacity and capability at the same time. And I know that Admiral Greenert, you particularly mentioned the need for cyber operators. And yet we also have fleet maintenance. We also have a whole number of other areas that you have to focus on.

So I think just trying to -- the short-term and the long-term, what -- what else do we need to know to be able to act on what you are telling us?

GREENERT:

Well, you have to prioritize, Congresswoman. I mean, that's obvious. So, as I said, we have -- my job is to provide strategic nuclear deterrence, safe and credible, number one. Right behind that is cyber. And we've talked in this room quite a bit about the importance. We are staying the course on our cyber warrior plan that we've briefed in here. Through any -- any budget scenario that I see out there, we have got to maintain that. That is -- that is critical.

Number three, as I've mentioned before, I've gotta be where it matters when it matters, and we do everything we can using whatever innovative means we can to be forward, but we've got to be ready. So whatever we have forward has to be ready.

Then what -- what you say, "well, what about the rest of it?" The rest of it becomes that surge issue I talk about. What do we have to surge? And it's getting less and less, and I'm very concerned about it. Today one carrier strike group, one amphibious-ready group is ready to surge with their organized training equipment. Normally, ma'am, we have three.

DAVIS:

Mm-hmm.

GREENERT:

So you can see that. In the future, I'm not sure. I have to look at those scenarios, and that's an important attribute. The (inaudible) domain is critically important. We have to own that. We do today. We have to do that in the future, so it's about prioritizing and then deciding within -- you know, you have to have a certain capacity to have a capability. But then once you have the capability, how much of it can you -- can we afford to have? And that's the conundrum that we're dealing with today.

DAVIS:

Mm-hmm. General Odierno?

ODIERNO:

So, you know, part of it is the process of the budget, that you have to put the puzzle together properly. And so, for the Army, as we face just the reductions from the \$487 billion, which by the way, we're still implementing, as we implement that, we have to -- in order to get our end strength down to the levels of 490 from 570, which is just the first increment based on potential decisions that we have in the budget, we have to take risk and readiness and modernization. Because until we get at the 490, we don't gain any savings from that in the budget process.

So as we get continued cuts, all of our cuts for the next three years almost all come out of readiness and modernization until I can reduce end strength further. And then what happens is we're gonna get our end strength reduced to a level that I believe makes our army too small in order to get it in line with the readiness and modernization efforts that we have.

The other thing is there are fixed costs to operating a service that we tend to overlook. Just the fact of how we recruit, how we initially train, how we educate, that -- there's a huge fixed cost within our service that we have to fund first. Because if we don't do that, we fundamentally lose our ability to develop an army. So then you gotta take what's left.

DAVIS:

Yeah.

ODIERNO:

And all the cuts have to come out of that, and that's the problems we're facing as we move forward.

DAVIS:

And, General Amos, I know though, \$174,000 is a figure that sounds like -- you know, not -- not a figure that people feel good about, but I'm wondering how much lower do you think that can go?

AMOS:

Congresswoman, at the end of the day, we'll go as low as Congress is willing to, I guess, pay for. The 174 force is the floor as far as I am concerned for -- in several ways.

First of all, it does meet a major theater war. History has proven that over time we will probably commit our nation again, even though it's hard to imagine right now. But we will probably do that again. And when that happens, that force is the minimum size force to go off to war. And as I said in my opening statement, they'll go to war, and they'll come home when it's over.

But even greater than that, the day-to-day steady state operations that the requirements around the world require a force that's -- that's no lower than 174,000. That's the stuff that's happening in the -- off the African littorals right now. That's what's happening aboard our ships with the Navy. That's what's happening in Afghanistan. That's what's happening in the far East and the Pacific down in Australia. That's the steady state requirements.

Inside that 174 force, which I think is -- is -- is an alarm bell, is that's designed to be a 1:2 dwell force. I referred to that in my opening statement. That's a critical -- that's a critical point because as the assistant commandant, I testified we want to build a force post-Afghanistan that's at least 1:3, so that you give the force to be -- the opportunity to come back and reset. You give families the opportunity to come back and reset with their loved ones. This force is 1:2. That's unprecedented unless in a time -- in a time of peace.

DAVIS:

Thank you.

MCKEON:

Thank you.

Mr. Forbes?

FORBES:

Gentlemen, thank you for being here. And not just to flatter you, but any one of the four of you have more experience in defending this country than any other member sitting on this committee. And if we took the four of you collectively, you have more knowledge right now of what we need to defend the country and the resources that we have than this entire committee together.

Most of us on the committee, some of us will disagree on how we got to sequestration. We disagree on a way forward. But we're at least unified in the fact that we need to do away with sequestration. Unfortunately, that's not true for all the leadership in Congress. It's not true for every member outside of this committee. And part of that reason is because our message has not always been spoken with clarity.

When we had these cuts that we can argue whether it was \$487 billion or \$778 billion -- which our staff believes it to be -- we weren't real clear from this committee. We weren't real clear from the Pentagon. But we are where we are today.

And that's why I want to ask you this question so we can speak with clarity to those who may think sequestration is good to go forward.

The defense strategic guidance, General, that you talked about in 2012, before that we had a win-win situation as our defense strategy. And because of cuts that we made, we basically felt that we needed to go to the new defense strategic guidance, which was really somewhat of a minimalist approach, where we said we would win one encounter and hold to another one.

My question to each of the four of you, in as close to a yes-or-no answer -- not to box you in, but just so we can be clear in communicating this: Is if sequestration goes forward, can you meet the requirements necessary that you have to meet to comply with that minimal defense strategic guidance of 2012?

And General, if you would give us your assessment...

(CROSSTALK)

ODIERNO:

Congressman, I mentioned in my opening statement -- I'll just repeat it -- is that I believe at full sequestration we cannot meet the defense strategic guidance. In fact, it's my opinion that we would struggle to even meet one major contingency operation. It depends on assumptions, and I believe some of the assumptions that were made are not good assumptions. They are very unrealistic and very positive assumptions. And for that they would all have to come true for us to even come close to being able to meet...

(CROSSTALK)

FORBES:

Thank you, General.

Admiral, I know you've looked at this. You've agonized over it. It's kept you up at night. Can the Navy meet the requirements necessary if sequestration continues?

GREENERT:

No, sir, we cannot. And in fact, I'm concerned in sequestration in 2014 about that. I'm very concerned, particularly about our strategic nuclear -- our SSBNX replacement.

If that program is sequestered it falls behind; it cannot fall behind. And so I'm concerned about '14 as well.

FORBES:

OK.

And General, same thing with the Air Force: Can you meet the requirements if we continue sequestration the way it's going forward?

WELSH:

No, Congressman, we cannot. I believe any executable strategy will always be resource constrained, or at least (inaudible). If the resources change significantly you have to relook at the strategy.

FORBES:

OK.

And General Amos, what -- what about the Marines? Can we meet the requirements necessary, the minimal requirements for the defense strategic guidance of 2012 if sequestration continues forward?

AMOS:

Congressman (inaudible) from a 1 MCO (ph) perspective, but if it's a 1 MCO (ph) and do something somewhere else, I cannot. I simply don't have the depth on the bench.

We are gonna continue with the rebalancing in the Pacific. That comes at the price of readiness back home, so over time our readiness back home will be unacceptable. So the answer in both cases is no.

FORBES:

Mr. Chairman, I would just state that if nothing else, that message ought to be communicated, and we ought to have a commitment, as I know we all do in this committee, to make sure that we're doing whatever we can in Congress to get this foolish thing stopped so we can meet those requirements.

With that, I yield back.

MCKEON:

I think some of us last week met with Mr. Luntz, who had just gone into the field with a poll asking the American people if they felt like they would be more safe or less safe in the next 10 years. And they said -- 83 percent felt like they would be less safe 10 years from now than they are now. And that was before they heard this testimony.

You can see if -- if the American people are tuned in, if they're listening to this, that probably will go up to 95 or 100 percent -- and -- and with great reason.

Mr. Cooper?

COOPER:

Thank you, Mr. Chairman.

I admire you gentlemen for your service to the nation, and I admire your work, particularly since you're having to operate in an irrational budget environment. And almost none of your predecessors have ever had to do that. There were drawdowns, there were cutbacks, but seldom has it been this completely arbitrary as sequestration is forcing you to operate.

I really think that you gentlemen should be questioning us, because we are the parties at fault here. Congress is failing to adequately fund our military in a responsible and reliable fashion. And that's a significant charge.

Past generations have done a better job of funding our military needs. We are failing. And this Congress and both parties and both houses of Congress need to get their acts together so we do a better job and do a better job quickly.

The challenge is great when we have a House of Representatives that refuses to even open discussions with the Senate on a budget for America. Our degraded media (ph) environment, many folks back home are unaware of this. They're mad at Congress in general and they don't understand that one house of Congress is unwilling to talk to the other house of Congress about having a budget for America. Somehow we've gotten in our heads, especially the younger members, that it's OK for the House to have a budget and for the Senate to have a separate budget, and never the two shall meet. Well, we're supposed to have a budget for America.

This committee and markup -- it was my amendment -- voted overwhelmingly by voice to give the Pentagon flexibility so that it could address its most pressing defense needs. But when a

recorded vote was asked for, people put on their partisan jerseys and the same vote failed. This is the largest committee in the House of Representatives. Presumably we have some influence, if only by members on (ph) our colleagues. Yet, we're somehow unable to behave responsibly ourselves, much less encourage our colleagues in the House to behave responsibly.

We have the end of the fiscal year coming up. Many of the pundits are predicting that there will be at least a government shutdown, perhaps a default on our national credit -- all because of political bickering.

And you gentlemen and, most of all, men and women in uniform should not have to suffer as a result of this fighting. So why aren't the compromises more forthcoming on this side of the aisle? You gentlemen have to resolve your differences in The Tank. You gentlemen have to make very important life-and-death decisions almost every day. But we on this side of the dais are unwilling to even come up with a budget for America.

We saw the near default on American credit in 2011. We lost our triple-A credit rating. And that looks to be happening again.

Best case circumstance for you is you get (ph) a short-term C.R. so, as you gentlemen have testified, you're not able to start any new projects, you're having to operate in an incredibly irrational and constrained budget environment -- for what? -- two, three months at a time, in addition to having to probably furlough again all of your civilian military employees.

So the message of this hearing really should be to take the valuable information you've given us - - for us on this side to resolve to do better, to come up with bipartisan and bicameral compromises that get budgets for America, budgets for our military, budgets for the national defense.

As I said in my committee markup amendment, if sequestration were foisted (ph) on us by a foreign enemy we could declare it an act of war, and yet we've done it to ourselves because the super committee was unable to come up with a bipartisan agreement; because we've been unable to unravel that knot since, even though we've had some of our generals testify to us that their departments are in chaos. This should not be happening in America.

COOPER:

So I'm hopeful that this committee, with its large membership, will take this message to heart ourselves and to other members so that we can do better, can get a budget for America before the end of the fiscal year; can get the proper appropriations bills passed; can have a sensible HASC markup that actually provides you gentlemen with the resources that you need to do the job you need to defend our country.

So I thank the chairman for his indulgence. I see my time has expired. I hope for better things for our country.

MCKEON:

I have the greatest -- excuse me -- the greatest respect for the gentleman, but there are just a couple of things I would like to clarify for the record.

One is, there is another body. And while we haven't worked together to resolve our budget, they didn't pass one for about three or four years. And this time, the one they passed they had \$91 billion more in their budget than we have in ours, and we followed the Budget Control Act which gave us a number that we had to work with.

So I agree that we've -- we haven't done the type of job that we -- that we should, and we need to dig in and really work hard on this -- on this problem.

And it's not any of your fault. It -- it is us. And we need -- and we need to work together on it.

The other thing for the record was the voice vote on the gentleman's amendment, he's correct. But it was not -- when we did a roll call vote, it was not a partisan vote -- it was -- it was something we all worked together on and did change for -- for several reasons.

So, next, we have Mr. Bishop.

BISHOP:

Thank you, Mr. Chairman.

Gentlemen, I appreciate your being here. I have empathy for the job you have, but I am grateful that you are having that job at this time. I hope you find it a challenging and enjoyable situation, or at least challenging situation, especially in an era, as the chairman and the other member recently said, when the military has gone through three cuts in its budget, you've had to manage through all of those.

Had we not had the two prior cuts, the third one, which we call sequestration, may not have caused the cup to overflow, causing some of the problems that we are facing.

So I recognize you've had to realize and manage all three of those cuts, and you've done it well.

I happen to be very proud of the House. At least in our budget and our defense authorization bill from this committee as well, this defense appropriation bill, recognize that situation and staying within the sequestration number, reprioritized the military up to where it needs to be, and I would hope that the Senate would actually pass that appropriation bill so that we could move forward with it.

I have, General Welsh, three rather parochial questions I'd like to add on to you, and then one for Admiral Greenert. Let me see if I can actually get through those in a relatively quick fashion.

General Welsh, first of all, I had the opportunity of hearing from Generals Wolfenbager (ph) and Moran (ph) and Utchfield (ph) this morning. It was -- you have a good team under you. I'm very proud of what they are doing. And I asked some of these to them as well.

But, as you know, in the last sequestration issue, there was an issue with FAA and contract towers that were critical to some of the bases within the Air Force. There was not a good communication between them until we told the FAA they could do what they always could have done anyway, had they not been told to do it.

Are you either having a new updated list or being engaged earlier with the FAA on dealing with those towers that have an impact on the military bases we have in the force?

WELSH:

Yes, Congressman, we are. After our last discussion on this topic, actually we've established a process with the FAA where as soon as they come up with a list of contract towers, it comes to the department. The Air Force takes the lead on that, just because we're connected to them. We share it with all the other services that do aviation work.

BISHOP:

Thank you.

WELSH:

And we will continue that cycle.

BISHOP:

Appreciate that.

Let me also talk about the record of decision for OPS 1 (ph) location for the F-35, which has been postponed again.

My concern is obviously that every delay you have in signing that record of decision causes problems in financing the capital improvements that need to go along with it.

I understood that now the idea is to wait until there is a new secretary before you're actually signing that. Is there some way we could actually speed up that process? Are you looking for -- are you looking at that still as the time table, that when the next secretary comes in, it will be signed?

WELSH:

Congressman, we are not waiting on the next secretary. The time table to get the data put together to complete the EIS report and findings with the updated census data just is after the new secretary hopefully will be confirmed, if that goes well.

If not, we will not delay the decision waiting on a new secretary.

(CROSSTALK)

WELSH:

That is -- I had not heard that intent expressed, and it certainly wasn't a discussion between the acting secretary and myself

BISHOP:

Well, that's -- that's good news. And I'm looking anxiously for that actually to be decided, so we can move forward in that. It's a -- it's a wonderful thing that will help the Air Force.

In the appropriations act, we went through a great statements (sic) to restate what I think is still federal law in Title 10, Section 2742, that deals with the working capital fund.

If, indeed, we have a problem going forward in the next, and -- and we do not actually have the Senate passing our -- our appropriation bill, are you looking forward -- are you looking -- not forward, are you looking towards once again using furloughs, especially in that working capital fund, in which I still think is being prohibited by the section we just -- I just mentioned?

WELSH:

Sir, we are not planning to do furloughs at all in F.Y. '14. And if the C.R. is six months or less, if there is one, then I think it is completely avoidable.

WELSH:

That's a better answer than I would hope for.

Let me -- let me go to Admiral Greenert.

Representatives Forbes, I thought, did great questions in presenting as to what the concept could be. Our policy has always been to be able to deter and defeat any adversary in any area.

In your written testimony, you said that we would not be able to conduct one large-scale operation and also counter aggression by an opportunistic aggressor in a second theater.

Are you stating before this committee that under sequestration you would not be able to deter and defeat aggression specifically in one theater if our forces were committed to a large-scale operation elsewhere?

GREENERT:

Yes, sir, I am. And let me clarify, if I may.

The defense strategic guidance says just what you stated. The reduced surge that I described, the readiness of those carrier strike groups, amphibious strike groups, et cetera, I believe can react to one major contingency operation or can, in each theater, the two major theaters, deny, so that's an or statement, deny in two theaters or respond to one. That's what I have concluded based on what I know right now.

BISHOP:

Are you using deny and defeat interchangeably?

GREENERT:

No, I'm not. Deny would be the alleged aggressor would look and say, "I don't think this would work out very well. There seem to be good forces here." So -- and I'm not saying deter. That's a tough one,

Deter, deny, I don't do very well trying to pull those together.

But the point is you preclude in each theater, you know, small contingencies or you come together and roll into one and do a major contingency operation.

BISHOP:

Thank you. I appreciate your -- your answers very much.

And, General Welsh. I appreciate your leadership. I have an Air Force base in my district. We appreciate very much what you are doing out there for us.

Thank you, sir.

MCKEON:

Thank you.

Mr. Courtney?

COURTNEY:

Thank you, Mr. Chairman.

Again, I just want to at the outset express again my condolences and outrage actually in terms of what happened on Monday at Sea Systems Command.

I have had a chance up close to deal with Admiral (inaudible) and his predecessor, Admiral McCoy (ph), and the great team that's over there.

We talk a lot in this committee about protecting the industrial base. That's what they do every single day. And a -- and a lot of them don't wear uniforms. They're civilian employees who took a hit with sequester and furloughs already.

And, again, I just have the highest regard and admiration for all of them. It was just incredible to see, you know, the events unfold on Monday.

So please convey, I'm sure from the whole committee and myself, again, our thoughts and prayers are with that great group of individuals.

GREENERT:

I will do that, Congressman. And I know you're a good friend of NAVSEA (ph); you go there often. These are our shipmates, and I appreciate that and I'll pass it along.

COURTNEY:

Thank you.

And, again, I was pleased to hear that the I.G.'s report is something that the Navy is gonna incorporate. Frankly, and this is sort of just me speaking, coming from Connecticut, it's been nine months since Sandy Hook.

There are too many mentally ill people getting too easy access to weapons, and it's time for this Congress to pass a background check bill which would help, frankly, all installations in terms of trying to make sure these incidents don't ever happen again.

And -- and hopefully people are gonna respond in this Congress to something that's perfectly constitutional and obviously necessary.

Admiral, in your testimony, again, I just want to say, as far as I'm concerned, you've been very explicit and specific in terms of what the impact of C.R. and sequestration has been and will be.

We had 85 shipyard workers on Monday who received layoff notices because of the cancellation of the Miami repairs. And, again, I think, you know, we spend a lot of time talking about ship building and platforms. But the fact is that the repair and maintenance end of your department is obviously another critical piece to the industrial base.

Your testimony indicated that you're going to be canceling 34 of 54 planned maintenance availabilities. Can you describe what that means in terms of, again, protecting critical skills, particularly in some of the private shipyards?

GREENERT:

Well, if I were to quantify it, Congressman, I would -- it's about 8,000 jobs. That's our best estimate.

And our big areas are the Hampton Roads area and the San Diego area. That's where the big ship yards are. But it's up and down the coast, to your point, earlier.

And so those are -- those individuals, those presidents of those companies, they can't plan.

So, as I mentioned, I really want to be able to do a reprogramming or give me an appropriation bill, and we can preclude many of those 34. A half would be my plan.

GREENERT:

If I get that billion dollars that was mentioned in my oral statement, we could preclude at least half.

We would -- we would then take to repair the ships that are going to deploy next year or the year after, or the ones that absolutely have to do a life upgrade because it's necessary. In other words, we have a priority and a scheme. Then we can converse with the shipyard. We can make plans and we can recover.

Subject to that, that's where I am, Congressman. And it's really about balance. Sequestration -- you know, the C.R. stops. It puts me at last year -- no new starts, sequestration takes everybody down. We go where the money is and we've got to operate forward to meet the commitments of today, number one.

COURTNEY:

And the repair and maintenance work is also I think a mechanism that you've employed to, again, protect critical skills. Again, so if there's, you know, the six or seven shipyards around the country, you can actually again protect welders, carpenters, machinists, et cetera, if there's maybe a down-tick in one of the shipyards. And so losing that, I think, is really, again, going to hit muscle and bone. Is that right, in terms of our base?

GREENERT:

Yes, sir. That's correct. You're referring to what we call the "one shipyard concept," where we will move workers to another area of the country and they will assist. And there's good cooperation between our public shipyards. Some of the private shipyards are adopting it as well.

COURTNEY:

Right. And, you know, in terms of the operational force, you know, if sequester, C.R. minus sequester goes through. Again, we have a six-month delay on the Truman, a number of other deployments. Again, what do you see in 2014 and '15 for the operational force?

GREENERT:

What I see is we would be able to maintain one carrier on deployment and one in surge. And then the George Washington is in the forward-deployed naval force, so she's in Japan. So at any given time, you have one carrier in the western Pacific and one carrier in the Arabian Gulf, and one carrier strike group that can respond. The others are waiting to get into maintenance because I just don't have the capacity to move them into maintenance, or they're in maintenance.

Now, a key and critical part are the air wings. So, when carriers come back, instead of keeping them at a maintenance -- excuse me -- at a proficiency level able to respond, we'll let them gracefully decline. And they'll go down -- they'll shut down. And then for a period of about three months, and then we'll take them what we call "tactical hard deck." That's just a level of flying statistically determined to be safe. It's sort of like driving your car occasionally so that when the time comes, you could get in and, you know, practice and maybe become a delivery person or whatever. And that's when they would -- that's when these air wings would go into work up.

So we would have at any given time three air wings at tactical hard deck, two shut down, and then three getting ready to, well, deploy or on deployment. This is a situation we haven't been in before and it's not our covenant with the combatant commanders.

MCKEON:

Thank you.

Mr. Turner?

TURNER:

Thank you, Mr. Chairman.

Gentlemen, thank you for the clarity that you're providing. I appreciated your very strong answer to Randy Forbes' question as to the effects of a second year of sequestration. The president's sequestration was intended to be a process by which the president would seek with Congress alternate offsets so that defense would not bear the brunt of these cuts. The president now, not bringing forth any other offsets, but calling on Congress to repeal it, has placed this -- this stasis, this gridlock that we have.

I opposed this from the beginning because I feared that we would be right here where we are, where the president is not coming to the table with any recommendations for us to be able to find those offsets. But with the clarity that you're providing, this is important because it's going to help us frame the discussion of how important it is that this process be stopped.

Dr. Miller was before Congress when he was discussing Syria. And he said that the administration is very well aware of the message that you've provided today, but we need it out in the public. We need the message of clarity that you are sounding the alarm that one more year of sequestration would be absolutely devastating to our military.

I want to go to Hagel's strategic choices and management review. This is known as the SCMR analysis, which appeared to be largely sequestration-driven. And I'd like to focus with General Odierno and General Welsh on the effects of the conclusions of the SCMR analysis.

General Odierno, you had said that they had some rosy assumptions. It's my understanding that a number of assumptions underpin the sequester-driven SCMR analysis, such as a six-month duration for wars, no follow-up for stability and support operations, and a 90-day mobilization for reserve component formations. And as you're saying, their readiness is actually declining, not -- not remaining stable.

General Welsh, I'm certain you have some concerns as to how it affects Air Force squadrons. And if the two of you might speak of whether or not you also have similar concerns with how the SCMR analysis conclusions may affect our ability for readiness.

General Odierno?

ODIERNO:

Congressman, you had it just right. Some -- I have some concerns. I mentioned that I think some of our somewhat rosy assumptions that I think can be somewhat dangerous -- as you mentioned, conflicts six months in duration, no -- no casualties in these conflicts; the fact that we fully disengage from anything else we're doing.

My problem with that is we just got done fighting two wars in Iraq and Afghanistan. We never disengaged from Korea. We didn't disengage from the Sinai. We didn't disengage from Kosovo. So why is there a belief that we will disengage in the future when we haven't done it when we got done fighting two wars at the same time?

There's no mission for weapons of mass destruction. That was not considered, which is a significant scenario in many of the scenarios that we have to address. So, all of those are my concerns that were really put in there so we could say we need a smaller army. And that's concerning to me. Now, I've raised those issues very privately in all of our discussions that we've had during the SCMR process.

TURNER:

Thank you. I think it's important for us to know that as part of the discussion, that those conclusions should not be just merely accepted.

General Welsh?

WELSH:

Congressman, I think the SCMR process made some things very clear to me. First is that what sequestration does, the -- the top-line reductions over time related to sequestration actually creates a capacity versus capability discussion that Admiral Greenert referred to previously.

That's a longer-term issue that you can deal with in some kind of methodical and well-planned approach.

What the mechanism of sequestration does, and the SCMR analysis made this very clear, is it creates a ready force today versus modern force tomorrow dilemma. And that's the -- that has defined the decisions that the Air Force is making right now, the ones we made last year, and the ones we'll make for the next couple of years.

The mechanism -- the abrupt, arbitrary nature, especially over the first couple of years, prevents you from making wise, long-range planning choices and drives you into this discussion of, "Do you want to be modern in the future or do you want to be ready today?" That's a terrible debate to be having.

Now, the other thing that came out of the SCMR analysis that was significant to me is that the cost of having a ready force, whatever size -- the size of that force, the cost of making it ready is marginal compared to the cost of the force structure itself.

So, the Air Force -- I see the Air Force as an asymmetric advantage for our country. By the way, the other services I think are the same. But we provide things quickly. We provide mobility rapidly. We provide ISR support tonight, not in three or four weeks. And we provide global strike capability right now. That requires a readiness level that is not sometime in the future we'll be ready to go.

And that's, to me, that was a significant take-away from SCMR. The cost of that is marginal compared to the cost of actually having the force structure.

TURNER:

Thank you.

Thank you, Mr. Chairman.

MCKEON:

Thank you.

Ms. Tsongas?

TSONGAS:

Thank you, Mr. Chairman.

And thank you all for being here.

As a member of the Armed Services Committee, I've been here almost six years. I can recall when I was appointed, I didn't realize that it was and does have a proud tradition of being very

bipartisan in its thinking, its commitment to producing a bill, bringing that bill to the floor, passing it out of the House, and then going to conference after the Senate similarly passes a bill. And it is in that conference where we resolve our differences, swallow some of them, proudly proclaim success in others, and then move on. Because we understand how important it is to the defense of our country.

And I think Chairman McKeon has honored that tradition. And I'm suggesting maybe he should become head of the House Budget Committee because we know the House has passed a budget. The Senate has passed a budget. There is a process and it is called conference committee. It is a process that we honor and engage in every year.

But back to sequester, I'm dismayed that we had many, many hearings in which we talked about the damages of sequester, and now we're really talking about how to weather them. And I commend you all. I, for one, do think there is room for additional cuts.

TSONGAS:

I am ranking member of Oversight and Investigations. We've had a hearing about the growth in the Office of the Secretary of Defense, that there is growth in overhead. There are -- there are areas where we can look carefully and bring about savings in order to put more funds into things that really count. But sequestration obviously is not the way forward because of the kind of across-the-board lack of discretion that you all confront.

And General Odierno, when I hear you talk about readiness and I see the extraordinary bravery of those who serve on our behalf, the wounds they have to absorb, the life-changing nature of -- of being in war, to think that we would ever compromise their readiness, I think -- and put them in harm's way knowing they are not adequately trained -- and I know you would not do that. You would find a way to avoid it.

But I think it's a way of bringing home to the American people what sequestration means. It's an all-volunteer force. It's not one in which we call upon all Americans to think about -- our young people coming to serve. And we would never want to send our young people to war without knowing that they were trained.

I think the other way in which sequestration has become so hard is just -- it's such a big term (inaudible) dollar amounts are so large. But you hear about it -- we hear about it in our districts. We hear about it through the furloughing of people. And one of the places in which I've heard about it in my district. It is home to (inaudible) Natick Soldier System Center. It's the center that really invests in research and development, science and technology, with a focus, again, to protect our soldiers and find new ways forward to protect them as they engage in war.

I've seen some great work done there around lightening the load of body armor, developing body armor tailored to women, making uniforms fire -- fire retardant; the ways in which to conserve energy and recycle water out -- so that our soldiers don't have to put themselves in harm's way.

But I've also learned that there's been a real -- a real bleeding of that workforce. It's my understanding that there -- there's already -- they've sustained a workforce attrition of 52 personnel in this fiscal year, more than double the annual average, and including a number of Ph.D.s.

So for an installation that develops this life-saving equipment, we know Ph.D.s the heart and soul of research and development, and technology and science are key -- key. We cannot develop those new cost-saving, life-protecting measures without all the tremendous investment.

So we not -- we're not gonna be repealing sequestration any time soon. How -- how do you, General Odierno, protect that investment in this important work so that we know we're always on the cutting edge protecting our soldiers?

ODIERNO:

First, Congresswoman, thank you very much for your question.

And I would just say, number one priority is our soldier systems; as you mentioned, getting them the best equipment possible for them to be able to conduct the operation you want them to do, whether it is lightening load, all the things you mentioned, to include many, many others.

The problem is, is that, you know, because we've had to go into a hiring freeze, because of furloughs, because of incidents like this, we are starting to lose some of our very important workforce, because they are uncertain about the future that they have working with us. So we have to make sure that we maintain a balanced force that allows us to continue in our highest priority, which is what you just talked about. So for us it's very concerning.

We will -- I will take a look at programs that will allow us to keep the best, because we need our scientists, we need our engineers, we need our Ph.D.s to help us to come up with the new ideas and technologies for us to take care of our young men and women in uniform.

TSONGAS:

I urge you to do that despite all these financial challenges. Thank you.

MCKEON:

Thank you very much.

Mr. Rogers?

ROGERS:

Thank you, Mr. Chairman.

And General Odierno, I'll focus my questions toward you.

Y'all -- all four of you did a great job in the outset in describing the impact of sequestration and how wrong-headed it is and -- for the country, but particularly for your respective service branches. And I appreciate your candor on that, because the American people need to hear it. A lot of members of Congress who aren't on this committee need to hear it. I think most on this committee already understood the impact, but we appreciate your candor.

General Odierno, the -- the disruption and uncertainty that sequestration's calling -- causing the -- the civilian workforce and its impact on our readiness, I think, is -- is the wrong way for us to budget for our military.

But, Sir, in year two, what current maintenance and overhaul programs are you looking to preserve? .

ODIERNO:

Well, first off, our problem is we -- we're trying to -- we want to sustain our reset program, which is resending our equipment that's coming back from war. And right now we don't have the dollars to completely do that. And so I want to preserve all of that. I need that equipment in order to feed back to all of our units.

And right now we're looking at, because of sequestration, having to layoff 2,400 people in our depots who do that very important work for us. And then another 1,400 because of lack of workload, not because we don't have the workload but because we don't have the dollars to support the workload over the next two to three years. So I need that. Because what that means (inaudible) delay the modernization of our -- excuse me -- the reset of our trucks, our soldier systems, our mortar systems, our individual weapons, and that causes us to reduce readiness down the road if this continues.

ROGERS:

How do the possible reductions -- that you just described, those reductions in force, impact the equipment mix and the workload of our depots and arsenals?

ODIERNO:

So, obviously, as -- as we reduce the force over time and reduce the number of brigade combat teams that reduces the amount of equipment that we have to sustain our readiness.

So I mentioned earlier that if we go to full sequestration, just in the active component, we're looking at a potentially 45 percent reduction in our brigade combat teams. That means less tanks, less Bradleys, less trucks, less M-16s, less mortars, less artillery systems. So it impacts all of our workload, because we're getting smaller.

And again, as I've stated, I think that's a bit too small. But it's gonna have a significant impact on our civilian workforce as we move through this process.

ROGERS:

Well, again, thank you.

I think everybody in this room would agree that the sequestration maneuver was a tactical error made by the Congress in the Budget Control Act that blew up in our face, and we need to acknowledge it was a stupid mistake and correct it. And I pledge to y'all I intend to become a very aggressive member in trying to bring this to a quick and immediate halt.

Thank you.

MCKEON:

Thank you.

Mr. Garamendi?

GARAMENDI:

I thank you, Mr. Chairman.

And Gentlemen, thank you very much for your service and the -- the good work and tough situations that you face.

General Welsh, I think you're aware I'm gonna ask a question about the KC-10. It's been quoted in the newspaper that a decision is in process to eliminate the entire fleet of the KC-10s -- obviously a major impact, particularly on Travis Air Force Base, which houses half of that fleet, at a time when we are going to reposition ourselves to the Pacific.

Can you explain in detail -- and I guess as briefly as possible -- why you are suggesting the elimination of the KC-10s? At this time I understand it's for the 2015 budget proposal.

WELSH:

Yes, sir, first of all, anything that was in the paper is not a decision yet. We -- we are considering divestiture of the KC-10 fleet, along with divestiture of lots of other things. One of the things that we got to as we looked at the alt POM, the sequester POM, especially for '15, is that \$1 trillion-plus out of the Department of Defense is going to leave a bruise. It's gonna be significant, and it's gonna impact many, many things across the Air Force.

We looked at the refueling fleet. We look (ph) the our permissive ISR fleet. We looked at everything we do in the MILCON facility sustainment arena. We still haven't been able to get at facilities and infrastructure or personnel costs, which are significant to us. And so we're back to modernization and readiness. Those are our choices.

And so as we looked at modernization, recapitalization, we looked at fleets of airplanes to see where we could save big amounts of money as opposed to a whole bunch of little amounts of money, which don't make a savings over time.

(CROSSTALK)

WELSH:

... that's where the KC-10 was examined, as part of that effort

GARAMENDI:

Rather than the KC-135s, which are older?

WELSH:

Sir, you can't eliminate that KC-135 fleet and still do the job that we do for the Department of Defense worldwide. It's too large.

There's nothing good about divesting any aircraft fleet right now. What we're looking at is where can we take savings and not completely stop our ability to do our job.

GARAMENDI:

We have very little time here. I will not go further at this moment. But I'm definitely gonna go into this in far more detail with you and your staff.

WELSH:

Yes, sir.

(CROSSTALK)

GARAMENDI:

I look forward to that...

WELSH:

... expect to do that. I look forward to the conversation.

GARAMENDI:

Did you take a look at the triad? And this is, I guess, for Admiral as well as for you, General. There's no mention of the triad here, where billions upon billions are spent in modernization of

our nuclear force and the nuclear bombs. Yet there's no mention of any of that in this testimony. Did you consider that?

I'd start with you, Admiral Greenert.

GREENERT:

Sir, my number one statement is my top program is the SSBNX and the strategic nuclear deterrent -- sea-based strategic nuclear program, and that is number one. And that is -- I will fund that above all else and in alt POM, if you will, scenario.

However, sir, it is not exempt from sequestration, that program. And so, I'm very concerned. It got sequestered in '13, we were able to reprogram. It gets sequestered again in '14, these delays, months and months and months, add up to years. This program is very tight.

GARAMENDI:

General Welsh, on the triad...

WELSH:

Congressman, as I -- as I've mentioned before, we have looked at every modernization program we have in our portfolio. We're looking at everything.

GARAMENDI:

There is no specificity about the triad, about the land-based ICBMs?

WELSH:

Well, first of all, the land-based ICBM is actually -- the cost of maintaining and operating that day-to-day is not significant. It's very, very low, compared to the cost of other things.

The modernization part of this over time is what we're discussing, and where can you make savings, where can we work together with the Navy on pieces of the -- whether it's weapons development, war-head development, infrastructure to make sure that we're saving costs there, command and control, those areas.

But we're looking at all of that, Congressman. It's all on the table.

GARAMENDI:

I would expect to have you develop that detailed information and present it to the committee, or at least to me. I would appreciate if you would do that.

Also, General -- or, Admiral, very quickly, you're going to build a new base at what I call Camp Malibu, otherwise known as Hueneme (ph), in Ventura County for your BAMM (ph) system. Why are you not using the existing facilities at Beale?

GREENERT:

Well, the -- it's really about space. And if we had the space at Beale, I think we might consider it.

GARAMENDI:

You do have the space at Beale.

GREENERT:

Well, I'll tell you what I'll do then, Congressman. I'll regroup, and we'll come and show you why we decided to do what we decided to do, rather than use all the rest of your time. Is that OK?

GARAMENDI:

Yes, I would appreciate that, sir.

GREENERT:

You bet.

GARAMENDI:

I will yield back.

Thank you, Mr. Chairman.

MCKEON:

Thank you.

Mr. Wittman?

WITTMAN:

Thank you, Mr. Chairman.

Gentlemen, thank you so much again for joining us. Thanks again for your service to our nation.

Admiral Greenert, please, again, pass on my condolences and prayers to the entire Navy family, especially those of the Navy Yard, and to the families of the victims of that terrible tragedy.

I know it's a -- it's a very tough time for the Navy family, and please let them know we're thinking about them and praying for them.

GREENERT:

Thank you, Mr. Wittman. I will pass your -- your feelings along.

WITTMAN:

Thank you.

Admiral Greenert, I want to go back to the submitted statement that you had. And you spoke about both the C.R. combined with sequestration for 2014 and what the effects of that would be.

And you say that most concerning, however, is we will have two-thirds less surge capacity in F.Y. 2014. Let me get you to elaborate on that a little bit, because I think sometimes people think of surge as extra or excess.

Can you give us some real examples of where recently you've needed that surge capacity and how it's used? And then give us a focus, too, on what diminished surge capacity means. And, that is, if our nation is challenged, does it mean we deploy non-ready forces, or do we just refuse actual deployments, or in those situations say, "Listen, we can't respond."

So if you could give us that perspective.

GREENERT:

Yes, sir. I'll go backward, I think, in my work.

Today we have the Nimitz in the Red Sea, and we have the Truman in the Arabian Gulf -- in the Gulf, North Arabian Sea of the Arabian Gulf.

So the Nimitz is a surge carrier strike group. She was on her way home. As soon as she goes off station, whomever the strike group is, they become the surge.

And, had she gone back to her home port, she would be on call, if you will, until further notice. Well, she was called. So she is the forward, that one, that I spoke of.

If this situation continues, there'll come a time when it's time for Nimitz to go home. We will call on one other carrier strike group.

Now, so that's how that works. Now, if there -- if there is more than one, well, we have a problem. Because we don't have a carrier strike group ready.

That means -- that carrier's nuclear power, that's not the issue. It's the air wings. They're not organized, trained, equipped, proficient. The destroyers, organized, trained, equipped, proficient and certified for a whole host of missions.

For example, the destroyers in the eastern Mediterranean, they're there for ballistic missile defense, the European phased adaptive approach. They happen to be multimission, so they could do, if called upon, other missions which we're pretty well aware of.

So, back to the Red Sea. Those -- those destroyers that are there, they're on -- they're on about nine months now -- 10, 11. When the time comes that we send them home and say we need to sustain this, we'll need to reach for destroyers, coming out of the West Coast, probably, and they're not ready yet. So we will have to now tailor and be very clear on what they're certified to do.

We've never had to do that before, Congressman.

So we will -- we could be very soon in that -- that kind of an arena.

To summarize, we have a covenant with the global combatant commanders and the national command authority, we provide carrier strike groups forward ready on deployment, and that's generally two. We have two to three, generally three, ready to respond within about 14 days. And then we have about three within 60 to 90 days. That's what we've signed up to. That's called the fleet response plan. That has to change now.

WITTMAN:

Let me ask you, I think those are very great points.

Give me your perspective when we have a strike group like Nimitz that now is on deployment now approaching 11 months, what does that operational tempo mean for sailors?

But tell me, too, what does that mean when you're looking at maintenance availabilities? And we all know that those kind of get stacked up, too. What happens if maintenance availabilities have to be canceled and then you're talking about not maintaining ships? What does that -- what does that do to affect, again, your capacity to respond and then the life expectancy of those ships?

So give me your perspective on personnel and equipment.

GREENERT:

Personnel, we -- we tell our sailors and we shoot for, as the commandant said, you know, he talked about, dwell and he talked about turn around ratio and rotation -- we tell our sailors you should expect about a 7, 7.5 deployment.

When you get up to 11, they say, OK, you know, 11-month deployment. Then they come home. And then they're turning around within about a year, so you are getting close to 1 to 1.2, 1.3, when you do that, by the time that particular carrier turns around.

We're at a point in our economy, things are changing, so I'm concerned about the debilitating effects of that.

Take that kind of carrier strike group and its air wing with the ones that are sitting there at hard deck. These are -- they're shut down. So I got pilots looking out the window, saying, "Gee, I wish I could fly." I got others saying, "I'm flying so much and deploying so much, I can't even get a will done to do that."

And so, we've got -- we've got imbalance here, sir.

Deployment wise, the carriers are heel-to-toe in our nuclear repair shipyards. Somebody's delayed, that's a problem. And now they're stuck in there, and that means they're not ready to deploy eventually.

MCKEON:

Thank you.

Mr. Barber?

BARBER:

Thank you, Mr. Chairman.

And before I begin my questions, Admiral, I just want to along with my colleagues extend my condolences to you and the entire Navy family. The whole country I think is heartbroken over what happened on Monday.

I spoke yesterday with Secretary Mabus and offered my personal assistance as well as condolences.

Having been a -- having been a survivor of a mass shooting myself, I have a sense of what's going on with the families, those who lost loved ones, and those who survived. And I just want to say that personally I'm available any time for any purpose that would be helpful to those families, and please feel free to call me for that purpose.

GREENERT:

Thank you, sir. I think we'll seek your counsel on how to deal with this, since you have the experience. I appreciate it very much.

BARBER:

Let me -- let me turn to the questions at hand. This is -- we've had this discussion so many times, but I just want to say at the outset that sequestration was a bad idea, and I've opposed it since I got here a little over a year ago.

General Walsh -- Welsh, rather, I just want to ask a question specific to a fleet of aircraft that are stationed in my community, at Davis-Monthan Air Force base.

There had been recent reports that, as we've discussed here this morning with other potential decisions, of getting rid of the A-10 in the future. And some people have made the argument that the A-10 just doesn't fit the Air Force's future, because it isn't a multirole fighter.

And in my view, this is a shortsighted and potentially dangerous idea. And, as you know, General, the A-10 is unsurpassed in its ability to provide close air combat support. And I know fully, as you do, the A-10's role in combat search-and-rescue operations, finding servicemembers behind enemy lines, relaying information, escorting helicopters and assets in and out of the combat zones.

And the A-10s based in my district and across the country have been retrofitted with new air frames, air frame wings and electronics packages that now have given them a lifespan of 'til 2028.

General, as you know, the SCMR is built on four guiding principles, and I want to just quote a couple of them.

BARBER:

The first is that we must remain ready for the full spectrum of military operations. And another is that we will remain strategy driven, based upon the defense strategic guidance and our ability to execute our five core missions against a full spectrum of high-end threats.

Given what we know about the A-10 and the potential future need for the A-10, General, can you tell me why it is that we would even consider retiring an entire fleet of this very valuable aircraft when there is no other alternative in place?

WELSH:

Yes, sir, because we've been handed a bill in the Department of Defense of 1 trillion-plus dollars that we have to pay over the next nine and a half years.

A-10 was my first fighter, Congressman. I love the airplane. I have a thousand hours flying it. It is the best airplane in the world at what it does. It is not the best at a lot of other things. It's capable in many areas. If we're going to look at what we must divest, not what we want to divest, but what we must divest, we have to be very honest with ourselves inside the Air Force about how much we can afford.

And if we have platforms that can do multiple missions well and maybe not do one as well as another airplane, but the airplane that is limited to a specific type of mission area, becomes the one most at risk. I think there's some logic to this that's hard-pressed to avoid no matter how much I happen to love the airplane.

BARBER:

But how is it possible, General, that we could support General Odierno's ground troops, should they ever be deployed again with another aircraft if the A-10 is not available?

WELSH:

Congressman, people seem to assume that 100 percent of the close air support being done in Afghanistan today is being done by the A-10. That's not even close to the truth. It's actually a small percentage of the close air support that's being done by many, many other platforms.

We have got to provide the United States Army, the United States Marine Corps, United States Naval Forces and our coalition partners close air support. We do it every day with a number of platforms, and we'll continue to do that.

BARBER:

Talking to Army personnel who've been deployed, they tell me when the Warthogs show up, they are much happier than anything else. So I just want to say that that's an important area.

Let me just turn quickly, General Odierno, with the remaining time. I'm concerned about the future of our ability to do cyber and intelligence work. As you know, Fort Huachuca is a major area of this. How do you see sequestration affecting that? And, so obviously, that's important to our war fighters today and tomorrow.

ODIERNO:

So in terms of cyber, as was stated by the other chiefs of services, is that we are gonna increase our investment in cyber. Even though we are decreasing our budget, we are increasing our investment in cyber. We're going to increase the force by at least 1,800 people right now. So that's part of what we're doing.

In terms of intel, as you know, we provide not only intel for the Army, but intel for the broader strategic and operational force, which is key to combatant commanders. We are reviewing how we do that, but the primacy (ph) of what we do in our intelligence community will not change. And the requirements that we have in our intelligence community will continue to be a key piece of our strategy as we move forward.

So we're looking at very carefully how we gain some efficiencies without losing the depth and capabilities that we have to support at the strategic, operational and tactical level.

BARBER:

Thank, General.

MCKEON:

Thank you.

Mr. Franks.

FRANKS:

Well, thank you, Mr. Chairman. And, as always, thank all of you for coming. You know, it's days like this, I suppose, that we're all a little more cognizant of the sacrifice that you all personify here today.

And Admiral Greenert, I suppose, it's impossible for us to be as aware as we are today all the time of the importance of people being willing to sacrifice all of their tomorrows so that we could have freedom today. And I certainly hold you all in great respect and appreciation.

General Welsh, I'll start with you, if you don't mind, sir. Yesterday, you gave a brief at the AFA convention, and you started your speech with a thought about partnership and how, during times of fiscal austerity, if that's what we call this, rather than backing away from our -- or defunding training opportunities, we should hold our partners close.

And I would like for perhaps all of you to elaborate to a degree on how important military exercises are with our allies, especially in those regions of great instability, and how sequestration might affect these opportunities specifically with allies like Israel. And what does it tell our allies and our foes when we choose, in my mind, to spend our money wisely on exercises like these?

So, General Welsh?

WELSH:

Sir, I think it just increases the trust. It increases their belief in our willing to partner with them, even when it's not convenient. And I think if we assume that the future is about coalition engagement, which, I assume, that that's the best way for the nation to go whenever possible. We have to have the ability to engage as coalition, and that requires training. It's a very practical problem for the military.

It's helpful for us. It benefits us in term (sic) of time and cost and future, and it creates capability that's meaningful and can be brought together very, quickly as opposed to spending months trying to train together before conducting an activity, whether it's a humanitarian relief or it's a contingency operation.

FRANKS:

Any other thoughts on any? General?

ODIERNO:

I would -- Congressman, it's key. I mean, I just returned from the Pacific Army commanders' conference, and the whole point of the conference was about multilateral engagements, multilateral exercises, sharing of information, inner-operability. That's the key as we move forward.

We -- I'm going next week to the European commanders conference. Why is that important? Because NATO and our close allies are helping us as we work issues in other parts of the world. So the inner- operability piece, it's all very important to them. And so to me, it's -- it's key.

In the future, we're gonna have to operate in a joint interagency multinational environment. We know that. And we have to do that the best we can. My only last point would be is, our partners are also significantly reducing their investments and their military. So we have to be very careful about our assumptions about what we think they will do for us because they are reducing as well. So it's a combination of all of those things we have to consider as we move forward.

FRANKS:

Mm-hmm. Please.

GREENERT:

If I may, partners, allies very important. We need to look beyond it. And I -- I just had the opportunity last week to sit down with my counterpart and the People's Liberation Army Navy, Admiral Wu Shengli, and negotiate eight opportunities for further engagement and partnership potentials at sea. So this goes, as my colleague said, it's clearly important for us and allies, but it goes beyond that.

FRANKS:

Yep. Well, General Odierno, I might ask you one more question. You know, I had the privilege - - I guess you would that -- of being in a helicopter at 150 feet off the ground and 150 miles an hour pitch black going over Iraq. And you were one cool customer, might I add. Do you -- he had a lot of faith in that helicopter pilot.

But would you agree that relying more on operational guard and reserve will help mitigate the rising personnel expenditures, and knowing that, you know, these men and women are -- obviously, they're paid when -- only when they're trained and mobilized, but also recognizing that they have a proven combat capability, and we would maintain a strong protection for our country.

ODIERNO:

We have to have the right combination, Congressman. So it's not guard versus active. I gotta have the right number of active, and I gotta have the right depth that's provided by the National Guard and U.S. Army Reserve.

FRANKS:

Yeah.

ODIERNO:

It's -- it's not one or the other. And you can't compare costs because they provide different capabilities based on the dollars that they are given, obviously, and the time that they have to train, and the time they have. So it's -- it's gaining that right synergy between the two.

So as I've developed, and as I testified, we're taken a 26 percent reduction in the active component and only 12 percent reduction in the National Guard. So I have taken that into consideration. But to go further than that is very dangerous because you lose the immediate readiness that you have with the active component. We need both, and I'm an advocate of having both.

FRANKS:

Well, thank you, Mr. Chairman. Thank all of you.

MCKEON:

Thank you.

Mr. Kilmer.

KILMER:

Thank you, Mr. Chairman. As presented in the report under sequestration, there are gonna be -- the cuts will be either in capability or in capacity. And, Admiral Greenert, I was hoping to ask you if you could describe those tradeoffs when discussing the submarine fleet.

GREENERT:

The -- we need to build -- we need to have an adequate submarine fleet to distribute in a proper way what the combatant commanders need and what we need to respond to around the world for the missions. So that -- that's a capacity piece where -- but you can't cover all of the oceans of the world with submarines. So it gets to what capabilities do we need to have an undersea network of submarines, fixed and unmanned systems under the ocean.

So we've gotta develop those capabilities, and then aircraft, the P-8 aircraft and the broad-area maritime surveillance. That's a Global Hawk, kind of, tricked out for -- for maritime operations. It's the combination of that network. And, number one, you have to have all of the capability of that network. And then, number two, the capacity to -- to broaden it. But -- but I think step one, we need to bring in that capability. So that's the priority I put on that when I talk undersea domain.

KILMER:

Thank you.

I know the focus of this hearing is on sequestration, which I think I've concluded is a Latin word for stupid. But now we're also facing a potential government shut-down. And, certainly, in my neck of the woods where we have Naval Base Kitsap and then Joint Base Lewis-McChord, a lot of the focus has been on the potential, kind of, parochial economics impact of seeing the -- a lot of civilian workers not receiving a paycheck.

I was hoping you all could speak instead, though, to the national security impacts of a potential shutdown.

ODIERNO:

First, I would like to talk a little bit about the impacts on the individuals. You know, we furloughed this year. It was horrible. You know, and it kind of comes to roost when you look at what happened this week.

You have these dedicated civilians who dedicate their lives to our military. And because of these reductions, we are furloughing people who are -- who have given their lives to us. And yet we're forced to do these kind of things. So, for me, it's unconscionable that we have to do this. And if we can ever avoid it, we'll never do it again.

But the national security impacts of reducing the size of our civilian workforce, it was mentioned earlier, the Ph.D.s, the scientists, the engineers, the logisticians that support us, we're going to lose that capability. And once you lose it, it's very difficult to get it back. And that becomes a real concern for us, that in a time of need, if people think we can automatically regenerate this capability, you can't.

And so, we now have a problem. And so for me, that's the real strategic impact of -- of those reductions.

GREENERT:

If you go up to Fort Meade and you look in the parking lot, I mean, those are our civilian, to me, sailors and airmen and Marines and soldiers. And so I think the national security implications are obvious. Go to Offutt Air Force Base at Strategic Command, and then you go to, you know, what

you and I are familiar with, our public shipyards, our naval shipyards. Hey, we're heel to toe in there.

And so we've got to get that work done. It starts falling behind. We have aircraft carriers that are not ready to go out and -- and go -- go out in the world. And so whoever is out there is stuck, and that's untenable.

WELSH:

Just from a corporate perspective, if you just forget the personal impact, which is dramatic, 8 million man hours lost for the Air Force with six days of sequestration this year. That's an awful lot of work that is not getting done on behalf of the nation.

KILMER:

I had another question, but I don't think time will permit. So I'll just -- and by echoing the condolences extended, Admiral Greenert, to you and to your team.

GREENERT:

Thanks, Congressman.

MCKEON:

Thank you.

Mrs. Roby?

ROBY:

Thank you, Mr. Chairman.

Thank you, again, to all of you.

And Admiral, on behalf of my family, we certainly are thinking of you and the Navy and all of the families and personnel that are affected by this.

And to each of you, I always want to take the opportunity to thank you for your service to our country, but also to extend that thank you to your families, to your spouses and your children and all the sacrifices that -- that they make.

General Odierno, first and foremost, I appreciate the Army's execution of the ITEP, the improved turbine engine program, and its acquisition strategy of maintaining competition to (inaudible). And as you know, Congress continues to support this important program, as evidenced in our

defense bills for the increased capability it provides and because it is in compliance with best practices in acquisition reform measures to reduce risk early-on in a program.

And so I believe that maintaining competition in schedule reduces the risk considerably for the Army and the taxpayer. Can you please just comment on the Army's commitment to competition in support of the ITEP program?

ODIERNO:

No, you've hit the points. We agree. It's about the best engine for the best price, while preserving competition to minimize our risk. And that's what this does. And so for us, we're totally committed to it. You know, we're going to wait for the analysis on alternatives as we decide for our future investment in this.

And it becomes even more important because sequestration actually makes it more difficult to pursue robust R&D efforts. We've got to do this the best way we can, programs like this. And so, for me this is kind of our model going forward. And so we're very pleased with this program and we're obviously going to continue to support it as we move forward.

ROBY:

Thank you.

General Welsh, you know, I feel very strongly that education and training is the cornerstone of our modern-day Air Force. And I'm very sure that you feel the same way. And so, I'd like if you would please talk about the Air Force's commitment to ensuring that that cornerstone remains strong, and what transformations you anticipate for Air University's officer and enlisted professional military education; and particularly in light of all of the things that we've discussed here today, not just sequester, but the potential to operate under a continuing resolution, as well as issues surrounding the debt ceiling debate.

WELSH:

Thank you, Congresswoman. I do share your view on education and training being foundational to our Air Force.

I spent time two weeks ago, three weeks ago, I guess, down in Montgomery talking to the leadership of Air University; last week down in San Antonio talking to the leadership of Air Education Training Command. We discussed the enlisted PME program that's under development to turn it into a continuum of learning using both distance learning and residence courses. Same thing on the officers (inaudible).

What -- what can we afford to do and what cannot afford to do is stop educating our professional force and stop training it better than anyone else trains their airmen.

Now, we're committed to this. We'll remain committed to it. Everything is affected by sequestration, but this is not something that would be a wise long-term move, to take a whole lot of capability out of our ability to educate and train these great airmen we're lucky enough to have come into our Air Force.

ROBY:

Well, I appreciate that continued commitment.

And again, to each of you, thank you for all that you do and we appreciate your candor here with us today in light of these very difficult decisions that we have ahead. And we appreciate your continual efforts to educate us so that we're better prepared as we move into that.

So, Mr. Chairman, I will yield back.

MCKEON:

Thank you.

Mr. Enyart?

ENYART:

Thank you, Mr. Chairman.

General Welsh, I had a couple of questions specifically for you. Yesterday afternoon, I had an Air Force reserve wing commander in my office. And he was talking to me about sequester and the effects of sequestration on -- on his role.

And he particularly expressed to me concern that -- about the way the furloughs had been handled, that is going from 22 days to 11 days to six days over a period of time, and because of the impact that it had on those people. The -- there are now serious trust issues between his air reserve technicians, his civilian workforce, and the Air Force and DOD. And as the wing commander, he feels that tension and those trust issues.

And General, I'm sure that those trust issues extend throughout the entire DOD civilian workforce. Now, earlier this morning, you testified that the Air Force is not planning for any furloughs for F.Y. 2014. So, with Scott Air Force Base sitting in my district, am I able to go back to my district and assure my rather anxious constituents, as well as that Air Force reserve commander, am I able to assure to them that the Air Force is not planning any furloughs for 2014?

WELSH:

I meant exactly what I said. We have no plans to furlough in F.Y. '14. I'll add this. We had no plans or even concept of furloughing in F.Y. '13. I'd never heard of it before. We have got to

resolve whatever we call this thing. Sequestration, fiscal crisis, whatever it is, we've got to fix it. We're doing things that are unprecedented as far as decisions being made inside services, including furloughs.

It was a breach of faith with our civilian workforce. I tell everybody in the Air Force. I ought to send a letter to every civilian in the Air Force saying that. I understand why the decision had to be made. I understand why we didn't have the transfer authority to take money from other places to put into the civilian pay accounts. But we as a government have got to do better on this one.

ENYART:

General, I couldn't agree with you more. And I think that it's been clearly expressed here today, but sequestration was a bad idea to begin with. And it's a worse idea as we go forward, particularly when we're dealing with C.R.s and all of the problem that that impacts on your budgets and the budgets of everyone, frankly.

General, I did have one other question for you. And that is that if sequestration continues, will the Air Force have to reconsider its KC-46 Alpha basing decisions?

WELSH:

I don't believe there's any reason to reconsider the basing decision as a result of sequester. No, sir.

ENYART:

Thank you.

Admiral, as a son of a Navy firefighter, and even though I chose the path of "Go Army, Beat Navy," I'd like to express my condolences to the entire Navy family.

GREENERT:

Thank you, Congressman. I know it comes from the heart. I appreciate it.

ENYART:

Mr. Chairman, I yield back.

MCKEON:

Thank you.

Mr. Nugent?

NUGENT:

Thank you, Mr. Chairman.

And I want to thank all of our service chiefs for all that you do. And obviously you care immensely about this nation, but more importantly, I believe you care about those that serve under you and that carry the task out on a daily basis.

So General Ordinaro (sic), I really do appreciate your comment in regard to soldiers have got to be number one; they've got to be the number one priority.

And I worry -- and I'm new to this committee as of at least January -- I worry that through sequestration and through the political gyrations that got us there -- doesn't matter how we got here but we got here.

The damage that we're doing to our services -- and I think you hit it on the head when you said that we really don't do a very good job of identifying future threats. I mean, I think major threats, strategic threats, probably so. But, you know, I don't think anybody saw Afghanistan or Iraq coming up on the horizon.

And -- and now we're bringing our -- our force structure -- I agree with you, dangerously low, and the lack of readiness across the whole mission area is -- should concern everyone. And I'm concerned. And I'm concerned about the readiness of our troops, in particular -- across all the services, but, obviously, in the Army just because of the large nature of it. And the -- in the Marine Corps the personal nature of that type of combat that you have to engage in puts people at -- at extreme risk on a very close basis.

How -- how do we -- how do we continue to keep a force that is all volunteer? How do we continue to keep them in place when we hear from -- in a SCMR -- and particularly was talking about, you know, benefits for those that are gonna serve us and have volunteered to serve us and put themselves at risk?

ODIERNO:

Thank you for that question, because it's a very important question as we look to the future.

I'm -- there's no doubt in my mind I think it's absolutely essential we keep an all-volunteer force, for a lot of different reasons. I won't talk about that.

Let me talk a little bit about compensation. We have very generous and appropriate benefits packages today for our soldiers, sailors and airmen and Marines, in my opinion. But what I think -- as I go around and talk to our soldiers, they understand the fact that we're not gonna -- our -- our thoughts, at least, on pay and benefits is not to decrease them but decrease the rate of increase. And if we do that we can save enough money that allows us to appropriately continue to have an all-volunteer force. And they understand that.

So I think we have to work together with Congress on this. Because I know how much you care about taking care of our men and women in uniform. That's very clear.

But we have to come together to decide -- there's ways to do this in such a way where we don't reduce their pay but we reduce the increases that we have projected, which saves lots of money. And that will enable us, I think, in the long run to maintain an all-volunteer force.

NUGENT:

And I faced the same issues when I was sheriff in regard to budgeting and looking at the increases as it forecast down the road. So I get that. But I also hear, you know, as it relates to -- it's not just pay -- and you hit it on the head. And I had the same thing in the civilian world. But it is about training, and in particular about, you know, our men and women having the ability to fly or our men and women having the ability to go to advanced training.

Yes, sir? Admiral?

GREENERT:

Well, in the Navy we talk about a formula, the quality of -- of the service, of the sailor equates to their quality of life. And that's the stuff we were talking about, their pay, their housing, their entitlements and all of that, and the quality of their work. And that's what -- you just hit the nail on the head, Congressman: 'Do I have spare parts? Do I have a boss that cares for me? Do I have a boss? Am I training? Do I feel like I'm doing something worthwhile? Is my schedule predictable?'

What is their work environment? In our world, when they leave the pier, walk across the road and get in their car and drive off, their quality of life is pretty good. And General Odierno he relayed that. When they go back down the pier, get on the ship and go out to do that, we have work to do there. And I'm concerned that we focus so much on the quality of life and the quality of work vector is going down a lot, and we need to balance that, in my opinion.

NUGENT:

I agree.

And just one last statement. It's not a question, because you don't have the answer on this one.

But I really do call upon the commander in chief to take a more active role in regard to working with this Congress, particularly with the Senate, to move issues as it relates directly to our security here in this country and having the ability to project force but also to protect the forces that we're projecting.

And I think the commander in chief owes that to those that he commands and has that overall responsibility.

And I yield back. Thank you.

MCKEON:

Thank you.

Mr. Gallego?

GALLEGO:

Thank you, Mr. Chairman.

Admiral, I will confess to you that I -- there's not a lot of water where I live. But I will also tell you that every single resident of that congressional district, the 23rd in Texas, feels your pain. And on behalf of the constituency that I represent, I want you to know that our prayers are with you, with your fellow members of the service, and certainly with all of the families who have lost someone over the course of the last few days.

GREENERT:

Thank you, sir.

GALLEGO:

I -- I have the privilege of representing several military facilities, Joint Base-San Antonio, which includes multiple Air Force and Army components, Laughlin Air Force Base. And in El Paso County there's Fort Bliss.

They're all very dedicated public servants, both in the uniform and the non-uniform side. And my own view is, they deserve better than what they're getting from our government -- certainly from the Congress.

As I have listened to the testimony, it seems to me that in some instances Congress is a very difficult partner, because we make your life harder instead of easier. And you can't say that but I can, especially since I just got here in January.

So when I listen to the idea, for example, that having to reduce pilot production (ph), potentially reducing 25,000 airmen, or a 9 percent cut in aircraft, or choosing between readiness today and a modern Air Force tomorrow; or when I listen to the testimony about how it is unconscionable to -- to do the furloughs, it -- I understand that all of that is not in your control. It's in the control of the members of this institution. And "institution" is a very interesting word for this place.

I -- I'd like to talk, General Odierno, you and General Welch, about the impact of one of the disconnects I think there is, is many people don't understand the importance of the civilian side with respect to the uniform side. And so when you look at Joint Base-San Antonio or you look at

Laughlin, people don't understand -- or Fort Bliss -- the importance of the -- of the contribution of the civilian side.

Can you talk a little bit about that and how that spillover affects the uniform side, and how they work in tandem? And if you have some specific examples about -- and at some point I'd also like some specific information off-line about the bases that I represent and how they would be -- how they would be impacted.

General?

ODIERNO:

So for us, you know, we have, you know, three major commands -- actually four major commands in San Antonio. We have Medical Command, we have Installation Management Command, we have U.S. Army-North and U.S. Army-South, all -- all in San Antonio. They are three, four key components to what we do in the Army.

Medical Command, obviously, huge responsibility of providing support to our soldiers at both in combat and -- and our families not in combat. And our civilians there play a huge role in that command.

Installation -- they manage all of our installations for both -- in the United States and outside the United States. Huge role.

And then, you know, Army-North is one who's really the Army component to provide homeland defense, homeland security for our nation. These are all key components. They all have key civilian workforce that is essential for them to accomplish the mission.

In fact, at SAMMC, the hospital in San Antonio there, you know, we have some concern. We are losing some of our critical civilian employees because of the furlough; because they'd rather go work now for V.A. or other opportunities because now they've lost, as been mentioned -- there's some faith and trust; and the fact that they will have consistent employment with the Department of Defense.

ODIERNO:

So it's those things that I would tell you is so important to us...

(CROSSTALK)

GALLEGO:

General Welsh?

WELSH:

Sir, I'll give you an example of the maintenance crew at Randolph Air Force base. I was down visiting with the maintenance group director, who's a civilian. The entire maintenance group at Randolph Air Force base to support the training that goes on at that base, the flying training, is civilian. All Air Force civilians.

Because of the furlough this last year, we actually lost enough of those 8 million man hours I mentioned that weren't being done, a percentage were at Randolph. A large enough percentage that we lost a number of -- we lost the ability to support a number of flying hours equal to an entire pilot training's class worth of work.

Which is why I said in my opening statement we will look at changing our initial pilot production numbers next year, because we learned here that we're gonna have to cut a class, whether we want to or not, just as a result of lost production from impact on the civilian workforce and on our depots.

The -- the other place it affects us is that when you take 8 million man hours off the books, there are tasks that would have been done during those 8 million man hours that can't wait because of the operational activity that they support.

So the uniformed workforce that's there will pick those up as an additional duty. Because the civilians would have done it, and just worked a longer day before they took their furlough. But we're not letting them so we can limit the number of hours we have to put against furlough, and we're not letting them work overtime.

So everybody is frustrated, because they'd like to do their job, not just because they're losing 20 percent of their pay during that period.

GALLEGO:

Thank you.

Thank you, Mr. Chairman.

MCKEON:

Thank you.

Mr. Palazzo?

PALAZZO:

Thank you, Mr. Chairman.

Thank the gentlemen here today for your testimony and the answers to our questions.

I think we're -- you know, there's been a lot of talk of sequestration. And I don't think anybody in their hearts voted for sequestration. I think it was just a something that was a part of a bad bill that was put together, and we were never meant to get here.

And I think everybody's pretty much said that in, you know, different ways.

But if we go back to Admiral Mullens (sic), he basically, where you are, said the greatest threat to our national security is our national debt. We're \$17 trillion in debt, and there seems to be no turning that around. We've had record deficits; we've had record unemployment for the past four years, and -- and there seems to be no -- no solution to it.

And so, that's why we're having these arguments, these fights, not just inside each party and also with the other -- you know, the outside the party,

It's because we're fighting over shrinking discretionary budgets, and while we do nothing to address the number one driver of our deficits and our debt, and that's the mandatory, out-of-control entitlement spending.

And I hate this because I feel like this is going to be "Groundhog Day," over and over, as long as we're in Congress or, you know, it's just a deja vu, we're gonna keep having these conversations.

But until we put people and policy ahead of politics, we're gonna keep having these -- these -- these -- these squabbles amongst one another.

And we can get there. We can fix our economy. It's simple. We just have to, you know, listen to the American people.

And I think they want to see our spending cut, but they want to see it done responsibly. I think they want to see a balanced budget. All 50 states have a balanced budget, why is the federal government different? Is it somehow more special? And they want to see us grow the economy.

What people are talking about in my district, when they're not being distracted with Syria or Obamacare or something else, they're talking about jobs. They're starving for jobs. They want to see this economy get back on track.

And, you know, there's some of us that know how to create jobs in Congress. And I think we need to elevate their voices, and we do that through less taxes, less regulation. You know, we don't need to have thrown-up obstacles.

Because there's a lot of money sitting on the sidelines, but people are uncertain. They don't know where this -- what's gonna happen tomorrow. So they're very much reserved.

I would just like to say a few -- a few comments. I hope that the Guard and the Reserves does not go back to being a strategic reserve. I hope they maintain a operational force presence. I think it's extremely important. I think they've earned -- earned their place in our military.

They've also -- one-third -- they cost one-third of what an active component would. But also I think there's multiple missions that they can engage in. I know they've had border enforcement opportunities in the past.

I think we can -- instead of adding 40,000 more Border Patrol agents, we ought to see how we could surge the Guard to the border, maybe other homeland security meetings (sic) too.

Also with our Admiral Greenert, with our pivot to -- pivot to the Pacific, I know we're going to need ships; we're gonna need destroyers; we're gonna need amphibians. And I know with the multiyear ship procurement and being able to plan in advance, that's a benefit. And I hope this Congress continues to do that, to give you the ability to go drive down costs and get the best quality product for our taxpayer.

General Welsh, I can't thank the Air Force enough for delaying the transfer of the C-130Js. I've been kind of, you know, on that for along time. I know -- because there's so much uncertainty. We don't know what the force is gonna look like tomorrow.

And I can tell you the community, the Mississippi community is very appreciative, because after winning the Estelle Letch (ph) Commander In Chief's Installation Excellence Award (ph) out of all the bases in the military, we think -- we -- we hope you take a hard look moving forward, and hopefully you will determine that they need to stay there.

And I do have one question. This question will be for General Amos.

As sequestration settles on the force, we hear often that services will be forced to do less with less. In your unvarnished opinion, what are the risk to major contingency operations as well as steady-state ops if they continue and these cuts are realized?

AMOS:

Congressman, thanks for the opportunity to be able to speak frankly about that.

The -- I don't see any slacking in the requirements for all of our services for the next decade. I read the same pundits -- I read what they say, I listen to them, and they talk about a peace dividend coming out of Afghanistan. And I think that's overly optimistic, at best.

I don't see -- I don't see the requirements changing. In fact, I would say the world is probably more dangerous today than it was prior to 9/11.

Folks have said, and I began to, as we shaped the Marine Corps down to this 174 force, and, as I said in my opening statement, it was a budget-driven effort, it wasn't a strategic-driven effort.

I started with, well, OK, we'll do less with less, but what we will do, we'll do very well.

I don't believe that. I think we're gonna do the same with less, and we're gonna do that very well. We're gonna work real hard to do that.

But -- but I don't see any slacking of it, Congressman, if that answers your question. I think we're gonna be doing the same with less.

I know we're out of time. If I could just take (inaudible) to kind of add to -- the issue is, let's take '13. '13 we're under a continuing resolution with sequestration. And if you asked each one of us we would tell you our requirements went up in '13. That's the concern.

So budget went down, forced by sequestration, and our requirements increased as the year went on. That's -- that's the conundrum that we're in right now and that's our -- that's my concern as we continue down this road.

So thank you, sir.

PALAZZO:

And it's ours, as well.

Thank you, gentlemen.

MCKEON:

Thank you.

Ms. Shea-Porter?

SHEA-PORTER:

Thank you.

And I, too, would like to offer my condolences from the people of New Hampshire's 1st District.

And I would like to say that while this sequester is absolutely devastating, I have concerns about what we're saying openly and letting people know.

And I am amazed that probably more people abroad and our enemies know the impact, rather than the members of Congress. And that's absolutely shameful.

There is a bill that could cancel the sequester today, if it would only come to the floor. But I'm very, very concerned, as we all are. But the message doesn't seem to be leaving -- leaving this chamber right now.

So while we're dealing with this, I would like to talk to all of you about the impact on -- on the civilians, the impact on the members of the services, and what appears to be the lack of impact on contractors right now.

I know that for the headquarter budgets, they're talking about a 20 percent cut for -- for the civilians who work for the government, and also seeing it in the budgets. But I haven't heard that talk about contractors.

So could each of you address that? I actually saw something that said contractors' numbers, their profits, hadn't seemed to drop along with the pay that dropped for -- for some of the people who are serving our country.

So I'd like to address that, please.

ODIERNO:

Yes, thank you for the question. As part of the guidance that the secretary in the Army and I gave, as we're looking at -- the Army's looking actually at a 25 percent reduction in headquarters, because we're trying to gain as much space (inaudible).

The first place to look, we -- the guidance we gave, was with contractors, knowledge-based contractors, we call them, who do studies and other things, as well as other types of contractors that we have, because we want to try to keep as much as the civilian force and our military force as possible.

So we are absolutely looking at that as we move forward. That is one of the key pieces. And we have a study group that's coming back to us with recommendations that we expect will happen within the next several months.

SHEA-PORTER:

And, do you expect it will help you save money? Because I know that when they were asked, the contractors cost an average of about two and a half times more than a government employee.

ODIERNO:

They do. The balance is they give a short-term capability. But we are, yes, it will save us money and allow us to invest in other places or not take cuts in other places.

SHEA-PORTER:

I'm encouraged to hear that.

Admiral?

GREENERT:

Yes, ma'am. We, as I look out at the '15 to '22 timeframe, that SCMR piece, and we address this in our alt POM. We are looking at about a one-third reduction in overhead, and that includes

contractors. We have methodically, in partnership with our research, development and acquisition executive, Mr. Stackley, gone through and reduced support contracts.

This has been quite a drill, to go in there and peel apart what -- where the money goes precisely. But that's \$20 billion of a \$60 billion that we are targeting. Now, that's across a FYDP, a five-year plan. Overhead-wise, like Ray said, we're at about 28 percent on reduction of headquarters. That's not contractors, but it's overhead and it's headquarters reduction.

SHEA-PORTER:

Thank you.

WELSH:

Exactly the same, ma'am. Contract reductions will be at least the same, if not greater, than reductions in our civilian workforce.

SHEA-PORTER:

OK, so you are targeting that.

General?

AMOS:

Congresswoman, I think we're all in sync on that. We're all reducing both civilian personnel over the long run as we go through the alt POM. In my service, we're reducing 28,000 active duty Marines. And so there will be a commensurate civilian reduction. We don't know what that's going to be yet, but we are looking very seriously at our contractors.

I'd just like to make an anecdotal comment on -- on civilians. We've talked a lot about furloughs here today. We've talked about in essence keeping the faith. I think we're in danger of losing those wonderful, highly skilled professionals that my colleagues have talked about here today, because -- because of the furlough, and then the -- in anticipation of a government shutdown.

And they'll reach a point where they're going to look for employment elsewhere, whether it be in San Antonio, whether you're a medical professional, whether you're a Ph.D. It became a -- became a point of faith in the United States Marine Corps as I looked at our civilian Marines. And I think we're in danger of losing an awful lot of that talent...

SHEA-PORTER:

I do, too.

AMOS:

... if we continue to abuse them.

SHEA-PORTER:

And I thank you for saying that. And, you know, we have the Portsmouth Naval Shipyard in our district. And the men and women who go there and serve this country every day deserve better than what they're seeing. We also have the National Guard. They deserve better. And so, across the whole -- whole spectrum.

The men and women who serve this country deserve to know their paycheck will be there and they can count on us. And so far, we have failed them.

Thank you, and I yield back.

MCKEON:

Thank you.

Ms. Duckworth?

DUCKWORTH:

Thank you, Mr. Chairman.

Admiral Greenert, I, too, join my colleagues in giving my condolences. I will tell you that I was very impressed by the actions of your personnel in helping one another survive that tragic situation.

GREENERT:

Thank you, ma'am. I appreciate it. I know that's from the heart.

DUCKWORTH:

Thank you.

General Odierno, you and I have had this conversation before. And I just sort of would love for you to expand a little bit on the role of the guard and reserve. You've been very clear, and I appreciate it, in terms of defining a role for the guard and reserve, not only in a new strategic environment, but as an operational force, and also in the current budget climate.

I don't have any military bases in my district, but I certainly have a lot of National Guardsmen and Reservists. And I also have a lot of military technicians who are suffering from the furloughs, trying to keep the -- those helicopters and those aircraft functional. And as we see in Colorado right now, the National Guard has really stepped up with those efforts.

Could you speak a little bit, General, given the lower life costs of the Guardsmen and reserve components, compared to active duty, could you speak a little bit to what extent ratio you'd like to see a reduction of the active component be in relation to the guard or reserves?

ODIERNO:

Sure. Yeah, thank you. So, as I've testified, if we have to go to the full sequestration, there will be a 26 percent reduction in the active component; a 12 percent reduction in the National Guard; and an 8 percent -- 9 percent reduction in the U.S. Army Reserves.

Now, I want to go back to somewhat the question that Mr. Palazzo asked. The real reason is if I keep their structure, I'm not going to be able to fund them as an operational reserve. I can't afford the training to keep them as an operation, which is what I want. So, I've got to reduce their structure a little bit, but as not as much as the active component because I don't get as much savings.

Now, the overall balance, though, I have to maintain is obviously they cost 33 percent of the active force, but their readiness is less than the active force. So I've got to keep that right balance. So I need the right amount of guard. I need the right amount of active component. And I'm very conscious of that as I work my way through this.

So, I've in fact taken more out of the active component because of that cost factor. But I have to take a little bit out of the guard so I can continue to keep them and fund them as an operational reserve. And so that's the balance that I'm trying to achieve.

There are some that say we should increase the guard and further reduce the active. To me, that's out of balance, and then we will not have the capability to respond the way we need to for contingency operations. So I'm trying to find that right balance.

DUCKWORTH:

Thank you.

General Welsh, could you address that as well?

WELSH:

Yes, ma'am. The -- the cost is different. And you can save more capacity and force structure by putting into the reserve component over time. You just have to balance how far you can go in each mission area. We're looking at by type aircraft even within those mission areas.

Because you do hit a point where your operational capability or your ability to respond quickly are impacted. And it's different in every mission from space to mobility to fighters. They're all different. And we're looking at each one.

Now, the other thing I think that's important for us to consider is the real benefit of a reserve component to the nation is that you have this very experienced force over time that is available to respond quickly in any type of contingency, small or large.

One of the most troubling things we're seeing right now is over the last couple of years, a much diminished desire by people leaving the active Air Force to go into the reserve component. Only 15 percent of those eligible are doing so over the last two years. That's much lower than traditionally.

And if we get to the point where our reserve components are inexperienced, while they may be cheaper, they will not provide the operational reserve that you need to be a valid fighting force as an entire, total force. And so we've got to make sure we aren't doing things in the active component that keep people from becoming members of the reserve component.

So we're looking at all that right now. We've actually got a very robust discussion going. The biggest issue is still exactly what are the cost factors in each of these areas. We've decided on a model we're using for planning, but that model probably still needs to be refined a little.

DUCKWORTH:

Could you speak a little bit to the role of military technicians in -- in your reserves and then also to the guard?

WELSH:

Yes, ma'am. They're essential. It's like the rest -- it's like -- because they're essentially four days a week, a civilian member of the Air Force. Our civilian workforce is essential. We can't do our job without them. They're in virtually every mission area. And in some mission areas, they're the entire mission area, like the maintenance group I mentioned before in our Training Command. The same thing is true at guard and reserve units. That's what the dual-status technicians do. They're fantastic.

DUCKWORTH:

Thank you. You know, we could (inaudible) sequestration. We should end sequestration. And I don't think people realize that those military technicians are soldiers, airmen folks who do both jobs. And if you're going to ask them to give up their jobs on the full-time side, they're not going to be there on the (inaudible) side.

I yield back.

MCKEON:

Thank you.

Mr. Castro?

CASTRO:

Thank you, Mr. Chairman.

Thank you, gentlemen, for your testimony.

Admiral, my condolences for the tragedy at the Navy Yard, along with the other members.

I represent San Antonio, Texas, of course, very important in the military, and had a few questions about some of the operations there. The first one is, do we know what impact will another round of sequestration cuts have on the services provided at Wilford Hall Ambulatory Center? And can you address whether medical research performed at Wilford Hall will be impacted?

WELSH:

Congressman, I can't give an answer on the specific impacts of sequestration at Wilford Hall, but I'll get it to you. I'm sorry. I just don't know the details of that.

CASTRO:

That's no problem.

A second one that, of course, concerns San Antonio in my district, I have Lackland Air Force Base, is will sequestration affect any of the programs related to combating sexual assault in the military?

WELSH:

No, sir.

CASTRO:

So, those will be protected?

WELSH:

We actually protected our civilian workforce involved in sexual assault -- sexual assault response coordinators, a few victims' advocates, et cetera, from furlough, to prevent that from occurring. And we'll continue to put that kind of emphasis on those programs.

CASTRO:

Those are my two questions. Thank you very much.

I yield back.

MCKEON:

Thank you for your testimony, for your work and for the continued efforts that you make to live with these very restrictive budgetary problems that you're dealing with.

I know that this is going to be an interesting week for us. We have to get a C.R. passed. We have to shortly get a debt ceiling limit increase. And I think every member of Congress is taking these issues seriously, but there's 435, 434, maybe 433 members now. And they come at it from -- every one of those come from different directions. I know that the Armed Services Committee is -- is keenly aware of the points you bring up and I think very supportive of the military. And we're the largest committee in Congress. Maybe we can have some sway in some of these discussions. We haven't done so well so far, but -- but maybe -- maybe going forward, we can.

Again, thank you for your service. Please let the men and women you serve with know that we appreciate greatly their efforts and the things that they do.

With that, this hearing is adjourned.