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DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2013

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

ONE HUNDRED TWELFTH CONGRESS

SECOND SESSION

ON

H.R. 5856

AN ACT MAKING APPROPRIATIONS FOR THE DEPARTMENT OF DEFENSE FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2013, AND FOR OTHER PURPOSES

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Nondepartmental Witnesses

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DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2013

WEDNESDAY, MARCH 7, 2012

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:35 a.m., in room SD–192, Dirksen Senate Office Building, Hon. Barbara A. Mikulski presiding.

Present: Senators Mikulski, Kohl, Reed, Cochran, Shelby, Collins, Murkowski, and Coats.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE NAVY

OFFICE OF THE SECRETARY

STATEMENT OF HON. RAY MABUS, SECRETARY OF THE NAVY

OPENING STATEMENT OF SENATOR BARBARA A. MIKULSKI

Senator MIKULSKI. Good morning. Today, the subcommittee begins its hearings to review the fiscal year 2013 Department of the Navy budget. I want to announce that there has been no coup. To see me in the chair is, I am sure, a surprise to me as much as it is to you. Senator Inouye cannot be here this morning for an unexpected reason that arose. So he asked me to chair the subcommittee.

In the spirit of bipartisanship, I think, as characteristic of this subcommittee, it will run very smoothly.

Because we are expecting really active participation from members, we are going to stick to the 5-minute rule. Members will be recognized in the order of arrival but, of course, starting with Senator Cochran.

What I will do is wait until the very end, ask my questions then, and if there are any Inouye questions, I will ask them.

Secretary of the Navy, Mr. Mabus, it is so good to see you again. I have got some questions for you, as you could imagine.

The Chief of Naval Operations (CNO), Admiral Jonathan W. Greenert is here, as well as the Commandant of the Marine Corps, General James F. Amos. General Amos, I understand you are recovering from surgery, and you and your wife have determined that you can appear today. But anything we need to do to accommodate your situation, Sir, we will be happy to do it.

We want to thank you for being here. And I am going to just move right along. And Senator Cochran, why don't I turn to you

for an opening statement, and then we can turn directly to Secretary Mabus and get on with the hearing. Does that sound like a good way to go?

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Madam Chairman, thank you very much. It certainly does.

I am delighted to join you in welcoming this distinguished panel of witnesses, former Governor of our State of Mississippi, Secretary of the Navy, Ray Mabus, who is doing an outstanding job in his new capacity. And Admiral Greenert and General Amos, who are leaders of our military forces, Navy and Marine Corps forces, we appreciate so much your cooperation with our subcommittee in responding to our request to be here to review the budget for the Department of the Navy and our forces in the fleet and in the Marine Corps. And we look forward to our opportunity to question you about the priorities that we face.

Thank you, Madam Chairman.

Senator MIKULSKI. Mr. Secretary, fire at will.

SUMMARY STATEMENT OF THE HONORABLE RAY MABUS

Mr. MABUS. Senator Mikulski, Senator Cochran, Senator Reed, and Senator Coats, let me start by thanking you all for your support of the sailors, marines, and civilians in the Department of the Navy in ensuring that they get what they need to do their mission.

I also want to say how happy I am to have my wing-man, General Amos, back after—yes, I think he is a "winged man" now, but after his surgery last week. And the fact that he is here today shows the level of dedication and resilience that the marines have, and the pride that he, I, the CNO, Admiral Greenert, take in leading the sailors, marines, and civilians of the Department of the Navy, who selflessly serve the United States, is exceeded only by the accomplishments of these brave people.

Whatever is asked of them by the American people through their Commander in Chief, from Afghanistan to Libya, from assisting the stricken people of Japan to assuring open sea lanes around the world, from bringing Osama bin Laden to final justice to bringing hostages out of wherever they may be hidden by terrorists or pirates, they answer the call. They get the mission done.

The CNO, the Commandant, and I are confident that the United States Navy and Marine Corps are well-prepared to meet the requirements of the new defense strategy, to maintain their status as the most formidable expeditionary fighting force the world has ever known. No one—no one—should ever doubt the ability, capability, or superiority of the Navy-Marine Corps team.

As we reposition after two long ground wars, it was essential to review our basic strategic posture. The new guidance, developed under the leadership of the President and the Secretary of Defense, with the full involvement of every Service Secretary and Service Chief, responds to changes in global security. The budget presented to implement this strategy, which was also arrived at through full collaboration of all services, ensures the Navy and Marine Corps will be able to fully execute this strategy, while meeting the constraints imposed by the Budget Control Act of 2011.

With this new strategy, which has an understandable focus on the Western Pacific and Arabian gulf region, maintains our worldwide partnerships and our global presence, using innovative, low-cost, light-footprint engagements, it requires a Navy-Marine Corps team that is built and ready for any eventuality on land, in the air, on and under the world's oceans, or in the vast cyber-seas, and operated forward to protect American interests, respond to crises, and to deter or, if necessary, win wars.

The impact of two ground wars in the last decade on our Navy fleet and its force is unmistakable. A fleet that stood at 316 ships and an end strength of more than 377,000 sailors on September 11, 2001, dropped to 283 ships and close to 49,000 fewer sailors just 8 years later when I took office.

This administration has made it a priority to rebuild our fleet. Despite the budget constraints imposed under the Budget Control Act of 2011, our plan assures that we will have no fewer ships at the end of the 5-year budget cycle than we have today, although the fleet of fiscal year 2017 will include more more-capable ships, equipped with state-of-the-art technology and manned, as always, by highly skilled people.

Although we are presenting one 5-year budget plan, one Future Years Defense Plan (FYDP), this is certainly not a one-FYDP issue. As the defense strategy states, we are building a force for 2020.

In the years beyond the current FYDP, we have a plan to grow our fleet and ensure capability and capacity continue to match missions. In fact, our plan will have us again across the threshold of 300 ships by 2019. Overall, we will fully meet the requirements of the new status—of the new strategy and protect our industrial base.

The Marine Corps will also return to its maritime roots and resume its traditional role as the Nation's expeditionary force in readiness. Our marines will retain the lessons of a decade of hard and effective fighting in Iraq and Afghanistan as they transition back to a middle-weight amphibious force, optimized for forward presence, engagement, and rapid crisis response. We will carefully manage the reduction in active duty end strength from 202,000 to 182,100 by the end of fiscal year 2016 in order to keep faith with our marines and their families to the maximum extent possible.

This restructured Marine Corps, a plan that was arrived at after a year and a half of very careful study by the marines, will be smaller. But it will be fast; it will be agile; it will be lethal. The number of marines in certain critical jobs, like special forces and cyber, will be increased, and unit manning levels, and thus readiness, will go up.

Both the Navy and Marine Corps will continue to decrease operational vulnerabilities in ways that are cost efficient. That means we will maintain our efforts to reduce our dependence on foreign oil and use energy more efficiently. These efforts have already made us better warfighters. By deploying to Afghanistan with solar blankets to charge radios and other electrical items, a marine patrol dropped 700 pounds in batteries from their packs and decreased the need for risky resupply missions.

Using less fuel in theater can mean fewer fuel convoys, which will save lives. For every 50 convoys, we lose a marine, killed or wounded. That is too high of a price to pay.

As much as we have focused on our fleet's assets of ships, aircraft, vehicles, and submarines, they don't sail, fly, drive, or dive without the men and women who wear the uniform and their families. They have taken care of us; they have kept the faith with us; and we owe them no less.

The commitment to sailors, marines, and their families is whether they serve 4 or 40 years. It begins the moment they raise their hand and take the oath to defend our country. It continues through the training and education that spans their career. It reaches out to their loved ones because it is not just an individual who serves but the entire family.

PREPARED STATEMENT

It supports our wounded warriors with recovery, rehabilitation, and reintegration. It continues with transition services for our veterans to locate new jobs and the GI bill for their continuing education or transfer for a family member's education. The list goes on and on and on, as it should. Our commitment to sailors and marines can never waver and can never end.

For 236 years, from sail to steam to nuclear, from the USS *Constitution* to the USS *Carl Vinson*, from Tripoli to Tripoli, our maritime warriors have upheld a proud heritage, protected our Nation, projected our power, and provided freedom of the seas. In the coming years, this new strategy and our plans to execute the strategy will assure that our naval heritage not only perseveres, but that our Navy and Marine Corps continue to prevail.

Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF HON. RAY MABUS

INTRODUCTION

Chairman Inouye and Senator Cochran, I have the privilege of appearing today on behalf of the sailors, marines, and civilians who make up the Department of the Navy. This is the fourth year that I have been honored to report on the readiness, posture, progress, and budgetary requests of the Department. The pride the Commandant of the Marine Corps, General James F. Amos; the Chief of Naval Operations (CNO), Admiral Jonathan W. Greenert; and I take in leading the dedicated men and women of the Department who selflessly serve the United States in the air, on land, and at sea is exceeded only by the accomplishments of these brave and selfless individuals.

Whatever is asked of them by the American people through their commander in chief—from Afghanistan to Libya, from assisting the stricken people of Japan to assuring open sea lanes around the world, from bringing Osama bin Laden to final justice to bringing hostages out of wherever they may be hidden by terrorists or pirates—they answer the call and get the mission done.

As we pivot away from a decade of war on two fronts in two separate nations, the Commandant, CNO, and I are confident that the U.S. Navy and the Marine Corps are well-prepared to meet the requirements of the new defense strategy and maintain their status as the most formidable expeditionary fighting force the world has ever known. No one should doubt the ability, capability, or superiority of the Navy-Marine Corps team.

The administration's defense strategic guidance, with its understandable focus on the Western Pacific and Arabian gulf region; its requirement to maintain our worldwide partnerships; and its call for a global presence using innovative, low-cost, light footprint engagements requires a Navy-Marine Corps team that is built and ready

for war—on land, in the air, on and under the world's oceans, or in the vast "cyberspace"—and operated forward to protect American interests, respond to crises, and deter and prevent war.

This new strategy, developed under the leadership of the President and the Secretary of Defense, with the full involvement of every service Secretary and service Chief, responds to the dynamic global security environment, while meeting the constraints imposed under the Budget Control Act of 2011 (BCA) passed by the Congress.

Our ability to meet the demands of this new strategy depends on the improvements we have begun and objectives we have set regarding how we design, purchase, and build new platforms, combat systems, and equipment; increase the development and deployment of unmanned systems to provide increased presence and enhanced persistence at lower cost and less danger; and how we use, produce and procure energy. Most importantly, our efforts and this new strategic guidance, and the budget that guidance informs will assure that we continue to keep faith with those who serve our country so selflessly and heroically, our sailors and marines, civilians, and their families.

FISCAL YEAR 2013 BUDGET SUBMISSION

Fleet Size

On September 11, 2001, the Navy's battle force stood at 316 ships and 377,000 sailors. Eight years later when I took office, the battle force had fallen by 49,000 sailors, and to 283 ships. Today, 3 years into the Obama administration, the fleet increased to 285 ships of all types.

Many have noted that we have the lowest number of battle force ships since 1917. But today's "Fleet" is best thought of as a fully integrated battle network comprised of sensors, manned and unmanned platforms, modular payload bays, open architecture combat systems, and smart, tech-savvy people. Thus, making comparisons between today's "total force battle network" with the battle force of 1917 is like comparing a smart phone to the telegraph. Still, even though the ships coming into service today are vastly more capable than their 1917 predecessors, at some point quantity has a quality of its own. This is why building up the number of ships in our Fleet has been a priority for this administration from day-one.

The topline reductions mandated by the BCA made holding to current Fleet numbers a difficult challenge. However, I am pleased to report to you that we have developed a plan that delivers a Fleet with the same number of ships by the end of the future year's defense plan (FYDP), as we have today—all while still meeting our fiscal obligation to support a responsible end to our ground combat mission in Afghanistan. The fiscal year 2013–2017 shipbuilding plan maintains a flexible, balanced naval battle force that will be able to prevail in any combat situation, including in the most stressing anti-access/area denial (A2/AD) environments.

While our ship count stabilizes in this FYDP, our shipbuilding plans aim to build a Fleet designed to support the new defense strategy and the joint force for 2020 and beyond. The specific requirements for this future Fleet will be determined by an ongoing force structure assessment, which should be concluded later this year. Regardless of the final battle force objective, however, you can expect to see the Fleet's ship count to begin to rise as the littoral combat ship (LCS) and joint high-speed vessels (JHSVs) built during the next 5 years begin to enter fleet service beyond this FYDP and as we sustain our major combatant and submarine building profiles. As a result, even under the fiscal constraints imposed by the BCA, the battle force is projected to reach 300 ships by 2019.

While the final ship count will be determined by the FSA, the decisions made during the recent President's fiscal year 2013 budget (PB–13) deliberations will result in a battle force consisting of:

Nuclear-Powered Aircraft Carriers and Air Wings.—With delivery of USS *Gerald R. Ford*, the first of a new class of nuclear-powered aircraft carriers, in 2015, we will have 11 CVNs in commission and will sustain that number at least through 2040. Our future carriers will be even more powerful, with new combat capabilities resident in the F–35C Lightning II Joint Strike Fighter, F/A–18E/F Super Hornet, EA–18G Growler electronic attack aircraft, E–2D Advanced Hawkeye airborne early warning aircraft, and new unmanned air combat systems.

Nuclear-Powered Attack Submarines.—SSNs are the key to sustaining our dominant lead in undersea warfare. While the procurement of one *Virginia*-class submarine was delayed from 2014 to 2018 to help free up budget resources in the FYDP, the planned fiscal year 2014–2018 Multiyear Procurement of nine submarines remains intact. To mitigate the loss of large undersea strike capa-

bility when SSGNs retire in 2026–2028, we invested research and development for the Virginia Payload Module (VPM). VPM could provide future *Virginia*-class SSNs with an additional four SSGN-like large diameter payload tubes, increasing each SSN's Tomahawk cruise missile capability from 12 to 40. While we are committed to a long-term force goal of 48 SSNs, low submarine build rates during the 1990s will cause us to fall below that number for some time starting in the late 2020s. We continue to explore ways to limit the submarine shortfall by increasing the near-term submarine build rate, improving affordability, and maintaining the health of this critical industrial base.

Guided Missile Cruisers and Destroyers.—The *Arleigh Burke*-class DDGs remain in serial production, with funding in place for a nine-ship fiscal year 2013–2017 MYP. The next flight of DDG 51s will introduce a more powerful and capable Air and Missile Defense Radar in fiscal year 2016. We project that the new defense strategy will require slightly fewer large surface combatants so we will retire seven *Ticonderoga*-class CGs in this FYDP—all but one before a planned mid-life ballistic missile defense upgrade, and that one had serious structural issues—achieving considerable cost savings at relatively low risk. The long-term inventory of guided missile cruisers and destroyers is projected to come down as combatants built at the rate of 3–5 per year during the cold war begin to retire in the 2020s. We are exploring a variety of ways to mitigate these losses.

Littoral Combat Ships.—With their flexible payload bays, open combat systems, ability to control unmanned systems, and superb aviation and boat handling capabilities, LCSs will be an important part of a more agile future Fleet. New crew rotation plans, built on a modified version of the highly successful SSBN two-crew model, will allow for substantially more LCS forward presence than the frigates, mine counter-measures ships, and coastal patrol craft they will replace, and will free our more capable multimission destroyers for more complex missions. Although forced to shift two LCSs outside the current FYDP to achieve cost savings, we remain fully committed to our plan to ultimately purchase 55 of these warships.

Amphibious Ships.—Thirty amphibious landing ships can support a two-Marine Expeditionary Brigade (MEB) forcible entry operation with some risk. To generate 30 operationally available ships, the strategic review envisions an amphibious force consisting of 32 total ships, or 5 ships more than we have in commission today. The ultimate fleet will consist of 11 big deck amphibious ships, amphibious transport dock LPD–17s, and 10 landing ship, dock ships. To support routine forward deployments of Marine Expeditionary Units, the amphibious force will be organized into nine, three-ship Amphibious Ready Groups (ARGs) and one four-ship ARG in Japan, plus an additional big-deck amphibious ship available to support contingency operations worldwide. We will place two LSDs into reduced operations status, allowing us to reconstitute an eleventh ARG in the future, or to build up the number of ships in the active inventory, if necessary. Consistent with these changes, we have deferred procurement of a new LSD, aligning it with LSD–42s planned retirement. We also intend to disband the third maritime prepositioning force squadron that we placed in reserve last year due to fiscal restraints and reorganize the two remaining active squadrons with more capable ships, making them more effective.

New Afloat Forward Staging Bases.—Navy is proposing to procure a fourth Mobile Landing Platform (MLP) in fiscal year 2014, configured to serve as an Afloat Forward Staging Base (AFSB). This AFSB will fulfill an urgent combatant commander request for sea-based support for mine warfare, Special Operations Forces, intelligence, surveillance and reconnaissance (ISR), and other operations. To speed this capability into the fleet and to ultimately provide for continuous AFSB support anywhere in the world, we also intend to request congressional approval to convert the fiscal year 2012 MLP into the AFSB configuration, resulting in a final force of two MLPs and two AFSBs. This mix will alleviate the demands on an already stressed surface combatant and amphibious fleet while reducing our reliance on shore-based infrastructure.

Most of the ship reductions in the President's fiscal year 2013 budget submission—16 fewer than the comparable years' in the fiscal year 2012 budget—are combat logistics and Fleet support ships and reflect prudent adjustments to our new strategy and a lower defense topline. For example, 8 of the 16 ships cut from our 5-year plan were JHSVs. These cuts reflect the new 10-ship JHSV requirement developed during our strategy review.

In addition, we simply delayed purchasing three new oilers, which were part of an early changeover from single-hulled to more environmentally safe and internationally accepted double-hulled ships. Our current Fleet of oilers will not start to

retire until the 2020s, so there is no impact on the number of available oilers for Fleet operations. Finally, an ocean surveillance ship was added to the Navy's plan last year to provide greater operational depth to our current Fleet of five ships; however, after careful consideration, we concluded we could meet our operational needs with five ships and could cut the sixth ship with manageable risk.

Ships are not the only platforms in our "total force battle network". Accordingly, the new defense strategic guidance also required us to review and evaluate the needs of our naval aviation community going forward into the 21st century. We plan to complete our purchases of both the F/A–18 Super Hornet and the EA–18 Growler within the next 2 years. The Department recently completed a review of our aviation requirements for the F–35 that validates our decision to purchase for the Navy and Marine Corps 680 F–35s over the life of the program. While we plan to slow procurement over the next 5 years to address program risks, especially concurrency, we remain committed to procuring 680 aircraft. The F–35B, the short-take-off-vertical-landing variant, completed successful at-sea trials onboard the USS *Wasp* and overall testing is proceeding very well. For the carrier version, the F–35C testing exceeded the plan by 30 percent last year. In light of this encouraging testing performance, we are even more confident that this multirole, cutting-edge platform will more than meet our tactical requirements in the future security environment.

The Navy and the Marine Corps continue to carefully monitor strike fighter capacity requirements as well. Changes in the Marine's force structure, accelerated transition from the legacy Hornet aircraft to the Super Hornets, and a reduction in use resulted in an appropriately sized strike fighter aircraft inventory. Based on current assumptions and plans, our strike fighter aircraft shortfall is predicted to remain below a manageable 65 aircraft through 2028 with some risk.

In the far term, the Navy will need to replace its F/A–18E/F Fleet. Pre-Milestone A activities are underway to define the follow-on F/A–XX aircraft. Options include additional F–35s, a variant of the Unmanned Carrier-Launched Airborne Surveillance and Strike (UCLASS) system, a new manned/unmanned platform, or some combination of these. While we remain committed to the first-generation UCLASS, which will provide a low-observable, long-range, unmanned ISR-strike capability that will enhance the carrier's future ability to project power in anticipated A2/AD threat environments, the target date for a limited operational capability has shifted by 2 years from 2018 to 2020 to reduce schedule and technical risk, as well as to meet the savings targets mandated by the BCA.

The planned reduction in our cruiser inventory has decreased requirements for MH–60R Seahawk helicopters, allowing us to reduce procurement in this program by nine aircraft. Fiscal constraints have also led us to reduce E–2D Hawkeye and P–8 Neptune procurement over the FYDP. We still intend to procure all the aircraft originally planned but at a slower rate.

Future Force Structure Assessment and Re-Designation of Primary Mission Platforms

Given the broad refocus of the Department of Defense (DOD) program objectives reflected in the new defense strategy, the Navy has undertaken analysis of the existing force structure requirements and, in conjunction with ongoing internal DOD studies and planning efforts, is reworking an updated FSA against which future requirements will be measured. The new FSA will consider the types of ships included in the final ship count based on changes in mission, requirements, deployment status, or capabilities. For example, classes of ships previously not part of the battle force such as AFSBs developed to support SOF/nontraditional missions, patrol combatant craft forward deployed to areas requiring that capability, and *Comfort*-class hospital ships deployed to provide humanitarian assistance, an expanded core Navy mission, may be counted as primary mission platforms. Any changes in ship counting rules will be reported and publicized. Any comments on total ship numbers in this statement are based on current counting rules.

As noted earlier, in the years beyond the current FYDP, we have a plan that puts us back on track to increase our Fleet and ensure capacity matches the demands of the mission. However, with the Fleet and force we have today, we will meet the requirements of the new strategy, continue to protect our national interests, preserve our ability to deter or defeat aggressors, and maintain the industrial base needed.

Marine Corps

After a decade of hard fighting in Iraq and Afghanistan, the Marine Corps will return to its maritime roots and resume its traditional role as the Nation's naval expeditionary force-in-readiness. We will carefully manage reduction in active duty end strength from 202,000 to 182,100 by the end of fiscal year 2016. Drawing upon

its long history of aligning its training and structure with areas of operations, the Marines will continue to provide tailored security force assistance and to build partnership capacity missions with allies and other regional partners. Along these same lines, the Marine Corps will continue to leverage the experience gained over the past decade of nontraditional warfare to strengthen its ties to the special operations community. The resulting middleweight force will be optimized for forward presence, engagement, and rapid crisis response through strategic positioning at forward bases in the Western Pacific and Indian Oceans, as well as renewed participation in traditional Amphibious Ready Group/Marine Expeditionary Unit (ARG/MEU) exercises. The Marine Corps shall maintain required readiness levels throughout the transition process. Most importantly, we will drawdown without breaking faith with Marines and their families.

In summary, the Department's strategy calls for a world-class Navy-Marine Corps team, and our plan delivers one that is fully ready to meet the current and emerging challenges. We will maintain a strong naval presence in the Western Pacific, Indian Ocean, and the Middle East. This will be accomplished by adjusting basing assignments for some units from the Atlantic to the Pacific, as well as by increasing the number of units operating from ports located in theaters of interest. We are still committed to strategic dispersal. The Department will, for example, operate four LCSs from Singapore. Similarly, we will continue to expand our usage of AFSB and coastal patrol boats around Africa and in the Arabian gulf to counter the growth of piracy and the growing threat of swarming small boats as well as to help partner nations build their own maritime capacity while upholding our national interests. We also received two high-speed ferries from the Maritime Administration, which will most likely operate in the Western Pacific supporting the peacetime transport of U.S. Marine Corps forces deployed to Okinawa and Australia.

Seapower and Naval Presence

Since the end of the second World War, the Navy-Marine Corps team has acted as the guarantor of the global maritime commons, upholding a sophisticated set of international rules that rest upon two inextricably linked principles: free trade and freedom of navigation. These principles have supported an era of unprecedented economic stability and growth, not just for the United States but for the world at large.

This period of growth has resulted in a truly "globalized" economy which owes much to the unique scalability and flexibility of our naval forces. We can reroute Navy ships and Marine Corps units to create appropriate responses as actions unfold. We can shift force concentrations from the Atlantic to the Pacific or from the southern oceans to northern seas with ease. From a single JHSV to a Carrier Strike Group and from a Marine Fleet Anti-terrorism Security Team to an Expeditionary Unit, combatant commanders can scale naval forces and their responses appropriately to emerging challenges across the spectrum of engagement. Our forces are flexible enough to shift from supporting combat air patrols over Afghanistan to providing humanitarian assistance and disaster relief in Japan at a moment's notice. Much of their flexibility derives from the use of the high seas as a vast, unencumbered maneuver space. This freedom of navigation allows our naval forces to gather information, perform surveillance and reconnaissance of seaborne and airborne threats, defend regional partners, interdict weapons of mass destruction, disrupt terrorist networks, deter, and, if necessary, defeat prospective adversaries.

LAW OF THE SEA

The traditional freedom of the seas for all nations developed over centuries, mostly by custom, have been encoded within the United Nations Convention on the Law of the Sea (UNCLOS). This important treaty continues to enjoy the strong support of DOD and the Department of the Navy. The UNCLOS treaty guarantees rights such as innocent passage through territorial seas; transit passage through, under and over international straits; and the laying and maintaining of submarine cables. The convention has been approved by nearly every maritime power and all the permanent members of the UN Security Council except the United States. Our notable absence as a signatory weakens our position with other nations, allowing the introduction of expansive definitions of sovereignty on the high seas that undermine our ability to defend our mineral rights along our own continental shelf and in the Arctic. The Department strongly supports the accession to UNCLOS, an action consistently recommended by my predecessors of both parties.

NAVAL OPERATIONS IN 2011

Naval presence serves as a deterrent against those who would threaten the national interests of the United States even as it assures allies and partners of our

consistent commitment. Our enduring national security interests require our continued presence to provide the President and our Nation with credible response options to deter conflict and, if necessary, defend the United States' national security interests from the sea. From counterinsurgency and security force assistance operations in Afghanistan to ballistic missile defense and humanitarian assistance missions in Europe and the Western Pacific and naval engagement in South America and Africa, our sailors and marines are making a difference around the globe every day. On any given day, more than 72,000 sailors and marines are deployed and almost one-half of our 285 ships are underway, responding to tasking where needed by the combatant commanders.

Visiting our forward-deployed forces and meeting with allies and partners, commanders and staffs, and our marines and sailors on the ground provides insights as to how we can better support all of their critical efforts. In June, September, and again in December, I travelled to Helmand province in Afghanistan on behalf of the Department and visited forward operating bases. These were my fifth, sixth, and seventh trips to theater in Afghanistan. In each area, Taliban offenses and infiltration had been forcefully rebuffed. Critical relations had been built with local Afghan leaders and significant progress has been made towards the goal of creating effective Afghan security forces that will be able to build on these efforts. I also visited Camp Leatherneck and, among other things, toured the Concussion Restoration Care Center where I met with wounded warriors. At all of my stops, I expressed the appreciation of the American people for the courage and sacrifices of our marines and sailors who serve alongside them on the field of battle.

For more than 6 decades, our Navy-Marine Corps team has been the strongest naval force afloat and we are committed to maintaining this position of influence. Our strength, versatility, and efficacy derive from our unique capacity for global reach, our focus on warfighting excellence and our commitment to maintaining naval presence in regions vital to our national interests. We cannot predict the exact nature of the challenges facing the Department in the 21st century, but a glimpse back at operations in 2011 illustrate the increasing variability of events that required a flexible naval response.

Special Operations.—United States Navy SEALs remain decisively engaged throughout the globe conducting the Nation's most sensitive and important counterterrorism operations. They served with great distinction in Iraq and continue to serve in Afghanistan with telling effect. From the killing or capturing of the most wanted terrorists to the rescue and recovery of captured American citizens abroad, we ask them to do the most daunting of missions.

Operations in Iraq, Afghanistan, and Libya.—Having completed operations in Iraq, the Department has maintained more than 23,000 marines and sailors in Afghanistan, largely associated with Regional Command-Southwest based in Helmand province. This force provides security and seeks to build the self-defense capacity of our Afghan partners. Currently, the Navy has deployed just more than 8,000 sailors on the ground, 2,920 of whom are reservists, across the Central Command supporting joint and coalition efforts. Another 10,000 sailors are in the Arabian gulf and the Indian Ocean supporting combat operations from destroyers, submarines, supply vessels, and aircraft carriers, which launch around 30 percent of the aircraft conducting combat air patrols over Afghanistan. On the first day during the opening moments of Operation Odyssey Dawn in Libya, the U.S. Navy launched 122 Tomahawk cruise missiles from two surface ships and three submarines, including the guided missile submarine USS *Florida*, the first time one of these converted ballistic missile submarines has fired ordnance in live operations. Ground-based Navy E/A–18G Growlers flying combat missions in Iraq were repositioned to support Odyssey Dawn, and within 44 hours, engaged hostile forces in Libya. When violence erupted across northern Africa and the Middle East, significant portions of the USS *Kearsage* ARG and 26th MEU, then off the coast of Pakistan, were directed to take station off the coast of Libya.

Ballistic Missile Defense.—Another newly emergent mission centers on the ballistic missile defense (BMD) capable *Ticonderoga*-class cruisers and *Arleigh Burke*-class destroyers that provide homeland defense-in-depth as well as the protection of U.S. and allied forces in distant theaters. As ballistic missile capabilities have proliferated around the globe, the demand for BMD capable ships has increased dramatically. For example, over the past year, BMD ships like the USS *Ramage*, USS *Monterey*, and USS *Stout* took up station in the Eastern Mediterranean to provide BMD for both Europe and Israel. Elsewhere, elements of Destroyer Squadron Fifteen provided similar support in the waters surrounding Japan.

Humanitarian Assistance and Disaster Relief.—Following the devastating earthquake and tsunami last year that resulted in the deaths of more than 15,000 Japanese citizens, the displacement of thousands, and the worst nuclear accident since

Chernobyl, the Ronald Reagan Strike Group, en route to support combat operations missions in Afghanistan, was diverted to Japan to provide humanitarian assistance. Upon arrival, instead of combat, the crews were employed to shuttle tons of water, food, and blankets to displaced victims ashore, while the strike group's ships simultaneously served as landing and refueling stations for Japanese self-defense force (JSDF) rescue helicopters operating in the region. The Reagan Strike Group supplemented units of the USS *Essex* ARG with its embarked 31st MEU, which is forward deployed in Japan, in what became known as Operation Tomodachi—"Friendship" in Japanese. Elements of the USS *Essex* ARG airlifted more than 300 JSDF personnel and 90 vehicles from Hokkaido to disaster areas while USNS *Safeguard* and Mobile Dive and Salvage Unit One transported relief supplies to Yokosuka for distribution throughout the affected areas. Additionally, the Navy transported the equipment and personnel of the Pearl Harbor Naval Shipyard's Radiological Control Team as well as the Marine Corps' Chemical Biological Incident Response Force to Japan to assist with nuclear monitoring efforts.

Anti-Piracy.—Throughout the year the Navy performed the critical mission of combating piracy and supporting the anti-piracy efforts of our allies and partners in the region. Ships operated in conjunction with allies and partners in the vicinity of the Horn of Africa to prevent the disruption of the free flow of trade in the Gulf of Aden. More recently elements of the *Stennis* Strike Group freed Iranian citizens who were being held hostage by pirates in the Arabian Sea. Their actions directly resulted in the capture or killing of 21 pirates and the freeing of 38 hostages.

Partnership Stations and Maritime Exercises.—The Navy remains committed to building our partner nations' capacities to provide for their own maritime security. This year we once again created "partnership stations" in the Pacific Ocean and Caribbean Sea, off the coast of South America and around the continent of Africa to work with local navies to educate their leaders, train their sailors, strengthen their material infrastructure, increase their maritime domain awareness, and raise their response capacity. USS *Cleveland*, USS *Oak Hill*, USS *Robert G. Bradley*, the hospital ship USNS *Comfort* and high-speed vessel *Swift* were strategically deployed to work with the maximum number of partner navies to provide medical care and security training while building local naval capacity to plan and conduct operations in the maritime environment.

Last, with an eye to the future of naval and maritime operations in an increasingly ice-free Arctic, the *Virginia*-class submarine USS *New Hampshire* and the *Seawolf*-class submarine USS *Connecticut* conducted Ice Exercise 2011 with Canadian and United Kingdom counterparts in the Arctic Ocean.

AIR-SEA BATTLE

The Navy and Marine Corps are working with the Air Force to implement the Air-Sea Battle concept which seeks to improve integration of air, land, maritime, space, and cyberspace forces in order to provide combatant commanders the range of military capabilities necessary to maintain operational access and deter, and if necessary defeat, an adversary employing sophisticated A2/AD capabilities and strategies.

The Air-Sea Battle concept leverages the military and technological capabilities as well as unprecedented Naval and Air Force collaboration, cooperation, integration, and resource investments within the services' purview to organize, train, and equip.

The jointly manned Air-Sea Battle Office has defined a series of initiatives to achieve the capabilities and integration required in future naval and air forces so that combatant commanders have the tools necessary to ensure U.S. freedom of action in future years.

As we work to implement and enhance the Air-Sea Battle concept, the Navy continues to invest in capabilities to counter advanced A2/AD challenges, including:

—BMD enhancements both in the Aegis Combat System and the Standard Missile, as well as myriad "soft-kill" initiatives;
—integration of advanced air and cruise missile defense capabilities;
—harpoon missile replacement, which will increase the range (and speed) at which we can engage enemy surface combatants armed with advanced anti-ship cruise missiles;
—*Virginia*-class submarines and the VPM, which has the potential to mitigate the loss of the SSGN undersea strike capacity when they retire in the mid-2020s;
—improvements in Joint Force Command, Control, Communications, Computers; and intelligence, surveillance, and reconnaissance capabilities which will significantly increase our information gathering and warfighting coverage in access-challenged areas, as well as provide counters to adversary capabilities; and
—cyberspace capabilities.

DEPARTMENTAL PRIORITIES

The Department must adhere to four key priorities with strategic, tactical, operational and management elements if we are to maintain our position as the world's most formidable expeditionary fighting force while continuously evolving our Navy and Marine Corps as a strategic asset that provides our Commander-in-Chief with the broadest range of options in a highly dynamic international security environment. These priorities remain:

—taking care of our sailors, marines, civilians, and their families;
—treating energy as a strategic national security issue;
—promoting acquisition excellence and integrity; and
—continuing development and deployment of unmanned systems.

These principles guide the direction of the Department, from training our recruits at Great Lakes, Parris Island, and San Diego, to our ongoing operations in central Asia and the Western Pacific, to acquiring the Navy and Marine Corps of the future.

In the end it all comes down to stewardship; the careful management of our people, platforms, infrastructure, and energy to guarantee that your Navy and Marine Corps are ready to defend our Nation's interests.

Taking Care of Sailors, Marines, Civilians, and Their Families

As we move forward, the Department is committed to our most important asset—our sailors, marines, civilians, and their families. A large part of our commitment is the careful attention to pay and benefits. No one's pay will be cut; only the growth of pay is slowed in the later years of our 5-year plan. Specifically, we are proposing continued pay raises at 1.7 percent for military personnel in fiscal year 2013 and fiscal year 2014, in line with the private sector, recognizing the continued stress on our forces and their families, and providing time for families to adjust.

We support asking the Congress to establish a commission with authority to conduct a comprehensive review of military retirement in the context of overall compensation. The Commission should seek ways to identify improvements in the military retirement system, ensuring any proposed change to military retirement supports required force profiles of DON in a cost-effective manner. We believe that the Commission should protect, through grandfathering, the retirement benefits of those currently serving.

With so much of our defense strategy dependent upon our Navy and Marine Corps, we must ensure that our resources support the most combat effective and the most resilient force in our history. We must set high standards, but at the same time we must provide individuals with the services needed to meet those standards. The Department will soon announce the 21st century sailor and marine initiative, which is a set of objectives and policies across a spectrum of wellness that maximizes sailor and marine personal readiness. The program consists of five pillars:

—readiness;
—safety;
—physical fitness;
—inclusion; and
—the continuum of service.

Readiness will ensure sailors, marines, civilians, and their families are prepared to handle the mental and emotional rigors of military service. Both services are introducing campaigns this year to deglamorize, treat, and track alcohol use. We will also develop new means to reduce suicides and increase our family and personal preparedness programs. This includes zero tolerance for sexual assault. The DON Sexual Assault Prevention and Response Office was created and made part of the secretarial staff to keep the issue at the front of the discussion, to strengthen the lines of communication with the Navy Judge Advocate General (JAG) and Naval Criminal Investigative Service (NCIS), and to make sure the Secretariat received frequent updates about the incidents of sexual assault and our progress towards reducing the number of attacks. We are continually working to improve the reporting, investigation, and disposition of sexual assault cases ensuring commanders, investigators, and prosecutors receive sufficient training and appropriate resources. Last year, JAG finalized a complete revision of the advanced trial advocacy courses that train litigators involved in sexual assault cases as well as filled the Deputy Director of the Trial Counsel Assistance program position with a senior civilian sexual assault litigator. JAG and NCIS are working aggressively to educate lawyers and agents on the unique aspects of sexual assault cases. NCIS has hired personnel to provide assistance and support to NCIS special agents; this will enable special agents to focus on conducting investigative activities, trial preparation, and prosecutorial testimony relative to adult sexual assaults.

Our efforts to ensure the safest and most secure force in the Department's history extend to encouraging the safe use of motor vehicles and motorcycles.

Physical fitness is an important central pillar that resonates throughout the 21st century sailor and marine program. Personal fitness standards throughout the force will be emphasized. We will also improve nutrition standards at our dining facilities with the introduction of "Fueled to Fight". Fueled to Fight ensures that healthy food items will be available and emphasized at every meal.

The Department will be inclusive and consist of a force that reflects the Nation it defends in a manner consistent with military efficiency and effectiveness. The Department will also reduce restrictions to military assignments for personnel to the greatest extent possible, consistent with our mission and military requirements. We must ensure that all who want to serve have opportunities to succeed and barriers that deny success are removed. Nothing reflects our core values of honor, courage, and commitment better than having an organization characterized by fairness and dedication. Last year for the first time ever, 16 women were assigned to submarines. This will expand command-at-sea opportunities and eventually increase the chances for more women to be promoted to admiral. Additionally, we need an officer corps that is representative of the enlisted force it leads. Through increased minority applications from diverse markets, the United States Naval Academy and Naval Reserve Officers' Training Corps (NROTC) programs are achieving historical racial and ethnic diversity rates. The United States Naval Academy received nearly 7,000 minority applications for its class of 2014, nearly double that of the class of 2010. Along with recent NROTC additions at Harvard, Yale, Columbia, and Arizona State University (with the largest undergraduate population in the country), next we are establishing an NROTC unit at Rutgers University. Not only is it one of the Nation's top engineering schools, but more than one-half of its class of 2014 identify themselves as minority.

The final pillar, continuum of service, will provide the most robust transition support in the Department's history. Individuals choosing or selected for either separation or retirement will be afforded a myriad of assistance programs and benefits that are available to them as they transition to civilian life. These programs, which include education benefits, transition assistance, career management training, counseling, life-work balance programs, and morale, welfare, and recreation programs, have been recognized by human resource experts as some of the best corporate-level personnel support mechanisms in the Nation.

Because the Navy and the Marine Corps were highly successful in meeting their recruiting goals, we have been able to be very selective, accepting only the very best candidates who are morally, mentally, and physically ready to serve. Historically high-retention rates have put us below our active duty manning ceiling of 322,700 sailors and 202,100 marines. Our recruiting classes have gotten smaller, as have our "A" school classes, and promotion rates from E–4 to E–6 have fallen as well. More officers in the O–5 and O–6 pay grades are choosing to remain on active duty rather than retire, leading to smaller promotion selection groups and repeated adjustments to promotion zones.

We have attempted to deal with this challenge within the enlisted ranks by instituting the "Perform to Serve" program that used a detailed algorithm to advise personnel specialists on who should be allowed to re-enlist, but this approach did not fully address either the systemic manning challenge confronting us or the unsustainable overmanning in certain enlisted ratings. This past year, given fiscal constraints and manpower draw-downs, we decided to confront the problem head on and convened special administrative enlisted retention boards, senior enlisted continuation boards, and officer selective early retirement boards to pare back overmanned enlisted ratings and officer ranks. It was a difficult decision to use these force management tools, but the future of the Department requires us to fix the problem now rather than further delaying a decision.

Another vital support program that we remain committed to is the support we provide to our wounded warriors. Since 2001, more than 900 sailors and nearly 13,000 marines have been wounded as a result of combat operations in Iraq and Afghanistan. This year we completed the alignment of the Army's Walter Reed Medical Center with our own National Naval Medical Center in Bethesda, and we continued to invest in the doctors, techniques, and technologies to care for the injuries that have become representative of modern warfare:

—traumatic brain injury;
—amputations;
—burns; and
—post-traumatic stress disorder.

The requirements for the Purple Heart were updated to include the immediate and lasting damage associated with brain injuries.

Part of our commitment centers around the families and caregivers that support our wounded warriors as they endure the challenges of recovery, rehabilitation, and reintegration. The 2010 National Defense Authorization Act provided a Special Compensation for Assistance with Activities in Daily Living to help offset income lost by those who provide nonmedical care and support to servicemembers who have incurred a permanent catastrophic injury or illness.

Driven by the moral obligation to assist our injured heroes, the Department has set a goal of being able to offer every combat wounded sailor or marine an opportunity to continue their service as a civilian on the Navy/Marine Corps team. Our Wounded Warrior Hiring and Support Initiative aims to increase the number of veterans with a 30 percent and above service-connected disability into our workforce. Through this initiative, we have hired more than 1,000 veterans with 30 percent and above service-connected disability rating in fiscal year 2010 and fiscal year 2011. Our Naval Sea Systems Command alone hired 509 service-disabled veterans for fiscal year 2011, exceeding its goal of hiring one veteran for each day of the fiscal year. We recently held our second annual Wounded Warrior Hiring and Support Conference to provide prospective employers and human resource professionals with the tools and resources to enable them to hire, train, and retain our wounded warriors in the civilian workplace.

This past August the President announced his Veteran's Employment Initiative that extends tax credits to businesses that hire veterans. We work with the Departments of Veterans Affairs and Labor to establish programs that ease the transition of veterans into the civilian world. We are also heavily engaged through the Yellow Ribbon Program in supporting the reintegration efforts of our reserve forces.

I want to address the defense budget proposals regarding healthcare costs. The DON and DOD on the whole continue to face rapidly rising costs in healthcare. In 2001, DOD healthcare costs were approximately $19 billion. By 2010 that amount had risen to $51 billion and as a percentage of our budget is approaching 10 percent. This rate of rise cannot be sustained. We continue to streamline our staffs and standard operating procedures in an ongoing effort to manage costs while retaining quality patient care and overall customer satisfaction. One area where we continue to be challenged is system accessibility for our retiree community, especially in areas where bases have been closed due to the base realignment and closure process, leaving behind a large retiree population with no local access to military treatment facilities. Increasing use of the affordable Mail Order Pharmacy program and implementing modest fee increases, where appropriate, would go far toward ensuring the long-term fiscal viability of the system while preserving equity in benefits for our retirees.

I consider my obligations to the well-being of every sailor and marine, and every family member under their care to be sacrosanct. We worked carefully to develop these proposals, with all participants—the Government, the providers of healthcare, and the beneficiaries-sharing in the responsibility to better manage our healthcare costs. I have previously asserted that as a former Governor, I well know that the growth in healthcare costs is an issue for the country, not just the military. But, we all have to do our part. The TRICARE benefit remains one of the best benefits in the country. I hope you will support our proposed changes.

Also this past year the Department, along with the other military departments, worked with the U.S. Chamber of Commerce and more than 70 employers to launch a program targeted at expanding the career opportunities for military spouses. The Military Spouse Employment Partnership seeks to help the business community recognize the skills and talents that military spouses bring to the workforce but are unable to fully leverage due to frequent moves of the servicemember in the family. This partnership between the military and the business community promises to tap into the energy of one of the most hard-working, highly skilled, educated, and yet under-utilized segments of our population.

Overall, the fiscal year 2013 budget reflects a responsible request for the fiscal support and resources required to support our marines, sailors, their families, and our retirees in the face of increasing operational pressures and financial demands upon them. Thank you for your continuing support.

Energy Security and Sustained Leadership

We must reform how the Navy and the Marine Corps use, produce, and procure energy, especially in this fiscally constrained environment. We must use energy more efficiently; however, the Department must also lead on alternative energy or we will leave a critical military vulnerability unaddressed, further straining the readiness of our sailors and marines to be able to respond wherever and whenever called to defend and protect America's interests.

Fuel is a tactical and operational vulnerability in theater; guarding fuel convoys puts our sailors' and marines' lives at risk and takes them away from what we sent them there to do:

—to fight;

—to engage; and

—to rebuild.

The Department is also exposed to price shocks in the global market because too much fuel comes from volatile regions, places that are vulnerable to instability and ruled by regimes that do not support our interests. Every time the cost of a barrel of oil goes up $1, it costs the Department $30 million in extra fuel costs. In fiscal year 2012 alone, in large part due to political unrest in oil-producing regions, the price per barrel of oil is $38 more than was budgeted increasing the Navy's fuel bill by more than $1 billion. These price spikes must be paid for out of our operations funds. That means that our sailors and marines are forced to steam less, fly less, and train less. The threat of price spikes is increased by the vulnerability of choke points. Energy analyst have speculated that if Iran ever succeeded in closing the Strait of Hormuz, the price of oil could rise by 50 percent or more in global markets within days.

We would never let the countries we buy oil from build our ships or our aircraft or our ground vehicles, but we give them a say on whether those ships sail, whether those aircraft fly, whether those ground vehicles operate because we buy their oil. As a Nation we use more than 22 percent of the world's fuel, but only possess less than 2 percent of the world's oil reserves. Even if we tap every domestic resource we do not have enough to meet all of our needs over time, and as a minority producer of fuel we will never control the price.

That is why in the fall of 2009, I established five goals for the Department, the broadest of which is that by no later than 2020, 50 percent of the Department's energy will come from alternative sources. These goals drive the Navy and the Marine Corps to use energy more efficiently, to explore wider use of alternative energy, and to make energy a factor in the acquisition of our next ships, tactical vehicles, and aircraft.

As one example of our success, the Marine Corps continues to aggressively pursue technologies that will help achieve greater energy efficiency while increasing combat effectiveness in the theater. The Third Battalion, Fifth Marines, deployed to the Helmand Province in Afghanistan with solar blankets to power radios, LED lights to illuminate tents, and solar generators to provide power. One 3-week patrol was able to reduce their carrying weight by 700 pounds, reducing the number of dangerous resupply missions needed. Even in a tough fight in Sangin, the marines managed to cut fuel use and logistical support requirements by 25 percent at main operating bases and up to 90 percent at combat outposts by relying on these alternative energy technologies. The Marine Corps is committed to finding more innovative solutions to decreasing dependence on convoys by conducting two experimental forward operating bases per year (one in Twentynine Palms and one in Camp Lejeune).

Another initiative to increase alternative energy supply is using advanced, drop-in biofuel in aircraft and ships. Our criteria for this fuel are straightforward. It must be "drop in" fuel requiring no changes to our aircraft or our ship or our infrastructure; it must be derived from nonfood sources; and its production should not increase our carbon footprint as required by law. In 2011, the Department completed testing on 50/50 blends of drop in biofuel and jet fuel on all manned and unmanned aircraft, including an F/A–18 Hornet at MACH 1.7 and all six Blue Angels during an air show. The Department has also tested an experimental Riverine Command Boat, a self-defense test ship, a ridged hull inflatable boat, and a Landing Craft Air Cushion that traveled at more than 50 knots.

In March of this past year, the President directed the Departments of Agriculture, Energy, and the Navy to partner with the private sector to catalyze a domestic, geographically dispersed, advanced biofuel industry for the United States. In response to this directive, Energy Secretary Dr. Steven Chu, Agriculture Secretary Tom Vilsack, and I signed a memorandum of understanding (MOU) committing our departments to jointly partner with industry to construct or retrofit multiple domestic commercial or pre-commercial scale advanced drop-in biofuel refineries capable of producing cost competitive fuels. Under the MOU we issued a request for information in August, which drew more than 100 responses in 30 days from companies ranging from major oil companies and large defense contractors to small businesses.

In December, Defense Logistics Agency energy awarded a contract on our behalf to purchase 450,000 gallons of biofuel; the single largest purchase of biofuel in Government history. The Department will use fuel from this purchase—awarded to the most competitive bidder under full and open competition—to demonstrate the capability of a carrier Strike Group and its air wing to burn alternative fuels in a full

operational environment including underway replenishments for destroyers and refueling of helos and jets on the deck of an aircraft carrier. The demonstration will take place as part of the Rim of the Pacific naval exercise.

We are also pursuing efficiencies measures in our fleet. The USS *Makin Island*, the Navy's first hybrid electric-drive ship, saved $2 million on its maiden voyage from Pascagoula, Mississippi to its homeport in San Diego, California. It is estimated to save approximately $250 million in fuel costs over the course of its lifetime—approximately 40 years—at current energy prices.

A hybrid electric drive system will also be installed as a retrofit proof of concept on the USS *Truxtun* (DDG 103)—an existing Navy destroyer. We estimate that successful testing will result in fuel savings of up to 8,500 barrels per year. If these tests are successful we will continue to install hybrid electric drives as a retrofit on other DDGs in the fleet. The U.S. Navy has been installing stern flaps to reduce drag and energy on amphibious ships in an effort to make them more fuel-efficient, which could save up to $450,000 annually in fuel costs per ship.

Whether it is the procurement of new ships and aircraft or the retrofit of existing platforms, we are making energy a consideration in the acquisition process. In addition to traditional performance parameters such as speed, range, and payload, the Department is institutionalizing energy initiatives that will save lives, money, and increase warfighting capability. Analyzing energy costs during the "analysis of alternatives" phase of major defense acquisition programs will ensure warfighters get the speed, range, and power they require, as well as help the Department manage the life-cycle costs of its systems. The Marine Corps pioneered this approach last year by including system energy performance parameters in developing a new surveillance system and the Navy has included energy criteria as part of the procurement of the LSD–X.

All across our shore installations, the Navy and the Marine Corps are also undertaking energy-efficiency initiatives and installing alternative energy wherever practical. As just one example, at China Lake Naval Air Weapons Station we are a net contributor to the local power grid, creating more than 270 megawatts (MW) of clean, affordable geothermal power in partnership with the private sector.

And in January, we tapped the vast renewable energy resources available at China Lake again breaking ground on a 13.8MW solar array, offsetting 30 percent of the base's electric load. The contract is a 20-year power purchase agreement (PPA) having no upfront costs to the Navy and saving the Navy $13 million during its term.

To meet the energy goal of 50-percent alternative energy ashore, I have directed the Navy and the Marine Corps to produce or consume one gigawatt of new, renewable energy to power naval installations across the country using existing authorities such as PPAs, enhanced use leases, and joint ventures. One gigawatt of renewable energy could power 250,000 homes, or a city the size of Orlando. This will be a broad and dynamic project that, over the life of the contract, will not cost the taxpayer any additional money, and will create domestic private sector jobs. This will be our path to unlocking our Nation's clean-energy potential that leaves our military more secure, agile, flexible, and ready.

To further facilitate our partnerships with industry, the Department is trying to make our contracting opportunities more accessible. Two years ago, we introduced a Web site called Green Biz Ops which aggregates our energy and efficiency opportunities for procurement. This site helps all companies interested in doing business with the Navy—and especially small businesses—find opportunities in one place. In partnership with the Small Business Administration last year our agencies launched a "2.0" version of Green Biz Ops called the Green Procurement Portal which expands the site to include more features as well as energy opportunities across DOD and the Federal Government.

To prepare our leadership to achieve our energy goals, this fall the Naval Postgraduate School (NPS) began offering a dedicated energy graduate degree program, the first military educational institution to do so. Later this year, NPS will launch an Executive Energy Series to bring our senior leadership together to discuss specific energy challenges that confront the Navy and the Marine Corps. This energy-focused masters degree program and the executive energy series will target both the current and future civilian and military leadership of the Navy and the Marine Corps.

Further, promotion boards have been directed to specifically consider the background and experience in energy some of our men and women in uniform are gaining today. Energy is not just an issue for the future or just the young officers and policy experts that attend NPS. It is an issue for all of us.

Those who question why the Navy should be leading on energy should study their history. The Navy has always led in new forms of energy: shifting from wind to coal-

powered steam in the middle of the 19th century, from coal to oil in the early 20th century, and pioneering nuclear power in the middle of the 20th century.

Promoting Acquisition Excellence and Integrity

Especially given the fiscal reality of our budget deficit, we are fully cognizant of our responsibility to the President, the Congress, and the American people to spend this money wisely. What history shows us is that when budgets are tight we should get smarter about the way we spend our money. As noted earlier, rebuilding our fleet has been and will continue to be a top priority of this administration. Achieving this lies at the heart of the acquisition excellence initiative that has been a priority for the Department for almost 2 years now, because if we do not get smarter about how we buy, in addition to what we buy, we are not going to be able to afford the Navy and the Marine Corps that the Nation needs in the future.

Improving how we buy means that we have to take actions against fraud and shoddy contractors. The Department's General Counsel and the Assistant Secretary of the Navy for Research, Development, and Acquisition are authorized to take the swiftest and strongest action in any case where bribery or attempts to gain preferential contracting treatment are substantiated. When a violation occurs, RDA may terminate the contract and assess damages immediately, in addition to pursuing suspension and debarment. The Department's Acquisition Integrity Program was recently recognized by the Government Accountability Office as one of the more effective at using suspension and debarment practices.

The Department's role in the President's new defense strategy is clear and will drive acquisition programs underway or in development. We will carefully define program requirements and then drive affordability through aggressive "should cost" oversight and competition where possible, such as the fixed-price contracts we negotiated for the LCS or the multiyear procurements that we negotiated for *Virginia*-class submarines. Innovative funding strategies and stable industrial base workload further allow for efficiencies that provide opportunities to acquire more ships more affordably.

To keep our technological advantage, we plan to invest in science and technology and research and development to maintain the knowledge base and keep it moving forward. This is the lesson of the 1920s and 1930s when so much of the technologies that became critical to our victory in World War II were kept alive in military, academic, and industrial laboratories. Times and technologies change, and we need to preserve the capability to change with them. Proper funding of our labs and research centers is key to incubating the next "game-changing" breakthroughs that will sustain the United States military advantage over time.

The acquisition workforce was downsized over the past 15 years and, in truth, was stretched too thin. Accordingly, and with your strong support, we are increasing the number of acquisition professionals and restoring to the Government the core competencies inherent to their profession and to our responsibilities in the Department to organize, train, and equip the Navy and the Marine Corps. The Department has grown its acquisition workforce by 4,400 personnel since starting the effort 2 years ago, increasing its technical authority and business skill sets.

Additionally, the Department is keeping program managers in place longer to build up their experience, expertise, and oversight on individual programs. We are also investing in education for our program managers. As an example, we send all of our program managers to an intensive short course at the graduate business school at the University of North Carolina, specifically targeting a better understanding of our defense contractors:

—what motivates them;
—what are their financial situations; and
—how can we work with them to achieve a win-win contract award for both the taxpayer and the stockholder.

We are also changing the way in which we evaluate our program leaders to incentivize them to work with their industry counterparts to manage costs.

Over the FYDP, affordability will continue to be a central concern of this Department. As resources are tight, cost has got to be one of the primary considerations of every program, and it ought to be driven by "should cost, will cost", methods. "Should cost" scrutinizes each contributing ingredient of program cost and seeks to justify it. The "will cost" method represents an effort to budget and plan weapons acquisition programs using realistic independent cost estimates rather than relying on those supplied by the manufacturer. Make no mistake, our focus will remain on the security of our primary customer, the American people, for whom we will build the best possible Fleet for the future.

Shipbuilding/Industrial Base

A healthy industrial base is critical to supporting the Department's top priorities. The dangerous downward trend in our ship inventory has been and must stay reversed. Even though we face increased fiscal constraints, we still plan, as we noted earlier, to grow the fleet to 300 ships by 2019. We want to increase the number of our highly capable large surface combatants to meet the President's directive that we confront the growing ballistic missile threat to the United States and its allies, while strengthening our small combatant inventory to provide the presence needed to maintain freedom of navigation. We have to make significant investments in support vessels while continuing our investment in our nuclear submarine force and maintaining the viability of our last yard capable of building nuclear-powered aircraft carriers.

What all this means is that we will need to closely monitor the shipbuilding industrial base as we move forward. Much as with energy, we need to ensure diversity in supply moving forward. We need to strengthen our relationship with traditional shipbuilders, but we need to reach beyond them to small- and mid-tier shipbuilders to develop innovative designs and new construction techniques to meet emerging threats.

Developing and Deploying Unmanned Systems

When I took office in 2009, unmanned systems were already at work within the Department. To assist our troops on the ground in Iraq and in Afghanistan we had either purchased or contracted for thousands of unmanned aerial vehicles that flew hundreds of thousands of hours in support of our mission. Despite their demonstrated utility, there was no vision of where unmanned systems belonged in the Navy and the Marine Corps future force structure or coherent plan to achieve that vision. Over the past 2 years, the Services have worked hard to develop a plan and the presence and reach of our unmanned systems have expanded, including the first expeditionary deployment of a Fire Scout Vertical Takeoff and Landing unmanned aerial vehicle, and the first successful flight of the unmanned combat air system, which will begin carrier demonstrations later this year. In total, nearly 1,500 unmanned aerial systems deployed into theater.

In the fleet, unmanned systems need to be integrated into established operational communities. The Marine Corps have been out in front on this effort, having established four unmanned aerial system squadrons over the past quarter century, and the Navy is working on these capabilities as well. This past year a detachment of Helicopter AntiSubmarine Squadron 42 deployed with a SH–60B Helicopter and a MQ–8B Firescout and supported combat operations in Libya and counter piracy operations in the Gulf of Aden. In both environments, they leveraged the operational flexibility and low-signature characteristics of unmanned systems to support local commanders while keeping sailors and marines safe from danger. Additionally, our Tactical Air Control Community took possession of their first small tactical unmanned aerial system this past year and began to integrate it into the Surface Warfare community's day-to-day operations. In the future, the Maritime Patrol and Reconnaissance Aviation community, soon to take delivery of the P–8A Poseidon, will add the MQ–4C Broad Area Maritime Surveillance unmanned aerial system to their squadrons and hangars, extending the reach and persistence of maritime reconnaissance capabilities.

We will test and field mine hunting and then mine sweeping capability of the Mine Countermeasures Mission Module in LCS, employing airborne and remotely operated vehicles to reduce the risk to sailors and the cost. Current developmental testing of the Increment I Mine Warfare mission package is underway in USS *Independence*, demonstrating mine hunting capability with the AN/AQS 20A mine hunting sonar set, towed by the remote multimission vehicle. Future increments will incorporate autonomous mine sweeping and the ability to find buried mines using unmanned surface and underwater vehicles.

The UCLASS system is changing the way we plan to deliver reconnaissance and strike capabilities from our venerable aircraft carrier platforms. Designed to operate in contested airspace and conduct ISR or strike missions over extended periods of time, the UCLASS at sea will differ fundamentally from the standard operating procedures of both manned carrier aircraft or land-based unmanned aircraft. Unlike with a manned carrier aircraft that is mostly used to maintain the qualifications of its pilot, a UCLASS airframe will be employed only for operational missions and pilots will maintain qualifications in the simulator, extending its useful life expectancy considerably. Its airborne mission time will not be limited by human physiology but rather will be determined by the availability of tankers to refuel it, ordnance expenditure, or the need to change the oil after many hours of flight time. This will allow us to launch from greater distances, effectively negating emergent

A2/AD technologies. We have only just begun to understand the potential of this unmanned system and the capabilities that will spiral from it.

CONCLUSION

Our Constitution requires that the Congress "maintain a Navy." We do so with the world's most advanced platforms, equipped with cutting-edge weapons systems and manned by crews who receive the best training possible is a credit to our Nation. The Navy that fought and defeated a more advanced British Navy in the War of 1812 looked very different from the Navy of 2012. But our sailors and marines continue to live up to that legacy forged 200 years ago. Today, your Navy and Marine Corps are deployed across the spectrum of engagement from rendering humanitarian assistance to combat. They often seem to be everywhere except at home. They bring to these efforts skills, training, and dedication unmatched anywhere else in the world. The enduring support of this subcommittee for our key programs and our people enables us to fulfill the ancient charge of the founders that we should sail as the Shield of the Republic, and we thank you.

The goals and programs discussed today will determine our future as a global force. At the direction of the President, we have worked to streamline our processes, to eliminate programs that no longer fit in the current strategic environment, and to construct new approaches to the challenges of the modern world while retaining the ability to deter regional conflict and respond rapidly and decisively to emerging crises. Our specific requests are reflected in the President's fiscal year 2013 budget submission.

The process by which we arrived at these requests was both deliberate and determined. We are fully aware of the economic environment and the fiscal constraints that our Government faces today. We have attempted to balance these considerations with the President's requirement that we maintain a ready and agile force capable of conducting the full-range of military operations. We want to assure you that the Department has considered the risks and applied our available resources efficiently and carefully. This year's request aligns with the Defense Strategic Guidance and the priorities and missions contained within it while balancing trade-offs that you and the American taxpayer expect of us.

For 236 years, from sail to steam to nuclear; from the USS *Constitution* to the USS *Carl Vinson*; from Tripoli to Tripoli; our maritime warriors have upheld a proud heritage, protected our Nation, projected our power, and provided freedom of the seas. In the coming years, this new strategy and our plans to execute that strategy will assure that our naval heritage not only perseveres, but that our Navy and Marine Corps continue to prevail.

Thank you and Godspeed.

Senator MIKULSKI. Thank you, Mr. Secretary.

Admiral.

STATEMENT OF ADMIRAL JONATHAN W. GREENERT, CHIEF OF NAVAL OPERATIONS, UNITED STATES NAVY

Admiral GREENERT. Thank you, Senator.

Senator Mikulski, Vice Chairman Cochran, and distinguished members of the subcommittee, I am honored to appear before you for the first time to discuss the Navy's budget submission. Because of the dedication of our 625,000 active and reserve sailors and civilians, and their families, the Navy and our primary joint partner, the Marine Corps, remain a vital part of our national security. I am honored to serve and lead the Navy in these challenging times, and I thank the subcommittee for your continued support.

This morning, I would like to address three points: the Navy's importance to the Nation's security; some enduring tenets and priorities that guided our decisions in this budget; and how these decisions shaped our budget submission.

Today, our Navy is the world's pre-eminent maritime force. Our global fleet operates forward from U.S. bases and partner-nation places around the world to deter aggression, respond to crisis, and, when needed and when called upon, win our Nation's wars.

If you refer to the chartlet in front of you, you can see that on any given day we have about 50,000 sailors and 145 ships underway, with about 100 of those ships deployed overseas. These ships and sailors allow us to influence events abroad because they ensure access to what I refer to as the maritime crossroads. These are areas where shipping lanes and our security interests intersect, and they are indicated on the chartlet by little orange bow-ties.

We can remain forward in these areas because of the facilities and the support from nearby allies and partners. For example, in the Middle East, we have 30 ships and more than 22,000 sailors at sea and ashore. They are combating piracy, supporting operations in Afghanistan, assuring our allies, and maintaining a presence in the region to deter or counter destabilizing activities. These forces rely on facilities in Bahrain, a U.S. partner for six decades.

In the Asia-Pacific, we have about 50 ships supported by our base on Guam and facilities or places in Singapore, the Republic of Korea, and Japan. They will be joined next spring by our first littoral combat ship (LCS), USS *Freedom*, which will deploy to Singapore for several months to evaluate our operational concepts.

In the Indian Ocean, we depend on Diego Garcia and the fleet tender and the airfield there for ship repair and logistics support.

Around the Horn of Africa, we depend on the airfield and the port in Djibouti to support our forces conducting counterterrorism and counterpiracy operations.

In Europe, we rely on places in Spain, Italy, and Greece to sustain our forces forward in support of our North Atlantic Treaty Organization (NATO) allies.

And in our own hemisphere, our port and airfield at Guantánamo Bay will grow more important in the next several years as the Panama Canal is widened.

When I assumed the watch as Chief of Naval Operations about 6 months ago, I established three tenets, which I call "unambiguous direction", for our Navy leadership. And they are warfighting first, operate forward, and be ready.

Warfighting first. This means the Navy must be ready to fight and prevail today while building the ability to prevail tomorrow. This is our primary mission, and all our efforts must be grounded in this fundamental responsibility.

Iran's recent provocative rhetoric highlights the need for us to have forward-deployed warfighting capability. In our fiscal year 2013 budget submission, we redirected funding toward weapons systems, sensors, and tactical training that can be more rapidly fielded to the fleet. This includes demonstrators and prototypes that could quickly improve our force's capability.

Operate forward. This means we will provide the Nation an offshore option to deter, influence, and win in an era of uncertainty. Our fiscal year 2013 budget submission supports several initiatives to establish our forward posture at the maritime crossroads. These include placing forward deployed naval force destroyers in Rota, Spain, and forward stationing LCSs in Singapore, and patrol coastal ships in Bahrain. One ship that is operating from an overseas location can provide the same presence as about four ships rotationally deployed from the continental United States.

We are also collaborating with the Marine Corps to determine the support and the lift needed for marines to effectively operate forward in Darwin, Australia, in the future.

Be ready. That means we harness the teamwork, the talent, and the imagination of our diverse force to be ready to fight and to responsibly use our resources. This is more than completing required maintenance and ensuring parts and supplies are available. Being ready also means being proficient, confident, and understanding our weapons, our sensors, command-and-control communications, and our engineering systems as well.

Now, applying these tenets to meet the defense strategic guidance, we built our fiscal year 2013 budget submission to implement three main investment priorities.

Number one, we will remain ready to meet our current challenges today. Consistent with the defense strategic guidance, we will continue to prioritize readiness over capacity and focus our warfighting presence in the Asia-Pacific and the Middle East. We will also sustain the Nation's most survivable strategic deterrent in our ballistic missile submarines (SSBNs).

Priority two, we will build a relevant and capable future force. Our Navy will evolve to remain the world's pre-eminent maritime force, and our shipbuilding and aircraft construction investments will form the foundation of the future fleet.

In developing our aircraft and ship procurement plans, we really focused on three approaches: one, to sustain the serial production of today's proven platforms, including *Arleigh Burke* destroyers, *Virginia*-class submarines, and our F/A–18 Super Hornets; number two, to promptly field new platforms in development, such as the LCS, the Joint Strike Fighter, the *Ford*-class carrier, the P–8A Poseidon aircraft, and the *America*-class amphibious assault ship; and three, we wanted to improve the capability of today's platforms through new weapons, sensors, and unmanned vehicles, including advanced missile defense radar, the Fire Scout, and its follow-on, the Fire-X. New payloads like these will help ensure we project power, despite threats to access, as described in the new defense strategic guidance. They will also enable our continued dominance in the undersea environment and support our goal to operate effectively in cyberspace and fully exploit the electromagnetic spectrum.

In developing the future force, we will continue to emphasize jointness, as described in our Air-Sea Battle concept. And we will also emphasize affordability by controlling requirements creep and making cost an entering argument for new systems.

And priority three, we will enable the support of our sailors, civilians, and their families. I am extremely proud of our people. We have a professional and a moral obligation to lead, to train, to equip, and to motivate them.

Our personnel programs deliver a high return on investment in readiness. We fully funded our programs to address operational stress, to support our families, eliminate the use of synthetic drugs such as Spice, and to aggressively prevent suicides and sexual assaults.

I support the compensation reforms included in the Defense Department's fiscal year 2013 budget submission, which I believe are

appropriate changes to manage the costs of the All-Volunteer Force.

PREPARED STATEMENT

In closing, your Navy will continue to be critical to our Nation's security and prosperity by assuring access to the global commons and by being at the front line of our Nation's efforts in war and in peace. I assure the committee and the Congress and the American people that we will focus on warfighting first, we will operate forward, and we will be ready.

I want to thank you, Senator Mikulski, and the subcommittee and your staff that are behind you and around this room for helping us in preparing our submission. And I thank you and the subcommittee for your support.

Thank you.

[The statement follows:]

PREPARED STATEMENT OF ADMIRAL JONATHAN W. GREENERT

INTRODUCTION

Chairman Inouye, Vice Chairman Cochran, and distinguished members of the subcommittee, it is my honor and pleasure to appear before you to submit my first budget as Chief of Naval Operations (CNO). Thanks to our 625,000 active and reserve sailors and civilians and your continued support, the Navy-Marine Corps team remains vital to our national security and economic prosperity. Operating globally at the front line of our Nation's efforts in war and peace, our fleet protects the interconnected systems of trade, information, and security that underpin our own economy and those of our friends and allies. Our Navy and Marine Corps are the first responders to international crises through combat operations or humanitarian assistance. And after U.S. ground forces have drawn down in the Middle East, the naval services will remain on watch with offshore options to deter aggression and, when necessary, fight and win on, over, and under the sea. Despite the economic and military challenges facing our Nation, your Navy will evolve and adapt to fight and win our Nation's wars, remain forward, and be ready. I appreciate your continued support and look forward to working together in pursuing our national security objectives.

THE NAVY HAS BEEN IMPORTANT TO OUR NATION'S SECURITY AND PROSPERITY

Today, our Navy is the world's pre-eminent maritime force but that has not always been the case. Leading up to the War of 1812, Britain's Royal Navy held that distinction. Our own fleet, lacking warfighting capability, forward posture, and readiness, was bottled up in port early in the war. It was unable to break the British blockade of the Atlantic coast or stop the Royal Navy from wreaking havoc along the mid-Atlantic seaboard and burning parts of Washington, DC in 1814. Our Nation's economy suffered as shipping costs soared and imports from Europe and the Caribbean grew scarce. Soon, however, the fleet developed a warfighting focus and engaged the British, winning victories on Lake Erie, at New Orleans, and in the Atlantic that, combined with concerns about France, brought Britain to the negotiating table. However, outside of a determined effort from privateers, the U.S. Navy still could not project power away from home, could not control the sea, and could not deter aggression against our interests. We needed these key capabilities—outlined in our Maritime Strategy—then, just as much as now. The War of 1812 offered a number of hard lessons, and for the next century our Navy focused on preventing an aggressor from restricting our trade or isolating us from the sea as our Nation expanded across the North American continent.

Our Navy operated farther forward as our Nation's economy grew and, by necessity, became more integrated with Eurasia. In the midst of the world's first wave of globalization, the Great White Fleet from 1907 to 1909 demonstrated to the world America's emerging power and capability to project it globally. These episodes of "operating forward" became sustained during World War I as our Fleet convoyed supplies and forces to Europe and combated German submarines across the Atlantic Ocean. And in World War II, our Navy established dominance in the air, sea, and undersea domains, going forward around the world to protect sea lanes and project

power to Europe and Africa, and take the fight across the Pacific to Asia. We sustained our maritime dominance and remained forward and global throughout the cold war to contain Soviet expansion and provide tangible support to allies and partners with whom we were highly interdependent diplomatically, economically, and militarily.

Our Navy today remains global, operating forward from U.S. bases and international "places" around the world. From these "places" we continue to support and operate with allies and partners who face a range of challenges, from piracy and terrorism to aggressive neighbors and natural disasters. "Places", from Guantánamo Bay to Singapore, enable us to remain present or have access to the world's strategic maritime crossroads—areas where shipping lanes, energy resources, information networks, and security interests intersect. On any given day over the last year, more than 50,000 sailors were underway or deployed on 145 of the Navy's 285 ships and submarines, 100 of them deployed overseas (see Figure 1). They were joined by more than 125 land-based patrol aircraft and helicopters, 1,000 information dominance personnel, and more than 4,000 Naval Expeditionary Combat Command sailors on the ground and in the littorals, building the ability of partners to protect their people, resources, and territory.

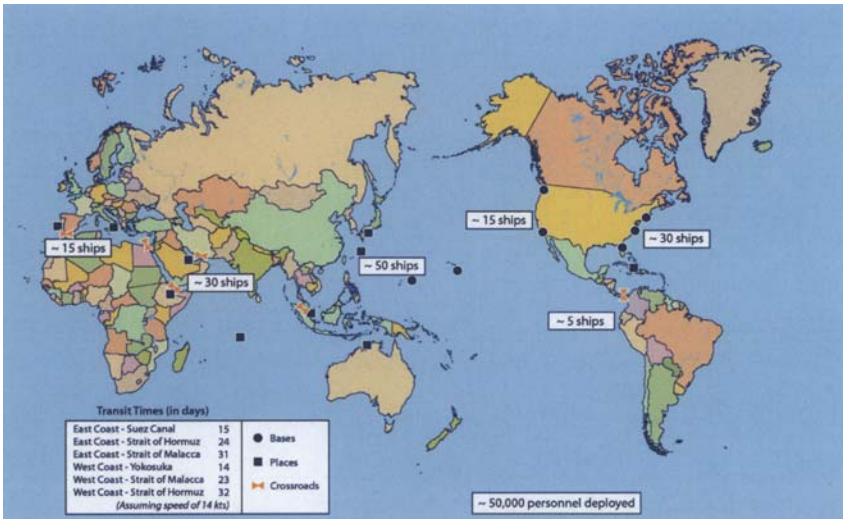

FIGURE 1.

The security and prosperity of our Nation, and that of our friends and allies, depend on the freedom of the seas, particularly at the strategic maritime crossroads. Twenty percent of the world's oil flows through the Strait of Hormuz, the center of a region where more than 12,000 sailors on 30 ships combat piracy, smuggling, terrorism, deter Iranian aggression, and fly about 30 percent of the close air support missions in Operation Enduring Freedom. These sailors directly supported the special operations forces mission that resulted in the death of Osama Bin Laden, provided ballistic missile defense to our Arabian Gulf partners, and just last month rescued the crew of the Iranian dhow, Al Morai, from Somali pirates. Our forces there depend on facilities in Bahrain, a United States partner for more than 60 years, for supplies, communications, and repairs, while our maritime patrol and reconnaissance aircraft, patrol craft, and minesweepers in the region are based on the island. Our forces at sea are joined by another 10,000 sailors on the ground, most supporting our combat forces in Afghanistan as we continue to transition that effort to the Afghan Government.

In the Asia-Pacific, about 40 percent of the world's trade passes through the 1.7-mile wide Strait of Malacca, while the broader region is home to 5 of our 7 treaty alliances and many of the world's largest economies. About 50 United States ships are deployed in the Asia-Pacific region every day, supported by facilities (or "places") in Singapore, the Republic of Korea, and Japan in addition to our bases on Guam. Our forward posture and ready-and-available capability proved invaluable to our al-

lies in Japan following the Great East Japan earthquake and tsunami last March. Twenty-four ships, 140 aircraft and more than 15,000 sailors and marines delivered more than 280 tons of relief supplies to beleaguered survivors as part of Operation Tomodachi. Working from offshore and unhindered by road and rail damage, Navy efforts helped save lives and fostered a stronger alliance.

Our combined readiness with our Pacific allies and partners is a result of the nearly 170 exercises and training events we conduct in the region each year. Our Talisman Sabre exercise with Australia last year brought together 18 ships and more than 22,500 sailors and marines to practice operations from maritime security to amphibious assault. Our Malabar series of exercises continues to expand our interoperability with India, a key partner in an important part of the world. From simple maneuvers and replenishment-at-sea in 2002, Malabar has gone on to include dual carrier flight operations, gunnery practice, anti-submarine warfare (ASW) training, and maritime interdiction exercises. And this year, the U.S. Navy will host Rim of the Pacific (RIMPAC), the world's largest maritime exercise, bringing together more than 20,000 sailors from 14 nations to practice the entire range of maritime missions from counterpiracy to missile defense and ASW.

Africa is adjacent to several key strategic crossroads:

—Bab El Mandeb on the southern end of the Red Sea;

—the Suez Canal at its northern end; and

—the Strait of Gibraltar at the western edge of the Mediterranean.

Events at each of these crossroads can significantly impact the global economy and regional security. Supported by our air and port facilities in Djibouti (Camp Lemonier), our ships form the backbone of multinational forces from more than 20 nations that combat pirates and terrorists around East Africa and the Arabian Peninsula. In the Mediterranean and Northern Africa our forward forces enabled a rapid response to the Libyan civil war. During North Atlantic Treaty Organization (NATO) Operations Odyssey Dawn and Unified Protector, our ships and submarines fired 221 Tomahawk land attack missiles and Growler electronic attack aircraft (EA–18G) redeployed from Iraq in less than 48 hours to suppress and destroy Libya's air defense network. The Navy-Marine Corps team aboard USS *Kearsarge* supported NATO forces with air strikes and personnel recovery, while on USS *Mount Whitney*, NATO leaders managed and coordinated the fight.

We continue our commitment to our NATO allies in the Mediterranean and other waters around Europe. Supported by facilities in Rota, Spain; Souda Bay, Greece; and Naples, Italy, our destroyers and cruisers conducted, among other critical U.S. and NATO missions, continuous ballistic missile defense patrols in the Mediterranean to counter the growing Iranian ballistic missile threat. Europe also continues to be a source of security. Our fleet trains routinely with allied navies from the Mediterranean to the Baltic in security cooperation exercises such as Proud Manta, NATO's largest ASW exercise. Outside the continent, we operate with our European allies and partners to address our shared concerns around the world, such as maintaining freedom of navigation through the Strait of Hormuz, countering piracy around the Horn of Africa, supporting our African partners with training and assistance, and responding to crises such as the conflict in Libya.

In Latin America, the ongoing expansion of the Panama Canal will increase the importance of that strategic maritime crossroad. Today, the waters around Central America already experience a high level of illegal trafficking, which could adversely affect the increasing volume of shipping through an expanded canal. Our first littoral combat ship (LCS), USS *Freedom*, made its first operational deployment to the region in 2011, preventing more than 3 tons of cocaine from entering the United States as part of Joint Interagency Task Force—South. We leveraged our port and airfield in Guantánamo Bay, Cuba, to continue supporting operations in the Gulf of Mexico and Caribbean. And as the capability of our Latin American partners has grown, so has the sophistication of our cooperation. In 2011, we conducted ASW training with Brazil, Peru, Colombia, and Chile, where their diesel submarines helped to train our surface and submarine crews and our crews, exchanged lessons learned on effective undersea operations.

ESTABLISHING FIRST PRINCIPLES

These are challenging and dynamic times for the U.S. military services and the U.S. national security enterprise. We need to remain focused on our enduring principles and contributions that hold true regardless of funding, force structure size or day-to-day world events. Upon taking office as the CNO, I established these first principles for Navy leaders to follow in my "Sailing Directions".

I believe historical and current events demonstrate that the Navy is most effective and best able to support our national security objectives when fleet leaders and sailors are focused on three tenets:

—warfighting first;

—operate forward; and

—be ready.

I incorporated these tenets into "Sailing Directions". Similar to their nautical counterpart, my directions describe in general terms where the Navy needs to go in the next 10–15 years, and the approach we will take to get there. We applied "Sailing Directions" to the final decisions we made in building our fiscal year 2013 budget submission, and I believe they are consistent with the Defense Strategic Guidance that emerged from our collaborative efforts with the Chairman of the Joint Chiefs of Staff, the Secretary of Defense, and the President. I am in the process of drafting a "Navigation Plan" to define our course and speed now that our defense strategy is established and our budget request submitted.

MY GUIDANCE FOR THE NAVY AND WHAT WE BELIEVE

We use these three tenets—warfighting first, operate forward, and be ready—as "lenses" through which we view each decision as we organize, train, and equip the Navy.

Warfighting First.—The Navy must be ready to fight and win today while building the ability to win tomorrow. This is our primary mission and all our efforts from the "wardroom to the boardroom" must be grounded in this fundamental responsibility. The recent posturing and rhetoric from Iran highlight the importance of our ability to deter aggression, promptly respond to crisis, and deny any aggressors' objectives. This requires getting relevant and effective warfighting capability to the fleet today, not waiting for perfect solutions on paper that may not arrive for 10 years. We can no longer afford, strategically or fiscally, to let the perfect be the enemy of the good—or the good enough—when it comes to critical warfighting capability. Our history and the contemporary cases of Iran, North Korea, violent extremists, and pirates show that conflict is unlikely to appear in the form of the scenarios for which we traditionally plan. Therefore, our ships, aircraft, and sailors that operate forward must be able to decisively act and defeat an adversary's actions in situ to deter continued aggression and preclude escalation. To that end, in our fiscal year 2013 budget submission we shifted procurement, research and development, and readiness funds toward weapons, systems, sensors, and tactical training that can be rapidly fielded to the fleet, including demonstrators and prototypes that can quickly improve our forces' capability. I request that you support those investments.

Operate Forward.—The Navy-Marine Corps team provides the Nation offshore options to deter, influence, and win in an era of uncertainty. Our naval forces are at their best when they are forward, assuring allies and building partnerships, deterring aggression without escalation, defusing threats without fanfare, and containing conflict without regional disruption. We keep the fleet forward through a combination of rotational deployments from the United States, Forward Deployed Naval Forces (FDNF) in Japan, Guam, and Italy, and forward stationing ships in places such as Bahrain or Diego Garcia. Our ability to operate forward depends on our U.S. bases and strategic partnerships overseas that provide "places" where the Navy-Marine Corps team can rest, repair, refuel, and resupply.

Our fiscal year 2013 budget submission supports several initiatives to establish our forward posture including placing FDNF destroyers in Rota, Spain, and forward stationing LCS in Singapore and patrol coastal (PC) ships in Bahrain. We are also now collaborating with Headquarters Marine Corps to determine the support and lift needed for marines to effectively operate forward in Darwin, Australia. In the FDNF construct, the ships, crews, and families all reside in the host nation. This is in contrast to forward stationing, where the ship's families reside in the United States and the crew rotates to the ship's overseas location for deployment. We will rely on both of these basing constructs and the "places" that support them to remain forward without increases to the fleet's size. I request your support funding for these initiatives so our Navy-Marine Corps team can continue delivering the rapid response our Nation requires of us. We will continue to pursue innovative concepts for operating forward such as rotational crewing and employing new classes of ships such as joint high speed vessels (JHSV), mobile landing platforms (MLP), and afloat forward staging bases (AFSB).

Be Ready.—We will harness the teamwork, talent, and imagination of our diverse force to be ready to fight and responsibly use our resources. This is more than simply completing required maintenance and ensuring parts and supplies are available. Those things are essential, but "being ready" also means being proficient and con-

fident in our ability to use our weapons, employ and rely on our sensors, and operate our command and control, communication, and engineering systems. This requires practice, so in our fiscal year 2013 budget submission we increased readiness and procurement funding for training deploying personnel and for exercise ordnance—funding that I request you support. Further, we are employing simulation and adjusting our Fleet Readiness and Training Plan (FRTP) to afford more time to train prior to deployment. Our fiscal year 2013 budget submission provides the opportunity to build on events such as this year's Bold Alligator, our largest amphibious assault exercise in more than a decade, which brought together more than 20,000 sailors and marines and 25 ships from five nations. Fundamentally, being ready depends on our ability to train, lead, and motivate our sailors and marines through events such as Bold Alligator. As we continue to move through challenging times strategically and fiscally, we will increasingly depend on their resolve and imagination.

PRESIDENT'S BUDGET FOR FISCAL YEAR 2013 SHAPED BY THREE MAIN PRIORITIES OF THE CHIEF OF NAVAL OPERATIONS

The Budget Control Act of 2011 placed new constraints on our budget, which required hard choices and prioritization to address. I applied our tenets to my three main investment priorities as we built our fiscal year 2013 budget submission to support the new Defense Strategic Guidance.

Priority 1: Remain Ready To Meet Current Challenges, Today

Readiness means operational capability where it needs to be to deter aggression, respond to crises, and win our Nation's wars. I will continue to prioritize readiness over capacity and focus our warfighting presence on the Asia Pacific and Middle East. Our fiscal year 2013 decision to decommission seven *Ticonderoga*-class guided missile cruisers (CG) and two dock landing ships (LSD) exemplify our resolve to provide a more ready and sustainable fleet within our budget constraints. The resources made available by these retirements will allow increased funding for training and maintenance. To ensure these investments improve readiness, we adjusted the FRTP to be more sustainable and provide units adequate time to train, maintain, and achieve the needed "fit" and "fill" in their manning between deployments. The FRTP is aligned to and supports the fiscal year 2013 Global Force Management Allocation Plan (GFMAP), which is the authoritative, Secretary of Defense-approved plan for supporting combatant commander presence requirements.

A ready fleet requires proper maintenance of our ships and aircraft, and our long-term force structure inventory plans require each of them to affordably reach expected service life. Our fiscal year 2013 budget submission fully funds ship maintenance and midlife modernization periods. We are also continuing a series of actions to address surface ship material condition. We increased the number of sailors in select surface ships and established Integrated Material Assistance Teams to ensure adequate personnel for preventive maintenance and at-sea repairs. To improve maintenance planning and budgeting, the new surface ship life-cycle engineering and support organization develops comprehensive plans for maintenance and modernization of non-nuclear ships. These plans will allow us to refine our assessments of ship material condition, improve our ability to estimate maintenance costs, and identify actions needed to achieve expected service life. These initiatives, supported in this budget submission, have tangibly improved ship readiness and enable more efficient maintenance periods. Our fiscal year 2013 budget submission also funds aircraft depot maintenance requirements to 94 percent, meeting our goal for available airframes and engines.

Readiness involves more than material condition. Our capabilities must also be "whole", meaning our weapons, combat systems, and sensors must be able to interface with one another, are available in adequate numbers, and our sailors are proficient and confident in their use. We emphasized training in our fiscal year 2013 budget submission—allocating time, ordnance, and targets for increased live-fire training as well as funds to improve the fidelity, capacity, and interoperability of our fleet simulators. Our fiscal year 2013 budget submission also funds improved data links and radar reliability to enhance the interoperability and availability of weapons and sensors. In aviation, we fully funded the Flying Hour Program and invested in F/A–18 A–F life-cycle sustainment and system capability upgrades to ensure these "workhorses" of the carrier air wing remain ready and relevant. F/A–18 A–F sustainment helps ensure our strike fighters reach their expected service lives and our strike fighter inventory remains sufficient to meet anticipated needs. Ashore, we fully funded air and port operations and nuclear weapons infrastructure and security. Our fiscal year 2013 budget submission accepts some risk in facilities sustainment and recapitalization, but we anticipate minimal impact on fleet readi-

ness. We will continue to closely monitor our shore infrastructure to ensure it remains capable of supporting the needed level of fleet operations. Our fiscal year 2013 budget submission maintains funding for Homeport Ashore to provide quality housing for our single sailors and increases funding for family readiness programs such as child development centers.

We must continue improving our fuel efficiency to sustain a ready and relevant fleet and our goal remains to reduce our tactical energy use 15 percent by 2020. We will combine modernization, research and development, acquisition, and efficient behavior by operators at sea and on the waterfront to achieve that goal. Our fiscal year 2013 budget submission continues to incorporate technological advances incrementally, but steadily. Our *Lewis and Clark*-class supply ships now employ all-electric propulsion, as will our new *Zumwalt*-class destroyers (DDG). Our new hybrid-electric powered amphibious assault ship USS *Makin Island* saved more than $2 million in fuel costs on its maiden voyage from the gulf coast to its San Diego homeport. The insights we gain from these efforts will be applied in developing requirements for future ships, where energy usage was established last year as a key performance parameter.

Priority 2: Build a Relevant and Capable Future Force

Our Navy will evolve to remain the world's pre-eminent maritime force in the face of emerging threats and our shipbuilding and aircraft construction investments form the foundation of the future fleet. In developing our aircraft and ship procurement plans, we focused on three approaches:

—sustaining serial production of today's proven platforms;
—rapidly fielding new platforms in development; and
—improving the capability of today's platforms through new payloads of weapons, sensors, and unmanned vehicles.

First, sustained production of today's platforms maintains the fleet's capacity, improves the affordability of ships and aircraft, and fosters the health of the industrial base. Examples of this serial investment in our fiscal year 2013 budget submission include *Arleigh Burke* DDG, MH–60R/S Seahawk helicopters, F/A–18 E/F Super Hornet and *Virginia*-class submarines (SSN). These proven ships and aircraft represent a known quantity to both the Government and contractor and provide opportunities for cost savings through multiyear procurement. Our fiscal year 2013 budget submission requests multiyear procurement of nine *Arleigh Burke* DDGs and nine *Virginia* SSNs. Your support for continued block purchases of DDGs and SSNs is essential to our fleet's capacity over the next decade when decommissionings and the procurement of the new ballistic missile submarine (SSBN) combine to reduce the number of these fleet workhorses. In addition to the capacity they bring, our experience with proven platforms also allows us to incrementally improve their capabilities with new weapons, sensors, and unmanned vehicles, such as we are doing with *Arleigh Burke* DDG by adding the Surface Electronic Warfare Improvement Program (SEWIP), SM–6 missile, Advanced Missile Defense Radar (AMDR), and MQ–8 Firescout unmanned air vehicles.

Second, we will rapidly field the classes of ships and aircraft in development which are needed to recapitalize the fleet and pace emerging threats. Each of these platforms are nearing completion or are in initial production and offer a significant return on our research and development investment over the past 2 decades. We will harvest this return and focus on capability improvement via new weapons, sensors, and unmanned systems before we begin our next generation of platforms. Our fiscal year 2013 budget submission prudently moves into sustained production of *Freedom* and *Independence*-class LCS, MQ–4C broad area maritime surveillance (BAMS) unmanned air system (UAS), Poseidon maritime patrol and reconnaissance aircraft (P–8A) and Lightning II strike fighter (F–35C). We slowed production of the F–35C to allow lessons from testing to be better incorporated into the aircraft, and it will be a key element of the future carrier air wing. The fiscal year 2013 budget submission continues funding for *Gerald R. Ford* aircraft carriers (CVN), although the delivery of CVN–79 was delayed to most cost effectively maintain our fleet of 11 CVNs by not delivering the ship ahead of need. Our budget submission continues funding for the *Zumwalt*-class DDG, which will provide an exceptional improvement in littoral and land-attack capability while also proving several new technologies to be incorporated into future ships. To sustain our capacity for amphibious operations, our fiscal year 2013 budget submission funds continued production of the *America*-class amphibious assault ships (LHA), the first of which (LHA–6) is nearing completion. Each of these new platforms is designed to be adaptable and allow future capability evolution through new payloads. The physical and electronic open architecture of LCS, for example, will allow it to change missions in a short refit, but will also allow it to be widely adaptable over its lifetime. The P–8A has a similar reserve

capacity for adaptation, as well as an operating profile which will allow it to do a wide range of missions, depending on the weapons and sensors placed aboard.

And third, we will evolve the force to maintain our warfighting edge by exploiting the ability of new payloads to dramatically change what our existing ships and aircraft can do. A focus on what our platforms carry will be increasingly important as anti-access/area-denial (A2/AD) threats including new radars and more sophisticated surface-to-air and anti-ship missiles limit the ability of manned platforms to get close to an adversary in wartime. Our Air-Sea Battle concept, developed with the Marine Corps and the Air Force, describes our response to these growing A2/AD threats. This concept emphasizes the ability of new weapons, sensors, and unmanned systems to expand the reach, capability, and persistence of our current manned ships and aircraft. Our focus on payloads also allows more rapid evolution of our capabilities compared to changing the platform itself. This approach is exemplified by our fiscal year 2013 investment in LCS, which will carry an adaptable portfolio of unmanned vehicles, weapons, manned helicopters, and personnel. In aviation, new weapons such as the small diameter bomb, joint standoff weapon and Mark-54 torpedo will give our legacy aircraft the stand-off range, penetration, and lethality to defeat adversaries even if they employ advanced A2/AD capabilities.

Our focus on payloads includes unmanned systems such as the Firescout UAS (MQ–8B), which already demonstrated in Libya and the Middle East how it can add significant capability to our legacy frigates (FFG) and amphibious transport dock (LPD) ships. Our fiscal year 2013 budget submission continues production of the MQ–8B and adds the longer-range, higher-payload MQ–8C. The submission also continues our investment in the unmanned combat air system (UCAS) demonstrator and the follow-on unmanned carrier launched air surveillance and strike (UCLASS) system, which will expand the reach and persistence of our current carrier-based air wings.

Improved sensors and new unmanned systems are essential to our continued domination of the undersea environment. Our fiscal year 2013 budget submission funds the development of *Virginia* SSN payload modules that will be able to carry a mix of missiles, sensors, and unmanned undersea vehicles (UUV) such as the new Large Displacement UUV. These undersea systems are joined by investments in the P–8A and *Arleigh Burke* DDG to improve cueing and close-in ASW operations. Our undersea superiority provides U.S. forces an asymmetric advantage in being able to project power or impose unacceptable costs on adversaries. Our fiscal year 2013 budget submission funds continued development of a new SSBN to begin replacing the *Ohio*-class late in the next decade and sustain the most survivable element of the Nation's nuclear triad. Our fiscal year 2013 budget submission also includes funding to study the possible use of *Ohio*-class guided missile submarine (SSGN) and *Virginia*-class SSN as platforms for a future conventional prompt strike capability.

While we currently dominate the undersea domain, cyberspace, and the electromagnetic spectrum present a different set of challenges and a lower barrier to entry for our potential adversaries. Our fiscal year 2013 budget submission furthers our goal to operate effectively in cyberspace and fully exploit the electromagnetic spectrum. Investments including SEWIP, EA–18G, Consolidated Afloat Network Enterprise System (CANES), Hawkeye (E–2D) early-warning aircraft, Next-Generation Enterprise Network and Mobile User Objective System (MUOS) support development of a common operational picture of cyberspace and the electromagnetic spectrum. They also support robust defense of our networks and improve our ability to use nonkinetic effects to defend our ships from attack, conduct offensive operations, and conduct superior command and control.

It is imperative as we pursue these three approaches to the future force that we consider both affordability and "jointness." Our fiscal situation makes affordability essential to sustaining the fleet's capacity and improving its capability. Working with the Secretary of the Navy's staff, we are ensuring cost is considered as an entering assumption in developing requirements for new systems, while controlling the "requirements creep" that impacts the cost of our programs already in development. Joint capabilities may also be a way to improve affordability, although we are primarily concerned with how they can improve our warfighting effectiveness. Our Air-Sea Battle concept describes how naval and air forces will develop and field capabilities in a more integrated manner to allow them to defeat improving A2/AD threats through tightly coordinated operations across warfighting domains. Using the Air-Sea Battle concept and Joint Operational Access Concept (JOAC) as the starting point, the Navy-Marine Corps team will continue to expand our integration with the Air Force and Army in doctrine, systems, training, and exercises to sustain the ability of U.S. forces to project power.

Priority 3: Enable and Support our Sailors, Navy Civilians, and Their Families

Today's active and reserve sailors and Navy civilians are the most highly trained, motivated, and educated force we have ever employed. Our people are the source of our warfighting capability, and our fiscal year 2013 budget submission continues the investments needed to ably lead, equip, train, and motivate them.

Our personnel programs deliver a high return on investment in the readiness of our sailors and civilians. We fully funded our programs to address operational stress, support families, prevent suicides, eliminate the use of synthetic drugs like Spice, and aggressively reduce the number of sexual assaults. I view each of these challenges as safety and readiness concerns that can be just as damaging to our warfighting capability as operational accidents and mishaps. To ensure sailors and their families have a quality environment in which to live, we sustained our support for quality housing, including Homeport Ashore for Sailors, and expanded our child development and youth programs.

Our wounded warriors are a top priority. Our fiscal year 2013 budget submission fully funds programs that support the mental, emotional, and financial well-being of our returning warriors and their families.

The Navy continues to face a unique manpower challenge. Retention is high, attrition remains steady at a very low level, and highly qualified people continue to want to join the service. To continue bringing in new sailors with new and diverse backgrounds and ideas, we must have turnover in the force. To manage our end strength, sustain upward mobility, and address overmanning in some specialties, we selected 2,947 sailors for separation in 2012 by conducting an Enlisted Retention Board (ERB). These sailors served honorably and we are now focused on providing the best transition possible for them, including early retirement for sailors selected for ERB who will have completed at least 15 years of active service as of September 1, 2012. Thank you for providing this Temporary Early Retirement Authority in the fiscal year 2012 National Defense Authorization Act. We do not plan another ERB for fiscal year 2013. Nor do we plan to offer early retirement more broadly, but we will evaluate this option if overmanning in individual specialty ratings/warfare communities again becomes a concern.

We will continue to use a range of force shaping tools to ensure we keep our best performers and align our people with needed skills and specialties. Perform-to-Serve (PTS), our centralized re-enlistment program, will remain the principal method to shape the force. While in some cases we will be unable to offer re-enlistment for sailors due to high retention and overmanning, PTS also offers sailors the opportunity to change specialties or enter the reserves when they come up for re-enlistment if their current specialty is overmanned. We will continue to offer and regularly adjust selective re-enlistment bonuses and incentive pays for critical specialties to ensure we properly sustain the skills required in the force.

By managing the size and composition of the force, we are able to bring in new sailors and civilians. Our fiscal year 2013 budget submission continues to invest in recruiting quality people, including diversity outreach and programs to develop science, technology, engineering, and mathematics candidates for the service. Our future depends on the innovation and creativity that people with diverse backgrounds, experience, and ideas can bring to the Navy.

DEPARTMENT OF DEFENSE AND NAVY'S TURNING POINT—AND THE NEED FOR A NEW STRATEGY

We built our fiscal year 2013 budget submission by applying the tenets of warfighting first, operate forward, and be ready to our three enduring priorities. This approach focused our resources on investments that are most important to the Navy's ability to be relevant to the challenges we face as a Nation. Today, three main trends place America and our Navy at a turning point. First, the Federal Government has to get its fiscal house in order by reducing deficits and putting the Federal budget on a path toward balance. Second, the security environment around the world is becoming more dynamic as exemplified by the "Arab Awakening," ongoing piracy and terrorism, and the continued threat of aggression from countries including Iran and North Korea. Third, after a decade of war in the Middle East, we are completing ground operations and stabilization efforts in Iraq and Afghanistan.

This confluence of factors was emerging when I wrote my sailing directions and, as they clarified, were the drivers behind the "Defense Strategic Guidance Sustaining U.S. Global Leadership: Priorities for 21st Century Defense" issued by the President and Secretary of Defense. The Defense Strategic Guidance was developed in a collaborative and transparent process, and I believe it is aligned with sailing directions. The guidance calls for a more agile, lethal, and flexible force to address

the challenges and opportunities facing our Nation and has clear implications for the Navy as a force provider, including:

Emphasize Readiness Over Capacity

We will not let the force become "hollow" by having more force structure than we can afford to maintain, equip, and man. Our fiscal year 2013 budget submission inactivates seven *Ticonderoga* CGs and two LSDs. These ships were in need of significant maintenance investment and 6 of the 7 cruisers required further investment to install ballistic missile defense capability. Inactivating these ships allowed almost $2 billion in readiness funding to be shifted to other portions of the fleet. This reduction in capacity and our shift to a more sustainable deployment model will result in some reductions to the amount of presence we provide overseas in some select areas, or a change in the nature of that presence to favor innovative and lower-cost approaches.

Invest in Current Warfighting Capability

Our ability to deter aggression rests on our current warfighting capability. During the final stages of developing our fiscal year 2013 budget submission, we worked closely with the Office of the Secretary of Defense to shift more than $700 million into procurement, operations and maintenance, and research and development to rapidly improve the readiness of warfighting capabilities being deployed to the Middle East and Asia-Pacific. These changes focused on countering A2/AD threats through mine warfare (MIW), integrated air and missile defense, antisurface warfare (ASuW) against fast attack craft and ASW. Our investments included training targets and ordnance, mine warfare maintenance and prototype systems, antisurface and ASW sensors and weapons, and kinetic and nonkinetic systems for self-defense against torpedoes, cruise missiles, and ballistic missiles.

Maintain Middle East Presence and Rebalance our Focus Toward Asia-Pacific

The Asia-Pacific and Middle East are the most consequential regions for our future security and prosperity. Two factors drive the Navy's ability to provide presence: The size of the fleet and the amount of time ships can remain deployed. Our fiscal year 2013 budget submission reduces the size of the fleet in the next year by decommissioning some ships, but the fleet returns to its current size by 2017 and grows to about 300 ships by 2019. We will work with the Joint Staff and Secretary of Defense's office to focus our presence on the Middle East and Asia-Pacific as part of the GFMAP. The mix of ships in the fleet between now and 2020 will evolve to include more small combatants and support vessels that can provide innovative, low-cost platforms for security cooperation and partnership building activities in Latin America and Africa. This will enable our carriers, large surface combatants, submarines, and amphibious ships to focus on the Middle East, Asia-Pacific, and Europe.

As described above, we are fostering a series of bases and "places" with our allies and partners around the world to provide access and support forward operations at the strategic maritime crossroads. Some of these facilities will host FDNF or forward stationed ships and aircraft, while others will extend the range and duration of deployments by providing places to rest, repair, refuel, and resupply. Our fiscal year 2013 budget submission includes funding to support these facilities, while we are studying options for rotational crewing which may allow overseas "places" to host crew exchanges for additional classes of ships such as we plan to do for LCSs and currently conduct for PCs, SSGNs, and mine countermeasures ships (MCMs).

Develop Innovative, Low-Cost, and Small Footprint Approaches to Partnerships

The United States will continue to be the security partner of choice, and the Navy will tailor our partnership efforts to be both affordable and appropriate. The evolution of the Fleet's mix over the next 8 years will provide ships suited to cooperative operations such as maritime security; building partner capacity; countering terrorism, illegal trafficking and proliferation; and providing humanitarian assistance/disaster response (HA/DR). Ships including LCS (with ASuW mission packages), JHSV, MLP, AFSB, hospital ships (T–AH) and combat logistics force ships will provide platforms to conduct the low-cost, small footprint missions called for in the Defense Strategic Guidance. These ships will free up higher-end combatants for other missions and will employ innovative crewing concepts such as civilian mariners and rotational military crews that will provide more time forward per ship.

OUR FISCAL YEAR 2013 INVESTMENTS SUPPORT THE DEPARTMENT'S MOST IMPORTANT MISSIONS

Within the fiscal constraints of the Budget Control Act of 2011, we applied our priorities and tenets to develop our fiscal year 2013 budget submission, which strongly supports the missions described the new Defense Strategic Guidance.

Counterterrorism and Irregular Warfare

We will support the joint force in an active approach to countering terrorist and extremist threats. With the drawdown in Afghanistan and sensitivity to U.S. forces ashore, these efforts will increasingly be conducted from the sea. The Navy's fiscal year 2013 budget submission increases our ability to support these operations through investments including the sea-based MQ–8B and longer-range, higher-payload MQ–8C UAS, MLP, AFSB, LCS, BAMS, tailored language and culture training, and increases in SEAL manning. Places including Djibouti, Singapore, Bahrain, and Guantánamo Bay, Cuba will continue to support small-footprint, long-duration operations to counter illegal activities—including terrorism, piracy, and trafficking—from the Horn of Africa and Arabian Gulf to the South China Sea and the Caribbean.

Deter and Defeat Aggression

The Navy-Marine Corps team is the Nation's front line to deny an aggressor's objectives or promptly impose costs on the aggressor. Naval forces bring two essential qualities to this mission: Presence or prompt access forward where conflict occurs, and credible warfighting capability to counter the aggressor. Our fiscal year 2013 budget submission supports forward operations at the places where conflict is most likely or consequential—the strategic maritime crossroads. In addition to the readiness and operations funding that allow our forces to operate forward, our fiscal year 2013 budget submission also invests in establishing FDNF DDGs in Rota, Spain, forward-stationed LCSs in Singapore, additional forward stationed PCs in Bahrain and a sustainable tempo of rotational deployments.

Our fiscal year 2013 budget submission improves the warfighting capability of the forces we send forward. The centerpieces of naval capability remain the Carrier Strike Group and Amphibious Ready Group. Our fiscal year 2013 budget submission sustains funding for CVNs and the strike fighters (F–35C and F/A–18 E/F), E–2Ds, and EA–18Gs they deliver to the fight, as well as the unmanned NUCAS and UCLASS aircraft that will expand the reach and persistence of the future air wing. To complement our aviation capabilities, our fiscal year 2013 submission funds a "big deck" LHA in fiscal year 2017 to support power projection by Marine Air-Ground Task Forces. These ships, aircraft, sailors, and marines have deterred and defeated aggression since World War II and will continue to do so well into the future.

Our fiscal year 2013 budget submission invests in capabilities to counter specific types of aggression, such as Iranian threats to deny access to the Strait of Hormuz through mine warfare. While we develop the LCS as the future host of MIW capabilities, our fiscal year 2013 budget submission invests in sonar upgrades and maintenance for our current MCMs, new mine detection and neutralization UUVs, establishment of an AFSB in the Arabian Gulf to support air and surface MIW operations, and sea-based intelligence, surveillance, and reconnaissance. Our fiscal year 2013 budget submission also funds ASW improvements geared toward the Iranian threat such as air-launched Mark-54 torpedoes and torpedo defense systems, as well as ASuW weapons to counter fast attack craft such as Griffin and Spike missiles for PCs and rockets for helicopters.

Project Power Despite A2/AD Challenges

Potential adversaries are mounting strategies to prevent U.S. forces from entering their theater (anti-access) or operating effectively once within the theater (area-denial). These adversaries intend to prevent U.S. forces from defeating their aggression or coming to the aid of allies and partners. Both state and nonstate actors are undertaking these strategies using capabilities including mines, submarines, anti-ship cruise and ballistic missiles, anti-satellite weapons, cyber attack, and communications jamming. The Navy fiscal year 2013 budget submission addresses these threats through a wide range of investments that support the multiservice Air-Sea Battle concept and the Joint Operational Access Concept (JOAC). In addition to the MIW, ASuW and ASW investments identified above, our fiscal year 2013 budget submission funds upgrades in electronic warfare (EW), integrated fire control, cyber operations, networks, *Virginia* SSN and payload modules, and the F–35C.

The Navy's ability to retain access to international waters and airspace as well as critical chokepoints throughout the world would be enhanced by accession to

UNCLOS. As the world's pre-eminent maritime power, the United States has much to gain from the legal certainty and global order brought by UNCLOS. The United States should not rely on customs and traditions for the legal basis of our military and commercial activity when we can instead use a formal mechanism such as UNCLOS. As a party to UNCLOS, we will be in a better position to counter the efforts of coastal nations to restrict freedom of the seas.

Counter Weapons of Mass Destruction

The Navy's primary contribution to countering weapons of mass destruction (WMD) is interdicting WMD and their precursors through the international Proliferation Security Initiative (PSI). Our fiscal year 2013 budget submission funds the readiness and force structure necessary to maintain forces forward at the strategic maritime crossroads where these interdictions are most common, while continuing to enable PSI by sustaining the command and control and sensors needed to find and track WMD transporters.

Operate Effectively in Space and Cyberspace

As a forward-deployed force, our fleet is highly dependent upon space-based systems, cyberspace, and the electromagnetic spectrum. Naval forces rely on long-haul communications for command and control, positioning, navigation and timing, and administration. Given the growing A2/AD threat from communications jamming and anti-satellite weapons, our fiscal year 2013 budget submission includes investment in the maritime portion of the Joint Airborne Layer Network, a UAV-based system to assure our ability to communicate and conduct command and control.

Cyberspace and the electromagnetic spectrum are a key area of emphasis for our future force development. In the past 2 years, we made significant investments in personnel for Navy Cyber Command/Tenth Fleet as well as U.S. Cyber Command, which continue in our fiscal year 2013 budget submission. These highly skilled operators are developing a "common operational picture" (COP) of cyberspace and the tools to effectively defend our interests within it. Cyberspace and the electromagnetic spectrum are inextricably linked, and in our fiscal year 2013 budget submission, we fund a range of EW and electronic support systems including EA–18G, SEWIP, Next-Generation Jammer, shipboard prototype and demonstrator systems, Ship Signal Exploitation Equipment (SSEE), and the E–2D. These systems sustain our ability exploit the electromagnetic spectrum for sensing and communication, while denying our adversaries accurate or effective information. We are also developing the conceptual and doctrinal framework to fully exploit the electromagnetic spectrum as a warfighting domain.

Maintain a Safe, Secure, and Effective Nuclear Deterrent

The Navy provides the most survivable leg of the U.S. nuclear triad with the SSBN and associated nuclear command and control, maintenance, and support infrastructure. Our fiscal year 2013 program continues to fund the recapitalization of our *Ohio*-class submarines and the safe handling of Trident D–5 missiles through investment in an additional explosive handling wharf at Naval Base Kitsap. Consistent with the Defense Strategic Guidance, we delayed the *Ohio* replacement program by 2 years. This delay will result in an SSBN force of 10 ships in the 2030s and will require a high state of readiness to meet the Nation's strategic deterrence needs. Our fiscal year 2013 budget submission fully funds the maintenance and support to today's *Ohio*-class SSBNs to help maximize their operational availability throughout their service lives.

Homeland Defense and Support to Civil Authorities

We maintain approximately 45 ships underway around the United States and another 50 available within days to meet U.S. Northern Command's homeland defense requirements through our FRTP. The Navy's fiscal year 2013 budget submission also funds DDG modernization that can support homeland ballistic and cruise missile defense missions.

Provide a Stabilizing Presence; Conduct Counterinsurgency, Humanitarian Assistance/Disaster Relief and Other Operations

Although our warfighting capability will be focused on the Middle East and Asia-Pacific, other regions will retain naval presence. The nature of that presence, however, will change over the next several years. While today DDGs and amphibious ships conduct security cooperation operations with partners in Latin America and Africa, our fiscal year 2013 budget submission funds procurement of JHSV, AFSB, MLP, and LCS and sustainment of PCs and T–AHs to take on these missions in the future. To support an expanding range of partnership missions, they will in-

creasingly carry tailored force packages of marines to conduct security cooperation activities with partner armies and marines.

These same ships will support humanitarian assistance operations and rapid response by U.S. forces to crisis or disaster. They can embark a wide range of interagency and nongovernmental personnel, allowing them to support the whole range of development, defense and diplomacy activities, and contribute to nonmilitary efforts to counter insurgencies and conduct stabilization operations. As naval forces, they can be backed up by the robust multimission capability and transportation capacity of amphibious ships and embarked marines.

EVALUATING IMPACTS OF THE NEW DEFENSE STRATEGIC GUIDANCE

The new Defense Strategic Guidance is not without risk. In particular, we will need to assess the impacts of capacity reductions on the force's ability to address highly likely or highly consequential security challenges. Senior defense leaders are conducting this assessment in a series of seminars over the next several months. Within the Navy, we are also re-evaluating our force structure requirements in light of the Defense Strategic Guidance. We are assessing the capabilities needed to implement the strategy, what force structure could deliver those capabilities, and the resulting inventory of ships and aircraft that will be required. The results of this assessment will indicate the risk in the ability of the Navy's investment plans to implement the Defense Strategic Guidance. The force structure assessment will also indicate what ships should be counted as part of the battle force, and the extent to which the Navy will need to implement innovative concepts such as rotational crewing to deliver the needed level of forward presence.

We will also evaluate the impact of our investment plans on our industrial base, including ship and aircraft builders, depot maintenance facilities, equipment and weapons manufacturers, and science and technology researchers. Some of our suppliers, especially in specialized areas such as nuclear power, have the government as their only customer. Our fiscal year 2013 budget submission addresses the health of the industrial base, and we will work closely with our industry partners to manage the risk of any further budget reductions.

Ship inactivations in the fiscal year 2013 budget submission, when combined with those of previous budgets, may cause an imbalance in the Fleet's overall distribution. We are assessing what will be affordable and appropriate in homeporting new ships or moving existing ships to ensure we efficiently employ our shore infrastructure, balance our port loading, and take advantage of collocating ships with common configurations and equipment.

The healthcare proposals in the President's budget are consistent with our efforts over the last several years to pursue a multipronged strategy to control the rate of growth in defense health costs:

—identifying more efficient processes internally;

—incentivizing healthy behaviors and wellness; and

—keeping our sailors and marines fit and ready to deploy.

This budget maintains our commitment to those who serve and have served, and responsibly meets the demands dictated by Federal budget constraints. I hope you will agree, and support our efforts. I also support the establishment of a commission to study changes to the structure and benefits of our retirement program for those who have not yet entered the service. That assessment must include an evaluation of the combined impact to our future recruiting and retention of changes to retirement benefits, pay, and healthcare.

CONCLUSION

I believe the risks of the new Defense Strategic Guidance are manageable and can be mitigated with good management of the joint force. Our Navy will continue to be critical to our Nation's security and prosperity by assuring access to the global commons and being at the front line of our Nation's efforts in war and peace. I assure the Congress, the American people, and those who would seek to do our Nation harm, that we will be focused on warfighting, operating forward, and being ready.

Senator MIKULSKI. Thank you.

General Amos.

STATEMENT OF GENERAL JAMES F. AMOS, COMMANDANT, UNITED STATES MARINE CORPS

General AMOS. Madam Chairman, Vice Chairman Cochran, and members of the subcommittee, I am pleased to speak today on behalf of your United States Marine Corps.

As we sit today in this chamber, 30,000 marines are forward deployed around the world defending our Nation's liberty, shaping strategic environments, engaging our partners and allies, and ensuring freedom of the seas while they deter aggression.

Over the past year alone, the forward presence and crisis response of America's marines, working in concert with our most important joint partner, the United States Navy, has created opportunities and provided decision space for our Nation's leaders.

Your marines were first on the scene to provide humanitarian assistance and disaster relief in Japan in the aftermath of last year's monumental natural disasters and the first to fly air strikes over Libya. They evacuated noncombatants from Tunisia and reinforced our embassies in Egypt, Yemen, and Bahrain. While accomplishing all of that, your Corps continued to conduct sustained combat and counterinsurgency operations in Afghanistan.

Having just returned a little more than 3 weeks ago from visiting many of the nearly 20,000 marines and sailors currently deployed there, I can tell you firsthand that their professionalism and morale remain notably strong. There is an indomitable spirit displayed in all that they do. Their best interests and the needs of all our joint forces in combat remain my number-one priority.

History has shown that it is impossible to predict where, when, and how America's interests will be threatened. Regardless of the global economic strain placed on governments and their military forces today, crises requiring military intervention will undoubtedly continue tomorrow and in the years to come.

As a maritime Nation dependent on the sea for the free exchange of ideas and trade, America requires security both at home and abroad. To maintain a strong economy, to access overseas markets, and to assure our allies, in an era of fiscal constraint, the United States Marine Corps is our Nation's risk mitigator, a certain force during uncertain times, one that will be the most ready when the Nation is the least ready.

There is a cost to maintaining this capability, but it is nominal in the context of the total defense budget and provides true value to the American taxpayer. This fiscal year, I am asking the Congress for $30.8 billion, a combination of both base and overseas contingency operations (OCO) funding.

Your continued support will fund ongoing operations around the world, provide quality resources for our marines, our sailors, and their families. It will reset the equipment that is worn out from more than 10 years at war, and lastly, it will posture our forces for the future.

When the Nation pays the sticker price for its marines, it buys the ability to respond to crises anywhere in the world through forward deployed and forward engaged forces. This same force can be reinforced quickly to project power and contribute to joint assured access anywhere in the world in the event of a major contingency.

No other force possesses the flexibility and organic sustainment to provide these capabilities.

As our Nation begins to direct its attention to the challenges and opportunities of a post-Afghanistan world, a world where the Middle East and the Pacific take center stage, the United States Marine Corps will be ever mindful of the traditional friction points in other regions and prepared to respond accordingly as needed.

The strategic guidance directs that we rebalance and reset for the future. We have a solid plan to do so, and we have begun execution already. As we execute a strategic pivot, I have made it a priority to keep faith with those who have served during the past 10 years of war.

Through judicious choices and forward planning, ever mindful of the economy in which we live, we have built a quality force that meets the needs of our Nation. By the end of fiscal year 2016, your United States Marine Corps will be streamlined down to 182,100 marines. This active-duty force will be complemented by the diverse depth of our operational reserve component that will remain at 39,600 strong.

Our emerging United States Marine Corps will be optimized for forward presence, engagement, and rapid crisis response. It will be enhanced by critical enablers, special operators, and cyber warfare marines, all necessary on the modern battlefield.

To build down the United States Marine Corps from its current end strength of 202,000, I will need the assistance of the Congress for the fiscal resources necessary to execute the drawdown at a measured and responsible pace of approximately 5,000 marines a year, a rate that guards against a precipitous reduction that would be harmful to our force.

PREPARED STATEMENT

As we continue to work with our Nation's leadership and my fellow joint partners, you have my assurance that your United States Marine Corps will be ever faithful in meeting our Nation's need for an expeditionary force in readiness, a force that can respond to today's crises with today's force today.

Thank you for the opportunity to appear before you today. Madam Chairwoman and fellow members, I look forward to your questions.

[The statement follows:]

PREPARED STATEMENT OF GENERAL JAMES F. AMOS

THE INDOMITABLE SPIRIT OF THE U.S. MARINE

Your Marines are Ready Today

We remain a Nation at war. Currently, nearly 20,000 marines are conducting combat operations in Afghanistan. Operation Enduring Freedom (OEF) remains our top priority. Having recently returned from visiting marines and sailors currently deployed throughout Central Command, I am pleased to report their professionalism and morale remains notably strong. Whether patrolling in Afghanistan or planning at the Pentagon, serving on Navy amphibious warships or engaging our partners around the world, the indomitable spirit of our greatest asset, the individual marine, stands ready—ready to safeguard our Nation's liberty, to ensure freedom of the seas, and to protect our Nation's interests abroad. With your assistance, we will continue to resource this National Treasure . . . the U.S. marine.

2011 Operational Highlights

During the past year, marines have conducted counterinsurgency operations in Afghanistan and have responded to a rapid succession of unpredicted political upheavals, natural disasters, social unrest, piracy, and emerging threats in various unstable areas of the world's littoral regions.

Operation Enduring Freedom

We are seeing measurable progress along all lines of operation in the Helmand Province:

—security;
—reintegration;
—rule of law;
—governance;
—development;
—education; and
—health.

Over the past year, violence and the level of collateral damage have decreased significantly. Throughout 2012, marines in Regional Command-Southwest (RC(SW)) will continue transitioning to partnership training missions as we transfer even greater security responsibility to the maturing Afghan national security forces; police and army forces in Helmand Province have progressed in training and capability. There is a strong sense of optimism among our forces in Helmand Province.

Operation Tomodachi

Following a devastating earthquake and tsunami in Japan last spring, 3,600 marines and sailors from our amphibious forces in the Pacific responded within 24-hour notice. They served as the lead element of the joint force, delivered humanitarian aid (i.e. 500 tons of food and supplies; 2,150,000 gallons of water; and 51,000 gallons of fuel), rescued those in danger, provided consequence management, and facilitated the evacuation of almost 8,000 American citizens. For weeks following this disaster, Marine aircrews flew through a radioactive environment to save lives, deliver aid, and assist the afflicted.

Operation Unified Protector/Odyssey Dawn

Amidst a wave of civil turmoil spreading across Northern Africa, two amphibious warships with embarked marines sped to the Mediterranean and took up station off the coast of Libya. The 26th Marine Expeditionary Unit (MEU), an air-ground-logistics task force, provided our Nation's leaders invaluable decision time that allowed the determination of a way ahead and later integration with the joint force with the North Atlantic Treaty Organization to enforce a no-fly zone. Marine aviation assets were an important component of the joint force. Short take-off and vertical landing (STOVL) Harriers, operating from USS *Kearsarge*, conducted the first precision airstrikes and provided airborne command and control. Our KC–130Js evacuated noncombatant foreign nationals repatriating them to their homeland, and our MV–22B Ospreys rescued a downed American aviator using unprecedented operational reach.[1]

Security Cooperation

In 2011, we supported all six geographic combatant commands with task-organized forces of marines who conducted hundreds of security cooperation (SC) activities with the Armed Forces of more than 75 countries. Aligned with Defense Strategic Guidance to "develop innovative, low-cost, and small-footprint approaches to achieve our security objectives, relying on exercises, rotational presence and advisory capabilities", our SC missions focus on internal defense and participation in coalition operations.[2]

Embassy Reinforcement

We continue providing security for 154 U.S. Embassies and consulates in 137 countries around the world through the Marine Corps Embassy Security Group. To augment this mission, marines from our Fleet Anti-Terrorism Security Teams rapidly deployed to reinforce Embassies. This past year they deployed to protect American lives and property in Bahrain, Egypt, and Yemen as crisis events unfolded across the Middle East.

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[1] The MV–22B Osprey rescue of an American combat aviator on March 22, 2011, was conducted within 95 minutes over a distance of 300 nautical miles (from launch aboard amphibious shipping to recovery of pilot and then back to shipping).

[2] Sustaining U.S. Global Leadership: Priorities for 21st Century Defense, January 2012, p. 3.

The New Strategic Guidance; How Your Marine Corps is Changing

New strategic guidance issued by the President and the Secretary of Defense provides the framework by which the Marine Corps will balance the demands of the future security environment with the realities of our current budget. The guidance calls for a future force that will "remain capable across the spectrum of missions, fully prepared to deter and defeat aggression, and to defend the homeland and our allies in a complex security environment".[3]

We have built a quality force that is fully capable of executing its assigned missions. Our strategic guidance rightfully focuses our attention on the Pacific and Central Command regions. Navy-Marine Corps forward basing, response capabilities, and plans are already positioned to support that strategy, yet we will remain vigilant and capable to respond on short notice in other areas of the world as the Nation requires. Marines continually stand ready to contribute decisively to a joint force, and can help provide access for that force wherever needed.

Though the fiscal choices made over the past year were difficult, we are confident that we are managing risk by balancing capacity and capabilities across our forces while maintaining the high levels of readiness for which the Nation relies on its marines. The Corps of today and tomorrow will maintain its high standards of training, education, leadership and discipline, while contributing vital capabilities to the joint force across the spectrum of military operations. The emerging strategy revalidates our role as America's expeditionary force in readiness. Our partnership with the Navy enables a forward-deployed and engaged force that shapes, deters, responds, and projects power well into the future.

During our force structure assessment, we cross-checked recommendations against approved Department of Defense (DOD) Operations and Contingency Plans, and incorporated lessons learned from 10 years of combat. The resulting force structure decisions to support the new strategy are:

—reduced the end strength of the active component of the Marine Corps from 202,100 beginning this fiscal year to 182,100 by the end of fiscal year 2016;
—designed a force with capabilities optimized for forward-presence, engagement, and rapid crisis response;
—funded readiness levels required for immediate deployment and crisis response;
—properly re-shaped organizations, capabilities, and capacities to increase aggregate utility and flexibility across the range of military operations; also enhancing support provided to U.S. Special Operations and Cyber Commands;
—properly balanced critical capabilities and enablers across our air-ground-logistics task forces, ensuring that identified low-density/high-demand assets became right-density/high-demand assets;
—incorporated the lessons learned from 10 years of war—in particular, the requirements to field a force that is manned, trained, and equipped to conduct distributed operations;
—created an operational reserve component capability without any reductions in reserve force structure; and
—designed the force for more closely integrated operations with our Navy, special operations, and inter-agency partners.

Throughout this period of adjustment, we will "keep faith with our marines, sailors, and their families". Our approach to caring for them is based on our recognition and appreciation for their unwavering loyalty and unfailing service through a decade of combat operations. This strong commitment will not change.

Maintaining a High State of Readiness

The Navy and Marine Corps team is the Nation's resource for mitigating risk. Given likely future operations set forth in the Defense Strategic Guidance ranging from defeating rogue actors to responding to natural disasters, the Nation can afford and should invest in the small premium it pays for high-readiness levels within its naval amphibious forces. Because our Nation cannot afford to hold the entire joint force at such high rates of readiness, it has historically ensured that marines remain ready; and has used us often to plug gaps, buy time for decisionmakers, ensure access or respond when and where needed.

In order for the Marine Corps to achieve institutional readiness for crisis and contingency response, we must maintain balance in the following five pillars:

High-Quality People (Recruiting and Retaining High-Quality People Plays a Key Role in Maintaining our High State of Readiness).—Recruiting quality youth ultimately translates into higher performance, reduced attrition, increased retention, and improved readiness for the operating forces. By retaining

[3] Sustaining U.S. Global Leadership: Priorities for 21st Century Defense, Fact Sheet, January 5, 2012 p. 2.

the highest-quality people, the Marine Corps will continue to achieve success in today's dynamic environment and meet the challenges posed to our Nation. We will not lower our standards.

Unit Readiness (Maintaining Readiness of the Operating Forces, Including Appropriate Operations and Maintenance Funding to Train to Core Missions and Maintain Equipment).—The Marine Corps deploys units at high levels of readiness for assigned missions. We source our best-trained, most-ready forces to meet Geographic Combatant Commander requirements. One hundred percent of deployed units report the highest levels of readiness for their assigned mission. We will be ready to deploy on a moment's notice.

Capacity Versus Requirements (Force-Sizing To Meet Geographic Combatant Commander Requirements With the Right Mix of Capacity and Capability).—The Marine Corps must maintain a force that meets our ongoing operational requirements to include our commitment to OEF, our rotational presence abroad, our many security cooperation and engagement activities, along with anticipated missions as we reorient to the Pacific.

Infrastructure Sustainment (Investing in Real Property, Maintenance, and Infrastructure).—We must adequately resource the sustainment of our bases and stations to maintain our physical infrastructure and the means to train and deploy our forces. As resources become more constrained, we will become even better stewards of our installations to maintain our facilities for the next generation of marines.

Equipment Modernization (Ensuring Ground and Aviation Equipment Matches the Needs of the Emerging Security Environment).—As we explore options to adjust to changing fiscal realities, there is a clear imperative for our Corps to reset portions of our legacy equipment used in OEF and Operation Iraqi Freedom while we modernize what we must to guarantee our dominance and relevance against future threats.

FISCAL YEAR 2013 BUDGET HIGHLIGHTS

The Frugal Force

The Marine Corps is fully aware of the fiscal challenges facing our Nation and has critically examined and streamlined our force needs for the future. We continually strive to be good stewards of the public trust by maintaining the very best financial management practices. The Marine Corps has undergone an independent audit in fiscal year 2010, and our fiscal year 2011 audit is still ongoing. We plan to pursue an independent audit again for fiscal year 2012 and fully expect an audit opinion for fiscal year 2011 and fiscal year 2012. To date, we are the only service to undertake such independent scrutiny. By the end of 2012, we will complete initial Service-wide implementation of our Enterprise Resource Planning System—Global Combat Support System—Marine Corps (GCSS–MC). GCSS–MC will significantly improve our inventory accountability and contribute to clean audit requirements. We are proud of our reputation for frugality and remain one of the best values for the defense dollar.

We have four major accounts governing our operations:

—investment;
—operations and maintenance;
—military construction (MILCON) and family housing; and
—manpower.

These are our priorities:

Investment

—Enhancing programs vital to our ground combat elements.
  —Light armored vehicles (LAV), high-mobility artillery rocket system (HIMARS), small tactical unmanned aerial system (STUAS).
—Maintaining the same investment levels in other enabling programs.
  —Ground/Aviation Task Oriented Radar (G/ATOR), Next Generation Enterprise Network (NGEN), Command and Control Situational Awareness (C2/SA).
—Fully funding critical research and development efforts.
  —Joint light tactical vehicle (JLTV), amphibious combat vehicle (ACV).
—Sustaining other ground and tactical vehicles until their replacements can be procured.
  —High-mobility multi-purpose wheeled vehicle (HMMWV) and amphibious assault vehicle (AAV).
—Procuring full programs of record critical to aviation modernization.
  —F–35B, H–1 Upgrades, MV–22B, KC–130J, CH–53K.

Operations and Maintenance

—Fully funding our education, training, and readiness accounts.
—Resourcing civilian work force at fiscal year 2010 end-of-year levels.
—Enhancing support of Marine Special Operations Command (MARSOC) and Marine Forces Cyber Command (MARFORCYBER).
—Providing continued support to family readiness and Wounded Warrior programs.
—Supporting transition from the Navy/Marine Corps Intranet (NMCI) to NGEN.
—Maintaining energy mandates.

Military Construction and Family Housing

—Maintaining facility sustainment at 90 percent of required funding.
—Increasing facilities demolition funds.
—Preserving essential MILCON funding.
Aviation.—Joint Strike Fighter, MV–22B Osprey.
Ground.—Marine Corps Security Forces, Marine Corps University.
—Preserving environmental restoration funding, family housing operations and construction.

Manpower

—Reducing end strength from 202,100 marines to 182,100 marines by the end of fiscal year 2016 in a responsible and measured way to keep faith with all who have served.
—Realigning force structure across the entire Marine Corps.
—Maintaining our reserve component at 39,600 marines.

During these times of constrained resources, we remain committed to refining operations, identifying efficiencies, and reinvesting savings to conserve scarce public funds. We have met or exceeded all DOD efficiency measures to date. This fiscal year, we are seeking $30.8 billion ($23.9 billion baseline + $6.9 billion in overseas contingency operations) to fund our operations, provide quality resources for our marines, sailors, and their families, conduct reset of equipment worn from more than 10 years at war and posture our forces for the future. Marines account for only 8.2 percent[4] of the total DOD budget. With that, our Nation gains the ability to respond to unexpected crises, from humanitarian assistance and disaster relief efforts to noncombatant evacuation operations, to counterpiracy operations, to full-scale combat. When the Nation pays the "sticker price" for its marines, it buys the ability to remain forward deployed and forward engaged, to reinforce alliances and build partner capacity.

THE ROLE OF MARINES IN THE FUTURE SECURITY ENVIRONMENT

The Future Security Environment

The rapidly evolving events of the past year alone indicate a new constant. Competition for resources; natural disasters; social unrest; hostile cyber activity, violent extremism (criminal, terrorist, and religious); regional conflict; proliferation of weapons of mass destruction; and advanced weaponry in the hands of the irresponsible are becoming all too common. Marine Corps intelligence estimates rightfully point out that "more than half of the world's population lives in fragile states, vulnerable to ruinous economic, ideological, and environmental stresses. In these unstable regions, ever-present local instability and crises will erupt, prompting U.S. responses in the form of humanitarian assistance and disaster relief operations, actions to curtail piracy, stability operations, and the rescue and evacuation of U.S. citizens and diplomats".[5] These and other sources of stress are challenging industrialized nations just as they do emerging and failed ones. Further increased fragility of the global systems impacts both international markets and our Nation's economic stability. These challenges are harbingers of potential crisis around the world and more specifically for naval forces in the littoral regions.

History has shown that crises usually come with little or no warning; stemming from the same conditions of uncertainty, complexity, and chaos we observe across the world today. Regardless of the financial pressures placed on governments and markets today, crises requiring military intervention undoubtedly will continue to-

[4] This percentage is based on the enacted fiscal year 2012 DOD budget authorization and is slightly larger than the 7.8-percent sum cited in the past. This percentage includes $3 billion in fiscal year 2012 funding for amphibious warship new construction as well as Navy funding for chaplains, medical personnel, amphibious warships (operations and maintenance), and Marine Corps aircraft.

[5] *Five Year Forecast: 2012–2017 Assessment of International Challenges and Opportunities That May Affect Marine Expeditionary Forces*, January 2012, p. 1.

morrow. In this environment, physical presence and readiness matter significantly. Since the 1990s, America has been reducing its foreign basing and presence, bringing forces back home. This trend is not likely to change in the face of the strategic and budget realities we currently face. There remains an enduring requirement to balance presence with cost. In the past, the Nation has chosen to depend on the Navy and Marine Corps to provide a lean and economical force of an expeditionary nature, operating forward and in close proximity to potential trouble spots. Investing in naval forces that can respond to a wide-range of crisis situations, creates options and decision space for our Nation's leaders, and protects our citizens and interests is a prudent measure in today's world.

The Navy and Marine Corps Team

Partnered with the United States Navy in a state of persistent forward presence aboard amphibious warships, your United States Navy and Marine Corps team remains the most economical, agile, and ready force immediately available to deter aggression and respond to crises. Such a flexible and multicapable force that maintains high-readiness levels can mitigate risk, satisfy the standing strategic need for crisis response, and when necessary, spearhead entry and access for the joint force. More than 60 years ago and arising out of the lessons learned from the Korean War, the 82nd Congress envisioned the need for a force that "is highly mobile, always at a high state of combat readiness . . . in a position to hold a full-scale aggression at bay while the American Nation mobilizes its vast defense machinery".[6] This statement continues to describe your Navy and Marine Corps team today. It is these qualities that allow your Marine Corps to protect our Nation's interests, reassure our allies, and demonstrate America's resolve.

Reorienting to the Pacific

As our security strategy looks increasingly toward the Pacific, forward-deployed naval forces will become increasingly vital. The "geographic realities" of the Pacific theater demand naval responsiveness. The genesis of the amphibious and power projection capabilities of the Navy and Marine Corps traces back more than 70 years to operations in the Pacific—where today key terrain and strategic chokepoints are separated by large expanses of ocean. The Pacific theater is where 30 percent of the world's population and the same percentage of our primary trading partners reside; where five major defense treaties are focused;[7] where 50 percent of the world's megacities are situated; and where natural disasters over the past decade have required the greatest attention from the international community.[8] The geography of the Pacific has not changed, though our tactics and operations continually evolve with the changing character and lethality of modern warfare. Approximately 24,000 marines already in the Pacific conduct an ambitious, annual training cycle of more than 80 exercises, engagements and initiatives, in addition to the crises we respond to such as Operation Tomodachi in Japan last year.

Forward presence involves a combination of land- and sea-based naval forces. Our enduring bases and presence have served U.S. national security interests well for decades. Our rotational presence in locations such as Japan, Korea, Australia, the Philippines, Thailand, and Singapore reassures our allies and partners. Sea-basing, the act of using amphibious warships with support from maritime prepositioned ships with various types of connectors, is uniquely suited to provide the geographic combatant commander with the flexibility to deploy forces anywhere in the Pacific region without having to rely on multiple bases ashore or imposing our presence on a sovereign nation. Sea-basing enables forward deployed presence at an affordable cost. Forward-deployed naval forces serve as a deterrent and provide a flexible, agile response capability for crises or contingencies. Maritime prepositioning offers the ability to rapidly support and sustain Marine forces in the Pacific during training, exercises, or emerging crises, and delivers the full-range of logistical support those forces require.

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[6] Committee report accompanying S. 677 and H.R. 666 of June 30, 1951.

[7] Philippines-U.S. Mutual Defense Treaty (1951); Australia, New Zealand, U.S. (ANZUS) Treaty; U.S. Alliance with South Korea (1954); Thailand (Manila Pact of 1954); U.S. Japan Security Treaty (1960).

[8] According to the United Nations Economic and Social Commission for Asia and the Pacific, during the period 2001 to 2010 in the Asia-Pacific region more than 200 million people per year were affected by natural disasters. This total amounts to 95 percent of the total people affected by natural disasters annually. Approximately 70,000 people per year were killed due to natural disasters (65 percent of the world's total that died of such causes). An average of $35 billion of economic damage occurred per year to the region due to natural disasters.

A Middleweight Force From the Sea

As a "middleweight force", Marines do not seek to supplant any service or "own" any domain. Rather, Marine forces operate in a "lane" that passes through all domains—land, sea, air, space, and cyber—operating capably and freely throughout the spectrum of threats, whether they be conventional, hybrid, irregular, or the uncertain areas where they overlap. Whereas other forces are optimized for a particular mission and domain, the Marine Corps is optimized for rapid deployment, versatile employment, and self-sustainment via Marine Air-Ground Task Forces (MAGTF), which are balanced, combined-arms formations under a single commander. All MAGTFs consist of four core elements:

—a command element;
—ground combat element;
—aviation combat element; and
—logistics combat element.

MAGTFs are scalable in size and capability.

Bridging a seam in our Nation's defense between heavy conventional and special operations forces (SOF), the United States Marine Corps is light enough to arrive rapidly at the scene of a crisis, but heavy enough to carry the day and sustain itself upon arrival. The Marine Corps is not designed to be a second-land army. That said, throughout the history of our Nation, its Marines have been called to support sustained operations from time to time. We are proud of our ability to contribute to land campaigns when required by leveraging and rapidly aggregating our capabilities and capacities. Primarily though, the Corps is a critical portion of our integrated naval forces and designed to project power ashore from the sea. This capability does not currently reside in any other service; a capability that has been called upon time and again to deter aggression and to respond quickly to threatening situations with appropriate military action.

Marine Corps and SOF roles are complementary, not redundant. Special forces contribute to the counterinsurgency and counterterrorism demands of the geographic combatant commanders in numerous and specialized ways, but they are not a substitute for conventional forces, and they do not have a broader range of capabilities and sustainability. SOF lack the organic logistic capability and capacity to execute a noncombatant operation, serve as a "fire brigade" in a crisis or conduct combined amphibious and airborne assaults against a competent enemy. Middleweight naval forces, trained in combined arms warfare and knowledgeable in the art of maneuver warfare from the sea, are ideally trained and prepared for these types of operations.

The Littorals

The United States remains a maritime Nation that relies heavily on the oceans and waterways of the world for the free exchange of ideas and trade. The maritime commons are where 95 percent of the world's commerce flows, where more than 42,000 commercial ships are under way daily, where most of the world's digital information flows via undersea cables, and where one-half the world's oil travels through seven strategic chokepoints. To secure our way of life and ensure uninterrupted freedom of navigation, we must retain the ability to operate simultaneously and seamlessly while at sea, ashore, from the sea, in the air, and perhaps most importantly, where these domains converge—the littorals. These littoral areas exist not only in the Pacific but throughout the world. Operating in the littoral environment demands the close integration of air, sea, and land power. By using the sea as maneuver space, flexible naval forces can quickly respond to crises in the bordering environment of the littorals.

In the context of the new strategy, the Navy and Marine Corps team is increasingly relevant in meeting the exigent military needs of our Nation. Together, we provide the capability for massing potent forces close to a foreign shore, while maintaining a diplomatically sensitive profile. Additionally, when necessary, we are able to project this power ashore across the range of military operations at a time of our Nation's choosing. Amphibious capabilities provide the means to conduct littoral maneuver—the ability to maneuver combat-ready forces from the sea to the shore and inland in order to achieve a positional advantage over the enemy. Working seamlessly as a single naval force, your Navy and Marine Corps team provides the essential elements of access and forcible entry capabilities that are necessary components of a joint campaign.

Engagement

In order to keep large crises from breaking out or spilling over to destabilize an entire region, 21st century security challenges also require expansion of global engagement with partner and allied nations—facilitated through persistent forward

naval presence—to promote collective approaches to common security concerns. Our engagement contributions in support of the geographic combatant commanders minimize conditions for conflict and enable host nation forces to effectively address instability on their own as it occurs. They promote regional stability and the growth of democracy while also deterring regional aggression. History has shown that it is often far cheaper to prevent a conflict than to respond to one. This thrust will necessitate amphibious forces that are not only fighters, but who can also serve as trainers, mentors, and advisers to host nation military forces.

Integration with the Joint Force

In our new defense strategy, the Marine Corps will fill a unique lane in the capability range of America's Armed Forces. Whether first-on-the scene, part of, or leading a joint force, marines instinctively understand the logic and synergy behind joint operations. Our ability to deploy rapidly and globally allows us to set the stage and enable the transition to follow-on joint forces in a timely manner. Our MAGTF structure—with organic logistics, aviation, intelligence, fires, and other assets—enables us to seamlessly team with others and provides options for the joint force commander to:

—provide a visible deterrent to would-be threats without requiring a vulnerable presence ashore at fixed bases or airfields;
—swiftly respond to small-scale crises with a range of options beyond precision strike, potentially containing crises before they erupt into major contingencies;
—partner with the Navy and United States Special Operations Command (SOCOM) to shape the operational environment;
—use the sea as maneuver space, avoiding enemy strengths, and striking his weaknesses;
—directly seize or obtain operational objectives from the sea, without the requirement for large force build-ups or sustained presence ashore;
—extend the operational reach of the Joint Force hundreds of miles inland to achieve effects from the sea through organic MAGTF assets; and
—overcome anti-access and area denial threats in a single-naval battle approach through the use of landing forces aboard amphibious warships integrated with other capabilities to include mine countermeasures and naval surface fires.

Day-to-Day Crisis Response

Engagement and crisis response are the most frequent reasons to employ our amphibious forces. The same capabilities and flexibility that allow an amphibious task force to deliver and support a landing force on a hostile shore enable it to support forward engagement and crisis response. The geographic combatant commanders have increased their demand for forward-postured amphibious forces capable of conducting security cooperation, regional deterrence, and crisis response.

Marines have conducted amphibious operations and responded to crises throughout the world more than 100 times in the past two decades. The vast majority of our expeditionary service has involved crisis response and limited contingency operations, usually conducted in periods when the Nation has otherwise been at peace. Some of these were relatively short-term rescue or raid expeditions, while others evolved into contingencies that were limited in force size but not limited in duration, complexity and level of integration with the other elements of national power. We will contribute to the missions of our Nation's security strategy in the same way.[9] On a day-to-day basis, marines will be forward-deployed and engaged, working closely with our joint and allied partners. When crises or contingencies arise, these same marines will respond—locally, regionally, or globally if necessary—to accomplish whatever mission the Nation requires.

America's Expeditionary Force in Readiness

The new strategic guidance underscores the Marine Corps role as America's expeditionary force in readiness. Reliant on a strategically relevant and appropriately

[9] The Marine Corps is capable of performing 9 of the 10 stated missions in the Defense Strategic Guidance to include:
—Counterterrorism and irregular warfare;
—Deter and defeat aggression;
—Project power despite anti-access/area denial challenges;
—Counter weapons of mass destruction;
—Operate effectively in cyberspace and space;
—Defend the Homeland and provide support to civil authorities;
—Provide a stabilizing presence;
—Conduct stability and counterinsurgency operations; and
—Conduct humanitarian, disaster relief; and other operations.

resourced Navy fleet of amphibious warships and maritime prepositioning force (MPF) vessels, we are forward deployed and forward engaged: shaping strategic environments; training partner nation and allied forces; deterring adversaries; and responding to all manner of crises contingencies.[10] Alert and ready, we respond to today's crisis with today's force . . . today. Marines are ready to respond whenever the Nation calls and wherever and however the President may direct.

WE HAVE WORKED DILIGENTLY TO PREPARE FOR THE FUTURE

Force Structure Review

In an effort to ensure the Marine Corps is organized for the challenges of the emerging security environment, we conducted a capabilities-based force structure review beginning in the fall of 2010 to identify ways we could rebalance and posture for the future. The force structure review incorporated the lessons learned from 10 years of combat and addressed 21st century challenges confronting our Nation and its Marine Corps. The review sought to provide the "best value" in terms of capability, cost, and readiness relative to the operational requirements of our forward-engaged geographic combatant commanders. The results of that effort have been shared with the Congress over the past year. While affirming this strategy-driven effort, we have aligned our force based on the realities of constrained spending levels and strategic guidance.

End Strength

During our comprehensive force structure review, we tailored a force structure to ensure a sufficient type and quantity of force available to meet the forward presence, engagement, and crisis response requirements of the geographic combatant commanders. The resulting force structure is intended to meet title 10 responsibilities, broaden capabilities, enhance speed and response options, and foster the partnerships necessary to execute the range of military operations while providing the "best value" to the Nation. This force structure also accounted for the addition of enabling assets (e.g. combat engineers, information operations specialists, civil affairs personnel, specialized intelligence marines, cyber operators, special operators, etc.) necessary to meet the demands of the battlefields of today and tomorrow.

As directed, we will draw-down our force in a measured way beginning in fiscal year 2013. Our fiscal year 2013 programmed end strength is 197,300 marines. In accordance with Defense Strategic Guidance, we are resisting the "temptation to sacrifice readiness in order to retain force structure".[11] Personnel costs account for about 60 cents of every marine $1; through our force structure efforts we balanced the requisite capabilities across a smaller force, in effect trading capacity for modernization and readiness.

The resulting 182,100 marine active-duty force, supported by our operational reserve component, retains the capacity and capability to support steady state and crisis response operations through rotational deployments, and to rapidly surge in support of major contingency operations. Although reshaping the Marine Corps from 202,100 marines to a force of approximately 182,100 marines entails some risk to our ability to simultaneously respond to multiple large-scale contingencies, it is manageable. We intend to leverage the diverse depth and range of assets within our reserve component both to mitigate risk and maximize opportunities where available.

As we reduce end strength, we must manage the rate carefully so we reduce the force responsibly. We will draw-down our end strength by approximately 5,000 marines per year. The continued resourcing of this gradual ramp-down is vital to keeping faith with those who have already served in combat and for those with families who have experienced resulting extended separations. The pace of active component draw-down will account for completion of our mission in Afghanistan, ensuring proper resiliency in the force relative to dwell times. As our Nation continues to draw-down its Armed Forces, we must guard against the tendency to focus on pre-9/11 end strength levels that neither account for the lessons learned of 10 years at war

[10] As of January 2012, approximately 30,000 marines were forward deployed in operations supporting our Nation's defense. This number includes approximately 19,500 marines in Afghanistan including those serving in external billets (transition teams, joint/interagency support, etc.), approximately 5,000 marines at sea on Marine Expeditionary Units (MEU), and approximately 6,000 marines engaged in various other missions, operations, and exercises. The 30,000 marine statistic does not include more than 18,000 marines permanently assigned to garrison locations outside the continental United States such as in Europe, the Middle East, the Pacific, etc.

[11] "Sustaining U.S. Global Leadership: Priorities for 21st Century Defense", January 2012, p. 7.

nor address the irregular warfare needs of the modern battlefield. Our 182,100 Marine Corps represents fewer infantry battalions, artillery battalions, fixed-wing aviation squadrons, and general support combat logistics battalions than we had prior to 9/11. However, it adds cyber operations capability, Marine special operators, wartime enablers, and higher unit manning levels—all lessons gleaned from 10 years of combat operations; it is a very capable force.

My promise to the Congress is that at the end of the day, I will build and maintain the best Marine Corps our Nation can afford with the resources it is willing to invest. We are also committed to keeping faith with marines, sailors, and their families who have sacrificed so much over the past decade at war. Personnel reductions that become precipitous are among the worst measures that can be employed to save money. Our All-Volunteer Force is built upon a reasonable opportunity for retention and advancement; unplanned and unexpected wholesale cuts undermine the faith and confidence in service leadership, and create long-term experience deficits with negative operational impacts. Such an approach would no doubt do significant long-term damage to our ability to recruit and maintain a quality force.

Civilian Marines

Our civilian marines support the mission and daily functions of the Marine Corps and are an integral part of our total force. In recognition of the need to study and clearly define our civilian work force requirements to ensure we had the right workforce in the right location, at a cost that aligned with our budget, I directed a full review of the total force in late 2010. This measure necessitated a hiring freeze but resulted in prioritized requirements within affordable levels and the alignment of resources with capabilities. It also ensured the civilian labor force was shaped to support the mission of the Corps today and that projected for the future.

During the fiscal year 2012 budget cycle, there was no growth in our fiscal year 2011 civilian work force levels due to necessary efficiency measures. Consequently, our civilian work force went from a planned level of 21,000 personnel in direct funded full-time equivalent (FTE) personnel to 17,501 personnel. This number of FTE personnel will remain constant in each year of the current future year's defense plan (FYDP)—there is no growth planned. The end result is a 17-percent reduction in planned growth between fiscal year 2011 and fiscal year 2012 budget requests.

Our fiscal year 2013 civilian personnel budget reflects efforts to restrain growth in direct funded personnel. By establishing budgetary targets consistent with current fiscal realities, we will be able to hold our civilian labor force at fiscal year 2010 end-of-year levels, except for limited growth in critical areas such as the acquisition workforce, the intelligence community, the information technology community (i.e. conversion from NMCI to NGEN), in-sourcing of security personnel (i.e. Marine Corps civilian law enforcement personnel), and personnel in our cyber community. Our civilian marine work force remains the leanest among DOD with only 1 civilian for every 10 marines.

OUR PRIORITIES

Commandant's Four Priorities

To best meet the demands of the future and the many types of missions marines will be expected to perform now and beyond the post-OEF security environment, I established four enduring priorities in 2010. To that end, we will:

—provide the best trained and equipped marine units to Afghanistan. This will not change and remains our top priority;
—rebalance our Corps, posture it for the future and aggressively experiment with and implement new capabilities and organizations;
—better educate and train our marines to succeed in distributed operations and increasingly complex environments; and
—keep faith with our marines, our sailors, and our families.

We are making significant progress within each of these four critical areas; however, there are pressing issues facing our Corps today that require the special attention and assistance of the Congress. These include specific programs and initiatives within the command, ground, logistics, and aviation portfolios of the MAGTF.

Reset

The Marine Corps is conducting a comprehensive review of its equipment inventory to validate reset strategies, future acquisition plans, and depot maintenance programming and modernization initiatives. As already stated, after 10 years of constant combat operations, the Marine Corps must reset the force coming out of Afghanistan. The reset of equipment retrograded to home station from Iraq (approximately 64,000 principal items) is complete. However, the equipment density list currently supporting combat operations in Afghanistan totals approximately 95,000

principal items, of which approximately 42 percent was retransferred directly from Iraq to support the surge of 2009. The bulk of this transferred equipment included high-demand items such as communications equipment and vehicles to include the majority of our mine-resistant ambush-protected vehicles and 100 percent of our medium tactical vehicle fleet.

Sustaining current combat operations has reduced the aggregate readiness of the nondeployed force. Nondeployed unit readiness is degraded and has been the "bill payer" for deployed unit readiness. We sacrificed readiness levels of our home station units to ensure marines in combat had the very best equipment. Through the support of the Congress over the past few years, we have received a good portion of the required funding for reset and have made significant progress at our depots in restoring and procuring required materiel. But there is more to do at our home stations. Thirty-three percent of nondeployed units report the highest-readiness levels for their designed mission, which leaves 67 percent of nondeployed units in a degraded state of readiness. The largest contributing factor to degraded readiness within nondeployed units is equipment supply. The nondeployed force provides the Nation depth in responsiveness and options when confronted with the unexpected. Our marines at home must be "geared up" and ready to be called at a moment's notice. Low levels of readiness within the nondeployed force increases risk in the timely and successful execution of a military response to crises or contingencies. Therefore, it is critical that the Marine Corps continues to receive congressional assistance on required funding to reset our equipment from the conflicts of the past decade.

In January 2012, I signed the "Marine Corps OEF Ground Equipment Reset Strategy", rooted in the lessons learned from our successful redeployment and retrograde from Iraq. This strategy is helping to identify what equipment we will reset and what we will divest. It prioritizes investment and modernization decisions in accordance with the capabilities of our middleweight force construct, defining unit-level mission essential tasks and equipment requirements to support the range of military operations, and equips to core capabilities for immediate crisis response deployment and building strategic depth. We have issued disposition instructions on 8,400 principal items associated with the initial draw-down of forces that will occur this fall. In Afghanistan, 35 percent of that equipment has entered the redeployment and retrograde pipeline. Initial shipments of equipment have arrived at home stations and depots, and are being entered into the maintenance cycle. We currently expect divestment of approximately 21 percent of the total Afghanistan equipment density list as obsolete, combat loss, or otherwise beyond economical repair. These are combat capability items that must be replaced.

The reset of our equipment after more than a decade of combat requires an unprecedented level of effort. Our Marine Corps depots will be asked to do more once again; they stand ready to do so. As our Nation looks to efficiencies in its Armed Forces, we must maintain a keen awareness of the role that depots play in keeping our country strong. The continued availability of our depot capacity both at Barstow, California and Albany, Georgia is essential to our ability to self-generate readiness and to respond when we must surge in response to wartime demand. Acknowledging fiscal realities, I directed, with the Secretary of the Navy's approval, the consolidation of the two Marine Corps depots under a single command with two operating plant locations. Consolidating our depots under a single commander is the right balance between fiscal efficiency and meeting the unique requirements of the Marine Corps. This consolidation will reduce costs, standardize processes between industrial plants, and increase efficiency.

Modernization

In conjunction with our reset efforts, we are undertaking several initiatives to conduct only essential modernization of the Marine Corps Total Force. This will place us on a sustainable course to achieve institutional balance. We are doing so by judiciously developing and procuring the right equipment needed for success in the conflicts of tomorrow, especially in those areas that underpin our core competencies. As such, I ask for continued congressional support to modernize equipment and maintain a high state of readiness that will place us on solid footing in a post-Afghanistan security environment. While budgetary pressures will likely constrain modernization initiatives, we will mitigate pressure by continuing to prioritize and sequence both our modernization and sustainment programs to ensure that our equipment is always ready and that we are proceeding in a fiscally responsible manner. Modernization programs that require significant additional funding above current levels will be evaluated for continued operational requirement and capability/capacity modification.

We recognize that our planned, force structure reduction following our commitment in Afghanistan will accommodate a level of decreased modernization investment due to a requirement for a smaller quantity of modernized equipment. However, any qualitative modernization reductions will impact our ability to respond to future adversaries and threats. The current baseline budget allows for equipment modernization on a reasonable timeline across the FYDP. Possible future reductions in the baseline budget will result in delays, modification or elimination of key modernization programs. Modernization in the following areas is critical to maintaining operational capabilities and readiness:

—ground combat tactical vehicles;
—aviation;
—preparing for future battlefields;
—amphibious and prepositioning ships;
—expeditionary energy; and
—intelligence, surveillance, and reconnaissance.

Ground Combat Tactical Vehicle Strategy

The programmatic priority for our ground forces is the seamless maneuver of marines from the sea to conduct operations ashore whether for training, humanitarian assistance, or combat. Our ground combat tactical vehicle (GCTV) strategy is focused on achieving the right mix of assets, while balancing performance, payload, survivability, fuel efficiency, transportability, and cost. Vehicles comprising our GCTV strategy include our entire inventory of wheeled and tracked vehicles and planned future capabilities including the JLTV, amphibious combat vehicle (ACV) and the marine personnel carrier (MPC). Throughout 2011 and informed by cost, we conducted a comprehensive systems engineering review of amphibious vehicle operational requirements. The review evaluated the requirements for water mobility, land mobility, lethality, and force protection of the future environment. The identification of essential requirements helped to drive down both the production and the sustainment costs for the amphibious vehicles of the future.

We are conducting an analysis of alternatives on six ACV options, the results of which will help to inform the direction and scope of the ACV program. The MPC program is maturing as a wheeled armored personnel carrier and complements the ACV as a possible solution to the general support lift capacity requirements of Marine forces operating in the littorals.

We are firmly partnered with the U.S. Army in fielding a JLTV to replace a portion of our legacy medium lift utility vehicles. Our long-term participation in this program remains predicated on development of a cost-effective vehicle, whose payload integrates seamlessly with our expeditionary operations and likely amphibious and strategic lift profiles.[12] The Joint Requirements Oversight Council has approved the JLTV Capability Development Document, and our combat development command in Quantico is leading the Army and Marine Corps effort to establish a program of record at Milestone B in the third quarter of fiscal year 2012. Our approach to JLTV is as an incremental acquisition, and our objective for Increment I currently stands at more than 5,000 vehicles. Factoring all the above considerations, the current pathway for our GCTV strategy includes the following actions:

—develop a modern ACV;
—develop and procure JLTV;
—sustain HMMWVs through 2030 by utilizing an Inspect and Repair Only As Necessary Depot Maintenance Program and a HMMWV Modification Line;[13]
—initiate a legacy amphibious assault vehicle upgrade as a bridge to ACV;
—continue research and development in MPC through fiscal year 2014 to identify the most effective portfolio mix of vehicles; and
—limit procurement of vehicles to reduced approved acquisition objective estimates as identified.

Marine Corps Aviation

Marine Corps Aviation is proud to celebrate its centennial of service to our Nation this year. Our priority for aviation is support of marines in Afghanistan and wherever marines are deployed. On average, more than 40 percent of our aviation force is deployed at any time with an additional 25 percent preparing to deploy. All told,

[12] For two-axle combat vehicles, this equates to combat weights in the 18,000 to 19,000 lbs range, translating to empty vehicle weights in the range of 12,000 to 13,000 lbs.

[13] HMMWV recapitalization does not meet Marine Corps requirements for those light vehicles with the most demanding missions. They cannot deliver reliability, payload, service life, mobility, the ability to fit on MPF shipping, and growth potential. The JLTV is the most cost-effective program to meet capability gaps for those light combat vehicles with the most demanding missions.

this equates to two-thirds of Marine Aviation forces currently deployed or preparing to deploy. We are continuing a modernization effort that began more than a decade ago. Today, the Marine Corps is challenged to replace aging platforms that have reached the end of their service lives or suffered accelerated wear in harsh operating environments, thus reducing service life and resulting in the loss of critical war-fighting capabilities. Our aviation plan is a phased multiyear approach to modernization that encompasses aircraft transitions, readiness, aircraft inventory shortfalls, manpower challenges, safety, and fiscal requirements.

In an era of budgetary constraint and amidst calls for reductions in the collective aviation assets within DOD, it is important to understand that Marine air is not redundant with other services' capabilities. The U.S. Air Force is not designed to operate from the sea, nor are most of its aircraft suited for operations in the types of austere environments often associated with expeditionary missions. The Navy currently does not possess sufficient capability to operate their aircraft ashore once deployed forward on carriers—and yet history has shown that our Nation often needs an expeditionary aviation capability in support of both naval and land campaigns. The following programs form the backbone of our aviation modernization effort:

F–35B.—As we modernize Marine fixed-wing aviation assets for the future, the continued development and fielding of the short take-off and vertical landing (STOVL) F–35B Joint Strike Fighter remains the centerpiece of this effort. The capability inherent in a STOVL jet allows the Marine Corps to operate in harsh conditions and from remote locations where few airfields are available for conventional aircraft. It is also specifically designed to operate from amphibious ships—a capability that no other tactical aircraft possesses. The ability to employ a fifth-generation aircraft from amphibious ships doubles the number of "carriers"—11 CVN and 11 LHD/LHAs—from which the United States can employ fixed wing aviation. Once fully fielded, the F–35B will replace three legacy aircraft—F/A–18, EA–6B, and AV–8B—saving DOD approximately $1 billion in legacy operations and maintenance costs.

The F–35B program has been a success story over the past year. Due to the performance of F–35B prototypes in 2011, the program was recently removed 12 months early from a fixed period of scrutiny. The F–35B completed all planned test points, made a total of 260 vertical landings (versus 10 total in 2010) and successfully completed initial ship trials on USS *Wasp*. Delivery is still on track; the first three F–35Bs arrived at Eglin Air Force Base in January of this year. Continued funding and support from the Congress for this program is of utmost importance for the Marine Corps as we continue with a plan to "sundown" three different legacy platforms.

MV–22B.—The MV–22B Osprey has performed exceedingly well for the Corps and the joint force. To date, this revolutionary tiltrotor aircraft has changed the way Marines operate on the battlefield, giving American and Coalition forces the maneuver advantage and operational reach unmatched by any other tactical aircraft. Since achieving initial operating capability (IOC) in 2008, the MV–22B has flown more than 18,000 hours in combat and carried more than 129,000 personnel and 5.7 million pounds of cargo. The MV–22B has made multiple combat deployments to Iraq, four deployments with MEUs at sea, and it is currently on its fifth deployment to Afghanistan. Our squadron fielding plan is well under way as we continue to replace our 44-year-old, Vietnam-era CH–46 helicopters. We must procure all required quantities of the MV–22B in accordance with the program of record. Continued calls for cancellation of this program are ill-informed and rooted in anachronisms when measured against the proven record of performance and safety this force multiplier brings to today's battlefields in support of marines and the joint force.

CH–53K.—We are transitioning our rotary-wing assets for the future. The CH–53K is a new build heavy-lift helicopter that evolves the legacy CH–53E design to improve operational capability, reliability, maintainability, survivability, and cost. The CH–53K will be capable of transporting 27,000 pounds of external cargo under high altitude/hot conditions out to 110 nautical miles, nearly three times the lift capacity of the legacy CH–53E. It is the only marinized rotorcraft[14] able to lift 100 percent of Marine Corps air-transportable equipment from amphibious shipping (MPF included). Our force structure review validated the need for a CH–53K program of record of nine CH–53K squadrons.

[14] The term "marinized" indicates that an aircraft meets naval aviation requirements for use and storage in a maritime environment. Aviation platforms used by the Navy and Marine Corps require special outfitting unique for use on and from naval vessels.

UH–1/AH–1.—The H–1 program, comprised of the UH–1Y utility helicopter and the AH–1Z attack helicopter, is a single acquisition program that leverages 84-percent commonality of major components, thereby enhancing deployability and maintainability while reducing training requirements and logistical footprints. Both aircraft are in full-rate production. The H–1 procurement objective is 160 UH–1Ys and 189 AH–1Zs for a total of 349 aircraft. Currently, 131 H–1 aircraft are on contract, with 51 UH–1Ys and 21 AH–1Zs delivered to date. The UH–1Y has already deployed with the 13th MEU and has supported sustained combat operations in OEF since November 2009. The AH–1Z achieved IOC in February 2011 and saw its first deployment alongside the UH–1Y in November 2011 as part of the 11th MEU. The continued procurement and rapid transition to these two platforms from legacy UH–1N and AH–1W assets in our rotary-wing squadrons remains a priority.

KC–130J.—The new KC–130J Hercules has been fielded throughout our active component, bringing increased capability, performance and survivability with lower operating and sustainment costs to the Marine air ground task force. Using the Harvest HAWK weapon mission kit, the KC–130J is providing extended endurance close air support to our marines in harm's way. Currently, we have procured 47 KC–130Js of the stated program of record requirement totaling 79 aircraft. Continued procurement of the program of record will allow us to fully integrate our active and reserve force with this unique, multimission assault support platform.

Preparing for Tomorrow's Fight

The irregular battlefields of today, and those of tomorrow, dictate that operations be more distributed, command and control be decentralized, and forces be more dispersed. Using our force structure review as a guide, we are continuing to build the right capacity and capability to enable marines operate rapidly as befits the tempo of our role as a crisis response force. Several important areas to enable our operations are:

Cyber.—The Defense Strategic Guidance rightly informs that "modern armed forces cannot conduct high-tempo, effective operations without reliable information and communications networks and assured access to cyberspace and space".[15] Marines have been conducting cyber operations for more than a decade, and we are in a multiyear effort to expand our capacity via U.S. Marine Corps Forces Cyber Command as we increase our cyber force by approximately 700 marines through fiscal year 2016. Given the fiscally constrained environment and complexity of cyberspace, our approach is strategically focused on ensuring efficiency in operations and quality of service. The Marine Corps will aggressively operate and defend its networks in order to enable critical command and control systems for marines forward deployed around the world. Recent cyber accreditations and readiness inspections validate our network operations command and control processes and procedures. As we transition to a Government-owned/operated network environment, the Marine Corps will pursue efficiencies through automation, consolidation, and standardization to ensure availability, reliability, and security of cyber assets.

Special Operation Forces.—As the Marine Corps contribution to SOCOM, Marine Special Operations Command (MARSOC) maintains a shared heritage and correspondingly strong bond with its parent service as "soldiers from the sea". MARSOC will provide a total of 32 employable Marine special operations teams in fiscal year 2013 while establishing the staff of the Marine special operations school, maintaining a targeted dwell ratio and continuing creation of a robust language capability. Based on our force structure review of last year and a programmed end strength of 182,100 marines, I have authorized an increase of 821 marines in MARSOC.

Command and Control.—Technology and network-based forces are an essential part of modern operations. Our command and control (C2) modernization efforts for the future build upon lessons learned during combat operations in Afghanistan and Iraq. Recent operations have shown that moving data to lower levels (i.e. the digital divide) increases operational effectiveness. We are mitigating the decision to cancel the ground mobile radio by building on investments already made in tactical communications modernization. We will continue efforts to ensure C2 Situational Awareness convergence and interoperability with the joint force.

Advisers and Trainers.—In recognition that preventing conflict may be easier than responding to it and that we can prevent it through selective engagement

[15] *Sustaining U.S. Global Leadership: Priorities for 21st Century Defense,* January 2012, p. 5.

and employment of advisers/trainers, we have invested in a new organization called Marine Corps Security Cooperation Group that consolidates advisers skills, training and assessment expertise focused on building partnership capacity. We are investigating how we can regionally focus the expertise of this organization.

Amphibious Warships and Maritime Prepositioning Shipping

Our Service-level requirement to deploy globally, respond regionally, and train locally necessitates a combination of tactical airlift, high-speed vessels, amphibious warships, maritime prepositioning shipping, organic tactical aviation, and strategic airlift. Significant contributions to U.S. security are made by our rotational forces embarked aboard amphibious warships. These forces combine the advantages of an immediate, yet temporary presence, graduated visibility, and tailored, scalable force packages structured around the MAGTF. Rotational amphibious ready groups and Marine expeditionary units form together to provide forward-deployed naval forces in four geographic combatant command areas of responsibility. Not only do they provide the capability for crisis response, but they also present a means for day-to-day engagement with partner nations and a deterrent to conflict in key trouble spots.

We maintain the requirement for an amphibious warship fleet for contingencies requiring our role in joint operational access. One Marine Expeditionary Brigade (MEB) assault echelon requires 17 operationally available amphibious warships. The Nation's forcible entry requirement includes two simultaneously employed MEBs supported by one or more MPF–MEB to fight as a Marine expeditionary force from a sea base.

Amphibious warships and the requisite number of ship-to-shore connectors provides the base-line needed for steady state operations and represents the minimum number of ships needed to provide the Nation with a sea-based power projection capability for full spectrum amphibious operations. As of January 2012, there were 29 ships in the Navy's amphibious fleet, with three scheduled for decommissioning and four new ships under construction in the yards. Within the coming FYDP, the inventory will decline in fiscal year 2014 before rising to an average of 30 amphibious warships over the next 30 years. The lack of amphibious warship lift capacity translates to risk for the Nation, particularly as it reorients to the Pacific.

The continued procurement of scheduled amphibious warships and planning for MPF shipping is essential to ensure greater levels of risk are not incurred in coming years.

San Antonio Class Amphibious Transport Dock.—The San Antonio class landing platform/docks (LPDs) continue to gain stability with overall warship performance improving. Through the generosity of the Congress, the final two warships in this program are fully funded, and we expect delivery of all 11 planned warships by fiscal year 2017.

America Class Amphibious Assault Ship Replacement.—A growing maritime threat coupled with aircraft/ground combat equipment modernization dictates the need for continued optimization of the *America*-class amphibious assault ship (LHA–6) hull form, which is now 60-percent complete. As stated last year, delivery of this amphibious assault warship is scheduled for fiscal year 2014. The earliest reasonable deployment after allowing time for sea trials, crew training and other factors would be in fiscal year 2017. Construction of LHA–7 is scheduled to commence in early fiscal year 2013 but is not yet under contract. The Marine Corps is grateful for and firmly supports the Navy's plan to reintroduce a well deck in our large deck amphibious assault ships, beginning with LHA–8 in fiscal year 2017 and fiscal year 2018 timeframe.

2 x Maritime Prepositioned Squadrons.—Providing a significant contribution to global coverage, forward presence and crisis response, the MPF program exists to enable the rapid deployment and engagement of a MAGTF anywhere in the world in support of our National Military Strategy. This strategic capability combines the capacity and endurance of sealift with the speed of airlift. The current MPF program is comprised of 15 ships divided into three Maritime Prepositioned Squadrons (MPSRONs) located in the Mediterranean Sea, Indian Ocean (Diego Garcia) and Pacific Ocean (Guam and Saipan). In fiscal year 2013, the Department of the Navy (DON) plans to eliminate one of these squadrons as an efficiency measure. We are currently reviewing options to develop a balanced MPF posture and MPSRON composition that supports geographic combatant commander requirements, achieves approximately $125 million in savings across the FYDP, attains a higher lift capacity of the MEB requirement per MPSRON, and retains critical sea-basing enabling capabilities. The continued support of the Congress for the vital capabilities inherent in our MPF program is essential to the overall warfighting readiness of the Corps.

Expeditionary Energy

For marines, the term "expeditionary" is a mindset that determines how we man, train, and equip our force. We know that resource efficiency aids in combat effectiveness, and that our investments in reset and modernization will provide a force that operates lighter, faster, and at reduced risk. Likewise, our force will be more energy-efficient to support the type of operations expected of us in the future. To do this, we are changing the way we think about and use energy.

Over the last 10 years of near continuous combat operations, our need for fuel and batteries on the battlefield has grown exponentially. Since 2001, we have increased the number of radios our infantry battalions use by 250 percent, and the number of computers/information technology equipment by 300 percent. The number of vehicles has risen by 200 percent with their associated weight increasing more than 75 percent as a result of force protection requirements. In the end, our force today is more lethal, but we have become critically dependent on fuel and batteries, which has increased the risk to our logistics trains. Moreover, a 2010 study found that one marine is wounded for every 50 fuel and water convoys.

To reduce our risk and increase our combat effectiveness, in March 2011, I issued the "Marine Corps Expeditionary Energy Strategy and Implementation Plan" to change the way we think about and value energy. This is a "bases-to-battlefield" strategy, which means all marines will be trained to understand the relationship between resource efficiency and combat effectiveness. We will consider energy performance in all our requirements and acquisitions decisions. We are creating the tools to provide commanders the information necessary to understand their energy consumption in real-time.

Over the FYDP, I have directed $350 million to "Expeditionary Energy" initiatives. Fifty-eight percent of this investment is directed toward procuring renewable and energy efficient equipment. Some of this gear has already demonstrated effectiveness on the battlefield in Helmand Province. Twenty-one percent of this investment is directed toward research and development of new capabilities, and the remaining investment is to support operations and maintenance. We expect this investment to improve the energy efficiency of our MEBs by 9 percent. As such, we will enable ourselves to sustain longer and go further, incurring less risk. The MEB of 2017 will be able to operate 1 month longer on the same amount of fuel that we plan to use today, and it will need 208 fewer fuel trucks, thereby saving 7 million gallons of fuel per year. This translates to a lighter, more agile, and more capable Marine Corps.

PROVIDING CAPABLE BASES, STATIONS, AND SUPPORT FACILITIES

Fiscal Year 2013 Military Construction

The Marine Corps maintains a commitment to facilities and infrastructure supporting both operations and quality of life. Our military construction and family programs are important to sustain our force structure and maintaining readiness. This fiscal year we are proposing a $761 million MILCON program to support warfighting, family housing, and infrastructure improvements. The focus of our efforts this fiscal year is the construction of Joint Strike Fighter and MV–22B support facilities, infrastructure improvements, and training and education facility improvements. Additionally, this budget request includes replacement of inadequate and obsolete facilities at various locations.

Through the support of the Congress, between fiscal year 2008–fiscal year 2012 we programmed 70 bachelor enlisted quarters (BEQ) projects resulting in 149 barracks buildings primarily located at Camp Lejeune, North Carolina; Camp Pendleton and Twentynine Palms, California; and Marine Corps Base, Hawaii. These BEQ projects were typically completed in 2 years, with most at or below cost. These facilities, that incorporated energy efficiency measures, have significantly improved the quality of life of our single marines, who for many years, lived in substandard, World War II-era barracks. Our fiscal year 2013 MILCON program includes a $49 million request for barracks, a motor pool, and other facilities to support the consolidation of Marine Corps Security Force Regiment assets at Naval Weapons Station, Yorktown, Virginia. This project was not a part of our original BEQ initiative but is necessary as the current facilities used by the Regiment at Naval Station Norfolk have been condemned.

Infrastructure Sustainment

As resources and MILCON funds become more constrained, the Marine Corps will continue to rely on the sound stewardship of existing facilities and infrastructure to support our needs. In fiscal year 2013, the Marine Corps will again program fa-

cilities sustainment funding at 90 percent of the DOD Facilities Sustainment Model, resulting in a facilities sustainment budget of $653 million.

Installation Energy Initiatives

The fiscal year 2013 budget provides $164 million in operations and maintenance funding to continue progress in achieving mandated energy goals by 2015. This funding will target energy efficiency goals established by the Energy Independence and Security Act of 2007 aimed at reducing energy intensity by 30 percent from a 2003 baseline. This progress will be made by replacing older heating, cooling, lighting, and other energy-consuming building components with more efficient technologies. We will use this funding to achieve renewable energy goals established by the National Defense Authorization Act of 2007. Overall, the planned investments are intended to increase energy security on our installations while reducing the cost of purchased utilities.

INVESTING IN THE EDUCATION AND TRAINING OF OUR MARINES

Courses and Facilities

A broadly-capable middleweight force will meet future requirements through the integration of newly acquired and traditional operational competencies. To remain America's expeditionary force in readiness, the Marine Corps requires balanced, high-quality training and education at all levels. As history has repeatedly shown, wars are won by the better-trained force, not necessarily the larger one. In the midst of ongoing combat operations, we are realigning our education and training efforts to enable our marines and sailors to succeed in conducting distributed operations in increasingly complex environments against any threat. Training and education, with an emphasis on experimentation and innovation, will help our Nation maintain global relevance by developing solutions that continue to outpace emerging threats. These efforts include continued emphasis on our core values of honor, courage and commitment, and on building principled warriors who understand the value of being an ethical warrior. Moreover, in the post-Afghanistan security environment of reduced defense dollars, we will need to offset reductions in end strength with better educated and more capable marines and marine units. The current and future fiscal environment requires a selective, strategic investment in training and education . . . put another way, "When you're low on money, it's a good time to think".

Training

Our current training is focused on preparing marine units for combat, counter-insurgency and stability operations in support of OEF. If anything, the past 10 years of combat have demonstrated that there is a positive correlation between quality training and education and individual/unit readiness; both directly translate to operational success. Therefore, as we draw-down from Afghanistan, our training will rebalance to support the execution of a wider range of operational capabilities. We will achieve this balance by leveraging competencies in entry-level and skills progression training and by re-emphasizing core competencies in combined arms and amphibious operations to include MEB level core capabilities. Training will also feature significant attention to irregular warfare, humanitarian assistance, and interagency coordination. All our training programs will provide standardized, mission-essential, task-based training that directly supports unit readiness in a cost-effective manner.

Specifically, future training will center on the MAGTF training program. Through a standardized training approach, the MAGTF training program will develop the essential unit capabilities necessary to conduct integrated MAGTF operations. Building on lessons learned over the past 10 years, this approach includes focused battle staff training and a service assessment exercise modeled on the current exercise, Enhanced Mojave Viper. Additionally, we will continue conducting large-scale exercises that integrate training and assessment of the MAGTF as a whole. The MAGTF Training Program facilitates the Marine Corps' ability to provide multicapable MAGTFs prepared for operations in complex, joint, and multinational environments against hybrid threats.

Education

We are making steady progress in implementing the recommendations of the 2006 Officer Professional Military Education (PME) Study (The Wilhelm Report) to transform the Marine Corps University (MCU) into a "World Class Institution". There are two primary resource components in doing so—funding for military construction and for faculty and staff. These two components are not mutually exclusive. New facilities coupled with increases in resident student through-put require additional

faculty and staff. We will remain engaged with the Congress over the coming years on the approximately $330 million in necessary funding for facilities, faculty, and staff as we continue the transformation of the MCU. This is a high priority for me. This year, I committed $125 million to get this initiative moving.

We are widening opportunities for resident professional education by doubling available school seats in courses such as the Marine Corps Command and Staff College beginning in the academic year 2014. We are making adjustments to triple through-put at the Expeditionary Warfare School for our company grade officers. We are increasing enlisted resident PME courses as well and are adding more distance education learning opportunities and requirements, especially at the junior enlisted and noncommissioned officer level.

As we look to "whole of government approaches" and the goal of improved integration in joint and combined operations, we are adding fellowships to allow more marines the opportunity to benefit from nontraditional education outside DOD institutions. In the past year, we have increased our number of marines assigned to the Department of State and the United States Agency for International Development through fellowships and the State-Defense Exchange Memorandum of Understanding. Later this year, we are adding fellowships at the Departments of Justice, Homeland Security, and the Treasury, as well as at Yale University. We are expanding the scope of training at existing institutions like the Marine Corps Center for Advanced Operational Culture Learning and the Center for Irregular Warfare Integration Division that focus on readying marines for engagement, security cooperation and partner capacity building missions. Our goal is to develop a corps of marines that have the skills needed to operate and engage effectively in culturally complex environments.

Our education and training programs benefit from our relationships with allies and partners in the international community. Each year, hundreds of international military students attend Marine Corps training and education venues ranging from Marine Corps Command and Staff College to military occupation specialty producing schools. The International Military Education and Training (IMET) program and similar security assistance opportunities promote regional stability, maintain U.S. defense partnerships, and promote civilian control of the military in student home countries. Many military leaders from around the world have benefited from the IMET program. To better support DOD's goal of providing PME to international military students, we have created a blended seminar program where foreign officers participate in Marine Corps PME through a mix of nonresident online courses and resident instruction in the United States.

Training Enablers

In order to fully realize these training and education enhancements, we will keep investing in the resources, technologies, and innovations that enable them. This investment includes modernizing our training ranges, training devices, and infrastructure to ensure quality resources are available to support the training of marines, individual to MAGTF. We will also leverage advanced technologies and simulation systems to create realistic, fully immersive training environments.

KEEPING FAITH WITH MARINES, SAILORS, AND THEIR FAMILIES

Mission First, Marines Always

We expect and require extraordinary loyalty from our marines and sailors—loyalty to country, family, and Corps. Our Nation has been at war more than a decade, placing unprecedented burdens on marines, sailors, families, wounded warriors, and the families of the fallen. They have all made tremendous sacrifices, many in the face of danger; we owe our complete loyalty back to them all.

We will work to ensure the critical needs of our families are met during times of deployment and in garrison by providing the services, facilities, and programs to develop the strength and skills needed to thrive while facing the challenges of operational tempo. If wounded, injured or ill (WII), we will seek out every available resource to restore marines to health. We will enable the return to active duty for those seeking it. For those unable to do so, we will responsibly transition them to civilian life. We will support and protect the spouses and families of our wounded and those of our fallen marines. There are several areas and programs central to our tenet of "keeping faith with marines, sailors and their families".

Recruiting and Retention

As first stated, the individual marine is our greatest asset; we will continue to recruit and retain the best and brightest of America's sons and daughters. Recruiting is the lifeblood of our Corps, and is our bedrock to "Make Marines, Win Battles, and Return Quality Citizens"; citizens who, once transformed, will be marines for

life. To operate and succeed in potentially volatile times, marines must be physically fit, morally strong, intelligent, and capable of operating advanced weapon systems using the latest technology. We will not compromise on these standards. Recruiting quality youth ultimately translates into higher performance, reduced attrition, increased retention, and improved readiness for the operating forces. We need your continued support in maintaining quality accessions.

Our officer accessions mission has continued to decline over the past 2 years in light of a planned draw-down of forces. Our fiscal year 2013 accession officer mission is 1,500 active duty and 125 reserve officers. For enlisted marines, the accession figures include 28,500 regular (active component) and 5,700 reservists. We traditionally achieve 100–103 percent of our total accession goals, and expect to do so again in fiscal year 2013. We have continued to achieve unprecedented levels of enlisted and officer retention. This effort is critical to the proper grade shaping of the Marine Corps, regardless of force size. Combined officer, enlisted, and reserve retention efforts ensure the Marine Corps maintains essential operational experience and leadership. Although overall retention is excellent, shortages do exist in certain grades and skills within the officer and enlisted ranks, requiring careful management and innovative solutions. At a minimum, sustained congressional funding to incentivize retention is necessary to maintaining quality personnel in these critical skill sets.

Diversity

Diversity, in both representation and assignment of marines, remains a strategic issue. The Marine Corps diversity effort is structured with the understanding that the objective of diversity is not merely to strive for a force that reflects a representational connectedness with the rich fabric of all the American people but to raise total capability through leveraging the strengths and talents of all marines. We are near completion of a new comprehensive campaign plan to focus our diversity effort in areas where improvement is most needed and anticipate release of this roadmap this year. The accession and retention of minority officers is an enduring challenge for our Corps. Mentoring and career development of all minority officers has become increasingly important in order to change officer profile projections. Since 2010, we have conducted leadership seminars, introducing diverse college undergraduates to Marine leadership traits and leadership opportunities in the Marine Corps, at various locations throughout our country, and are actively seeking out new communities within which to continue this effort. Overall, we seek to communicate the Marine Corps diversity mission through community outreach and recruit marketing; to ensure continued opportunities for merit-based development and advancement; and to optimize training and education to increase the understanding for all marines of the value that diversity brings to the total force.

Wounded Warrior Outreach Programs

Through the wounded warrior regiment (WWR) and our ever-expanding outreach programs, the Marine Corps keeps faith with WII marines and their families. This enduring commitment includes full-spectrum care and support for WII marines from point of injury or illness through return to duty or reintegration to the civilian community. The WWR continues to enhance its capabilities to provide added care and support to WII marines. Whether WII marines are joined to the WWR or remain with their parent commands, they are provided nonmedical support through the recovery phases. Congressional funding for our WII marines allows us to provide robust, interconnected support in the following areas:

—administrative support;
—recovery care coordination;
—transition assistance;
—warrior athlete reconditioning programs;
—integrated disability evaluation system support;
—the Sergeant Merlin German Wounded Warrior 24/7 Call Center; and
—our Hope and Care Centers.

The challenging nature of the terrain in Afghanistan requires a greater level of dismounted operations than was the case in Iraq. This fact coupled with the prevalence of improvised explosive devices has caused a growing class of marines and soldiers to suffer catastrophic injuries—injuries involving multiple amputations that present significant quality-of-life challenges. Our Corps, the DON, DOD, the Department of Veterans Affairs (VA) and the Congress are concerned about this special group of wounded warriors must remain committed to supporting this special group of wounded warriors. To help the catastrophically injured (those who will likely transition to veteran status) and their families successfully meet these challenges, we must continue engaging in a high level of care coordination between our WWR

advocates, the VA's Federal Recovery Coordinators, VA Liaisons for Healthcare stationed at DOD Military Treatment Facilities (MTFs), Operation Enduring Freedom/Operation Iraqi Freedom/Operation New Dawn Case Managers and medical providers to ensure all of our wounded marines' needs are met. This includes arranging for assistive technologies, adaptive housing, and all available healthcare and benefits (DOD and VA) they have earned. Additionally, WWR's Marine Corp Liaison assigned at the VA collaborates closely with VA Care Management team to resolve Marine Corp issues or care management needs.

Combat Health and Resiliency of the Force

Marines, sailors, and their families have experienced significant stress from multiple deployment cycles, the rigors of combat, high operational tempos, the anxieties of separation, and countless other sources from a decade at war. We remain engaged in developing ways to reduce the traditional stigmas associated with seeking mental healthcare, but perhaps more importantly, we continue to add resources and access to care to meet the mental health needs of marines, sailors, and their families.

Post-traumatic stress (PTS) will be a long-term issue for all DOD leadership, requiring close attention and early identification of those affected in every service. PTS is diagnosed as a disorder (PTSD) once the symptoms become distressful to a marine and his or her ability to function in the military environment is impacted.[16] Although most marines with PTS symptoms will not develop PTSD, our leaders require the skills and training to identify and intervene earlier for those at the highest risk of developing PTSD, especially given that often there are long delays in the development of this condition. As such, we are empowering leaders to identify and intervene earlier through increased training and awareness using programs like our Marine Corps Combat Operational Stress Control program and embedded Operational Stress Control and Readiness teams in our ground units. We are employing better screening practices in our standard health assessments, establishing deployment health clinics (i.e., facilities not labeled as mental health clinics nor associated with a Military Treatment Facility in an overall effort to reduce stigma) and tracking those with significant injuries often leading to PTSD via our wounded warrior regiment.

We are engaged on multiple fronts to diagnose and treat those with a traumatic brain injury (TBI) including prevention, education, early identification, treatment, rehabilitation, and reintegration. We are actively implementing the requirements of DOD Directive Type Memorandum 09–033 regarding mild TBI/concussion. Moreover, the Marine Corps, with Navy support, has established a Concussion and Musculoskeletal Restoration Care Center in-theater. This center provides front-line care to patients with mild TBI/concussion and has dramatically improved identification, diagnosis, treatment, outcomes, and return to duty rates. In concert with Navy Medicine, we are fielding a TBI module within the Medical Readiness Reporting System to track TBI exposures and diagnoses.

Suicide Prevention in the Force

We continue to report a positive, steady decrease in the number of suicides within the Corps from high levels seen in 2009. While we cannot yet draw a conclusion between our prevention efforts and the reduced suicide rate, we are cautiously optimistic our programs are having a positive effect. However, reported suicide attempts have continued to increase. We suspect this increase in attempts may be due to improved surveillance—fellow marines recognizing the signs of suicide and intervening to stop attempts, and more marines reporting past attempts when coming forward for help.[17] Regardless, we still need to do better because one suicide completed is one too many.

Suicide is a preventable loss of life that diminishes readiness and deeply affects our Marine Corps family. We believe that suicide is preventable through engaged leadership, focused on efforts aimed at the total fitness of each marine to include physical, social, spiritual, and psychological dimensions. The marine corps is involved with five major studies to better understand suicide risk among servicemembers, contributing factors, and ways at prevention. This past year, we expanded our "Never Leave a Marine Behind" suicide prevention program for noncommissioned officers (NCO) and junior marines to the staff noncommissioned officer and commissioned officer ranks. Our DSTRESS hotline and Web site, imple-

[16] The current yearly rate of PTS diagnosis in active duty marines is less than 2 percent as compared to 3.5 percent in the civilian population. The percentage of marines who will be diagnosed over their lifetime with PTS is estimated to be 10–18 percent while the civilian population lifetime diagnosis is estimated to be 6.8 percent.

[17] There were 33 confirmed suicides and 175 attempts in the Marine Corps during calendar year 2011.

mented last year on the west coast as a pilot program, will be expanded to serve those across the Corps. We will remain engaged on multiple fronts to combat suicide in our ranks.

Sexual Assault Prevention and Response

The key to preventing sexual assault is ensuring everyone understands his or her role and responsibilities in preventing it. A consistent, vigorous training and education element are crucial. Bystander intervention has been identified as a best practice for engaging marines in their role to prevent sexual assault and is being incorporated into our Sexual Assault Prevention and Response (SAPR) training. In January 2012, we launched the video-based NCO Bystander Intervention course, called "Take A Stand". This course was modeled after our successful, award-wining Suicide Prevention Program awareness campaign entitled "Never Leave a Marine Behind".

We have initiated aggressive actions to elevate and highlight the importance of our SAPR program. Our victim-centric SAPR program focuses on:

—preventing sexual assault;
—improving a victim's access to services; and
—increasing the frequency and quality of information provided to the victim regarding all aspects of his or her case and expediting the proper handling and resolution of a sexual assault case.

We are credentialing our Sexual Assault Response Coordinators and Victim Advocates on victim advocacy. We have standardized training protocols for our 24/7 hotline, in use at all major bases and stations to provide information, resources, and advocacy of sexual assault. We have increased SAPR training at all levels for our judge advocates (JA). This year, mobile training teams from our Trial Counsel Assistance Program will continue to instruct Navy Criminal Investigative Service agents and JAs on sexual assault investigation and best practices at bases and stations in Japan, Hawaii, and on the east and west coasts.

Veteran Marines

The concept of keeping faith also applies to our veteran marines. In 2011, the Marine Corps launched a comprehensive effort to anchor the legacy of our Montford Point Marines—20,000 African-American men who underwent segregated training from 1942–1949 and ultimately integrated the Corps—into our training and education curricula. The Montford Point Marine legacy will be used to educate and inspire all men and women who enter the Marine Corps today regardless of race, religion, or creed. We will teach the importance of varying perspectives, compassion, courage, perseverance, and self-sacrifice through the Montford Point Marine history. We are thankful to the Congress for recently conferring the Congressional Gold Medal on the Montford Point Marines, a fitting tribute to a pioneering group of marines who fought valiantly in some of the bloodiest battles of the Pacific and later went on to serve in Korea and Vietnam.

Family Readiness Programs

As directed in my Planning Guidance issued to the Corps in October 2010, we are in the final stages of a review of all family readiness programs to identify ways we can better assist and provide services to our families. Over the past year, Marine Corps Community Services conducted dozens of focus groups at bases and stations throughout the Marine Corps with active and reserve component marines, commanders, senior enlisted advisers and spouses. The focus groups, survey and prioritization results found that the top-rated programs conformed to the Commandant's Planning Guidance priorities or congressional mandates. These assessments revealed opportunities to increase program success in three areas:

—defining future capabilities and sustainability standards that correlate to the Commandant's Planning Guidance priorities, but also recognized unique installation or command missions, locations, or market conditions;
—balancing available resources to support priorities and defined capabilities; and
—developing accountability and inspection processes to support capability sustainment.

Efforts are currently under way to apply these results and develop actionable program plans and supporting resource requirements to provide and maintain capabilities at the appropriate level for the right duration.

With at least 50 percent of our Corps composed of unmarried men and women, this year we mandated that every battalion and squadron have a representative from the Single Marine Program serving on its unit family readiness command team. This will provide an advocate on behalf of single marines to ensure information, normally communicated solely from leadership to marine spouses and families, is shared with their parents and siblings.

Transition Assistance

There are three things the Marine Corps does for our Nation:

—make marines;

—win our Nation's battles; and

—return quality citizens.

We are conducting a wholesale revision of our Transition Assistance Management Program (TAMP) to better meet the needs of our transitioning marines in support of returning quality citizens. We are integrating TAMP, as part of the Professional and Personal Development Program, into the lifecycle of a marine from recruitment, through separation or retirement, and through veteran marine status.

We have transformed our Transition Readiness Seminar from a mass training event, in need of great improvement, into an individualized and practical learning experience with specific transition readiness standards that are effective and beneficial to marines. In January 2012, we began holding a revised and improved Transition Readiness Seminar Pilot Program at four separate installations with full implementation scheduled for March 2012; early feedback on our pilot program has been very favorable. The revised 5-day Transition Readiness Seminar includes 2 days of mandatory standardized core curriculum with four well-defined military-civilian pathways:

—university/college;

—vocational/technical training;

—employment; and

—entrepreneurial endeavors.

In this new system, a marine will choose the pathway that best meets his or her future goals and will have access to individual counseling services related to each pathway. The enhanced TAMP program will support improved reach-back and outreach support for those who may require more localized support in their hometowns with information, opportunities, or other specific needs. We are determined to make the Marine Corps TAMP program more value added for our departing marines.

Compensation

The President's budget acknowledges the reality that military pay, allowances, and healthcare consume roughly one-third of the Defense budget. These costs cannot be ignored in a comprehensive effort to achieve savings. In my judgment, this budget achieves the appropriate balance in compensation, force structure, and modernization. It sustains the recruitment, retention, and readiness of the talented personnel that defend our Nation.

The proposed compensation reforms are sensible. Basic pay raises in fiscal years 2013 and 2014 will match increases in the private sector. We propose more modest raises in later years—but no reductions, no freezes. TRICARE enrollment fees and deductibles increase for retirees, but they are tiered based on retired pay and remain significantly below market rates. Pharmacy co-pays will trend towards market rates for retail purchases but will be substantially lower for generic drugs and mail-order delivery.

These changes are not intended to alter care services currently provided to our active-duty personnel and their families. Those who have been medically retired as a result of their service, particularly our wounded warriors, are also exempted. So are our Gold Star families. It is the right thing to do for those who have given so much.

Finally, I endorse creating a commission to recommend reforms in retired pay. Any changes should grandfather benefits for those currently serving. We cannot break faith.

SUMMARY

History has shown that it is impossible to predict where, when, and how America's interests will be threatened. What is known, however, is America cannot maintain a strong economy, cannot have a strong industrial base, cannot have access to overseas markets, and cannot assure its allies without security . . . at home and abroad. Looking ahead at the fiscal challenges we face as a Nation, our country will still need to respond to crisis and project power abroad, wherever and whenever needed. The optimum and most economical means to do so is through a multi-capable force afloat that can also come ashore rapidly.

The Navy and Marine Corps team is the Nation's risk mitigator for an unknown future and the crisis response force that will be "the most ready when the nation is least ready". There is a cost to maintaining this capability. But, with that cost, our Nation gains the ability to respond to unexpected crises, from humanitarian assistance and disaster relief efforts, to noncombatant evacuation operations, to the

conduct of counterpiracy operations, raids, or strikes. This same force can be reinforced quickly to contribute to assured access anywhere in the world in the event of a major contingency. It can be "dialed up or dialed down" like a rheostat to be relevant across the range of military operations. No other force possesses the flexibility to provide these capabilities but yet can sustain itself logistically for significant periods of time, at a time and place of its choosing.

Through the fidelity and support of the Congress, our marines and sailors in the fight have received everything necessary to ensure success over the past decade of near constant combat operations. Our combat forces' best interests and needs remain my number one focus until our national objectives in the long war have been achieved. However, as we rightfully begin to transition to the challenges and opportunities of the post-OEF world and reorient to the Pacific under our new Defense Strategic Guidance, the Marine Corps must begin to rebalance and modernize for the future.

Through judicious choices, forward planning, and wise investments—ever mindful of the economy in which we live—we have worked diligently to determine the right size our Corps needs to be and to identify the resources we will require to respond to crises around the world, regardless of clime or place. As we continue to work with the Congress, the Navy, and the DOD in maintaining the institutional pillars of our high state of readiness, you have my assurance that your Corps will be "ever faithful" in meeting our Nation's need for military crisis response.

Senator MIKULSKI. Thank you for your testimony and, of course, for your service.

With Senator Inouye's absence, the way we are going to do this is we are going to turn to Senator Cochran first. I am going to call upon members in their order of arrival, and we are going to ask that we stick to the 5-minute rule because there are others, and we know there are multiple hearings going on.

So, Senator Cochran, as the ranking member and a naval officer yourself, as I believe—weren't you a naval officer?

Senator COCHRAN. I certainly was—one of the proudest periods of my life, on our heavy cruiser operating out of Boston, Massachusetts.

Thank you. Let me join you, Madam Chairman, in welcoming this distinguished panel.

We appreciate your service. We appreciate your leadership. We want to be sure that we understand the needs that are of highest priority to all of you as we endeavor to help assure that our Navy and Marine Corps are the strongest as any in the world, stronger than any in the world—and are fully prepared to protect our interests around the world and our safety and security here at home.

NAVAL FORCE NEEDS

I know that one of the challenges that we face is keeping an up-to-date naval force with ships and equipment ready to be used in an emergency. And I wanted to ask Secretary Mabus, who is fully familiar with shipbuilding in our State of Mississippi, but in this new responsibility, all of the needs of the U.S. Navy, could you comment about how well we are or are not meeting the needs for an up-to-date, modern naval force?

Mr. MABUS. Yes, Sir. And thank you, Senator Cochran. There is something about political figures from Mississippi serving on cruisers out of New England, since both Senator Cochran and I did that several years ago now.

As I said in my opening statement, Senator, the Navy that was here in 2009 when I took office was 30 ships smaller, down from 316 ships on September 11, 2001, to 283 ships in 2009. We were down almost 47,000 sailors in that time. So, during one of the great

military build-ups in America, the United States Navy actually got smaller.

One of the primary focuses has been to rebuild the fleet and increase the size of the fleet. Today, we have 36 ships under contract to come into the naval fleet. And I do want to point out that they are all firm fixed-price contracts, that was one of the challenges that we faced was making sure we got the right price for our naval vessels.

Going forward, we will—we have 285 ships in the battle fleet today. At the end of the FYDP, the end of the 5 years, we will again have at least 285 ships. And by 2019, we will again pass the 300-ship mark. We have done this by working with industry. We think that we owe industry certain things—a stable design, a mature technology, and some transparency into what ships we hope to build and when.

In response, we think industry owes us some things—to invest in the infrastructure and the training that will be necessary; to have a learning curve so that every ship of a class, of the same type ship that the design does not change, that the number of man-hours and, thus, the cost goes down. And in all our shipyards today, in virtually all of our shipyards today, that this is the case.

Your colleague sitting to your left, Senator Shelby, working with Austal in Mobile, we have a fixed-price contract for 10 LCSs from Austal, and the last one will be—the 10th ship will be significantly cheaper than the first ship.

So I think that your fleet is positioned to do everything that the new defense strategy requires it to do. The CNO may want to comment because we are going to have to use our ships a little differently, forward deploy them so that one ship will do the job of many more that were—if they were kept in the United States. But the CNO, Commandant, and I have no doubt that this fleet that we have today and the one that we are taking forward will meet all the requirements of the new defense strategy and everything that we need to do to keep the United States safe and secure.

Senator COCHRAN. Admiral Greenert.

NAVAL FORCE CAPABILITIES/NEEDS

Admiral GREENERT. Thank you. Thank you, Senator.

What I would add, I am on the capabilities end of this, and I am very satisfied with the capabilities delivered.

The *Virginia*-class submarine is the finest submarine in the world, and I have empirical data to attest to that. The DDG–51 remains a multimission, very relevant ship. The LPD–17 class and the *Makin Island* are on deployment now, and they are doing fabulous. The LPD–17 is a quantum leap over its predecessor.

As we bring in LCSs and the joint high speed vessels (JHSVs), these are relevant ships for a relevant future, and they resonate with the need out there. We will operate them forward, and I am very high on them getting the job done. Volume, speed, and modularity, that is the wave of the future.

Thank you for the opportunity.

Senator COCHRAN. Thank you very much.

I will reserve my time and ask General Amos a question later, but yield to other members of the subcommittee.

Senator MIKULSKI. Thank you.
Senator Reed.

STATEMENT OF SENATOR JACK REED

Senator REED. Thank you very much, Madam Chairman.
Senator MIKULSKI. Now, he is a West Point guy.
Senator REED. Senator Cochran, Secretary Mabus, and I have something in common. One of my predecessors at West Point was a Senator from Mississippi, Jefferson Davis. So it is a small, small world.
Mr. Secretary, thank you, General Amos, thank you, Admiral Greenert, thank you for your service and your dedication to the sailors and the marines that you lead so well.
I want to take off where you left off, Admiral, by saying that the *Virginia*-class submarine is the finest submarine in the world. I agree with that, and I am glad you do, too.
I think it also has operational capabilities, particularly in the Pacific, where access is a critical issue. In regards to some of our surface systems, the submarine is far more capable of access and delivering fires and delivering personnel and getting intelligence, et cetera. And in that regard, your colleague, Admiral Willard, said essentially the same thing. And I just, for the record, I presume you agree with that. It has a special role in terms of access-denial situations.
Admiral GREENERT. Yes, Sir, I do.

VIRGINIA-CLASS SUBMARINE PROCUREMENT

Senator REED. For the *Virginia*-class submarine, we are doing two boats a year in fiscal year 2013. However, in fiscal year 2014, because of the budget constraints, a ship is being slipped back to fiscal year 2018.
Given the capabilities, given the new mission in the Pacific particularly, with a big anti-access component, I think this is, as you said before, a budgetary decision, not a strategic or operational decision.
Having said all that, and without getting into any specific negotiation, are you working on a plan with the contractor to see if there are ways that we can pull forward some construction so that the fleet does not lose a valuable asset for 6 years or so?
Admiral GREENERT. Yes, Sir, we are. We are looking for any fiscal means, if you will, acquisition means, and contractor performance incentives that we could. As you know, we have a block-buy of 9, and if we could get to a block-buy of 10 during those years 2014 through 2018, that would be terrific. And by all means, we will work by any means capable to do that.
Senator REED. And that would require, I presume, some help by this subcommittee in that regard?
Admiral GREENERT. Yes, Sir, it would.

OHIO-CLASS SUBMARINE PROGRAM

Senator REED. So I, for one, would be very happy to help because I think this is important for the Navy and for the Nation.

There is another aspect of the submarine program, and that is the replacement of the *Ohio* class. And that has been slipped 2 years in terms of proposed construction. Design work is going on. We have a partner with the British.

And one of the issues that always comes to mind when we talk about the *Ohio*-class replacement in its ballistic missile role is that this is really, in my view, a DOD asset, not just a Navy asset.

So, Mr. Secretary, have you had discussions with DOD in ways that they can help you ensure that this slippage is temporary, and not a sign of failure to fund the program?

Mr. MABUS. Senator, I can assure you that the slippage is 2 years, and that is it. We have also, as you pointed out, we have been in discussions with our British counterparts to make sure that the schedule meets up with their requirements as well. And as you know, we have committed a substantial amount of money now for the research, development, and engineering work that will be necessary to begin the build in 2021.

I think that this most survivable leg of our triad, this strategic weapon that we have in the *Ohio*-class replacement, that a discussion needs to be had on exactly how we do pay for that. That discussion would not only include DOD but also the Congress in how that is best to be handled. Because the flip side of that is that our industrial base for the rest of shipbuilding during the time that the SSBN(X), the *Ohio*-class replacement, is being built could be seriously harmed, including our attack submarine industrial base during that time. And I don't know of anyone anywhere that would want to do that.

Senator REED. No, I hope not. Just a quick follow-on, and it is probably more of a comment than requiring a comment from you, is that as we go forward there is a larger issue, which is the nuclear triad—how it is going to be constituted; what elements might be bulked up; what elements might not. And that is in the context both of budget and strategic policy and nonproliferation policy.

And my view is that the submarine has always seemed to be the most significant part of this in terms of its invulnerability, relatively speaking, its ability to deploy, its stealthiness, et cetera. And so, in those conversations about the future of the triad, I would hope that the submarine would be in the forefront.

Thank you. Thank you all.

Senator MIKULSKI. Senator Coats.

STATEMENT OF SENATOR DANIEL COATS

Senator COATS. Thank you, Madam Chairman.

Mr. Secretary, first I want to start by thanking you for visiting the Naval Surface Warfare Center at Crane, in Indiana. People say, "What in the world is the Navy doing in Indiana, the center of Indiana?" But as you have found out and it is expressed to me, that it is a little gem out there. Not so little, but it is a gem out there in terms of electronic warfare, special missions, a whole number of pretty cutting-edge stuff that is important to not only the Navy, but the Marines, Army, and Air Force. So we thank you for that visit.

And I would extend that to Admiral Greenert and General Amos because what happens there affects both of your services. And we

will throw in an Indiana University basketball game if we can get our timing right. I would be happy to travel with you for that visit.

But that really doesn't go to my question. My question is this. Shortly after the conclusion of Desert Storm I, I was flying back from Indianapolis with then-Secretary Cheney. And we spent the entire flight talking about how the history of the Congress's support and military readiness has gone through the ups and downs of postconflict drawdowns.

And I asked him, and this was in response to a question I asked, it was, "What is your biggest challenge now that we have had this success?" And he said, "Avoiding hollowing out or drawing down too fast, too far. That is the biggest challenge in front of me."

And you know, you go all the way back to World War I and the hollowing out afterward, and the cost that it was to our country to rebuild to be prepared to address World War II. And then, following that, we thought we had solved the world's problems, and Korea came along. And following that, Vietnam, Desert Storm, and so forth. And it just seems like, well, I guess I just really reacted, General Amos, when you said history has shown it is impossible to predict the how, when, and where of what might come next. Except history tells us it is coming somewhere and to be prepared.

So my question is this. The military has stepped up to the plate relative to nearly $500 billion of cuts over a 10-year period of time. And you discussed some of that in terms of how we get there.

My concern is the potential impact, given the kind of conflicts that we can potentially predict in the future. But there is always the unpredictable.

SEQUESTRATION IMPACT

But my question to you is this. We have this sequester sitting there, about to add an additional $500 billion unless the Congress addresses this before the end of the year. That was presented as something that would never happen because it would force decisions relative to how we deal with our budget. But the "never" did happen.

And so, my question to all three of you really is what is your reaction to this possibility? And what would it mean for the ability to be prepared and not to be so hollowed out that we are not prepared for that next how, when, and where?

Mr. MABUS. I will quote the Secretary of Defense, who said, "It would be a disaster if sequestration happens, not only in terms of the amount of money that would be taken out of defense, but also in the way it would be taken out."

The $487 billion in cuts during the next 10 years, the DOD has worked very hard over the course of several months to make sure that this was done carefully, to make sure that we avoided hollowing out the force, in your term, to make sure that we had the training, to make sure we had the manning, to make sure that our force structure could be maintained, and that it was an effective and lethal force structure that we continued forward.

Because of the very nature of sequestration, what you would have is automatic percentage cuts to everything, without regard to strategy, without regard to importance, without regard to any sort of setting priorities. And so, both those items would make seques-

tration, I think, a very difficult and, again in the words of Secretary Panetta, a disastrous occurrence.

Senator COATS. Admiral Greenert, do you want to tell us how it would affect the Navy?

Admiral GREENERT. Sir, the way, as Secretary Mabus said, you know, this going into each and every account, we would have to prepare for such a thing, probably a few months ahead of time. And I am just talking about the mechanics of trying to figure out how to recoup pay, so we can pay our people, pay our civilians, then get contracts which would, I assume, we would be in breach because, all of a sudden, there is no funding for commitments that we have made—the Federal Government has made.

And so, my point is we would have our people distracted for months, just to do the execution of such a thing to meet the requirements that the Federal Government is held to.

And that bothers me a lot. I mean, we talked in the past about, you know, when we have had a threat of a Government shutdown, and we stopped everything for a few weeks to prepare for such a thing. This would be that to the nth degree.

And so, I think that is just really not understood. As I sit down and think about just the mechanics of this, the amount, we need a totally new strategy for an amount of this kind. And we can never do what we are doing today under those kinds of funding. We would need a new strategy, as our bosses have testified.

Thank you.

Senator COATS. General Amos.

General AMOS. Senator, thank you for asking that question. That is a tough one and one we have talked about often within the DOD, as you are well aware.

I would like the subcommittee to believe that where we sit today, and I can speak for my service, we have built a force, as we come down from 202,000, which is where we sit today, down to 182,100, we will do that by the end of 2016. That force will be very capable. It will be anything but a hollow force.

That force will be—the readiness will be high. The manning will be high. The equipment readiness will be high. So that force that we have built with this Budget Control Act of 2011 is anything but a hollow force. So I want to put—allay any fears there.

To go beyond that into sequestration, it is my understanding that it could happen a couple of ways. One, it can come with either we are going to preserve manpower and not take any cuts out of the manpower account, in which case that leaves only two other areas that you can really—that the cuts will come from. They will come from procurement, things: ships, equipment. They will come from my reset of the equipment that I spoke about in my opening statement, after 10 years of combat. It will stunt, if not completely negate, my ability to reset the Marine Corps.

So, if the manpower account is set aside, it is procurement of things, and then it is operations and maintenance. And what that means to the subcommittee is that is training. That is the ability to go to, in my case, Twentynine Palms, to go to the ranges in the Philippines to train with the Filipinos, to be able to train with the Australians, to be forward deployed and forward engaged, to buy

fuel, to buy ammunition, to buy the kind of equipment that we need to train with.

So training and readiness will become what I consider to be almost a recipe for a hollow force, if we end up in sequestration.

If you leave manpower in it and you say we are going to just take a percentage cut across manpower, operations and maintenance, and the procurement of things, then you are going to end up with a force that is significantly less dense than the one we have today. And what that means is less capable. We will have to go back in, redo the strategy, because the strategy that we have developed for the last 6 months is a strategy based on the current budget.

Senator COATS. Well, I thank all three of you.

Madam Chairman, my time has expired, but I think it is a good reminder to all of us that we have got a pretty big challenge laying ahead here between now and the end of the year.

Senator MIKULSKI. And that was an excellent question. I think all of the questions have been very good, but yours, I think, is the one that we all wanted to ask. So, thank you.

Senator Shelby.

STATEMENT OF SENATOR RICHARD C. SHELBY

Senator SHELBY. Thank you.

Mr. Secretary, welcome.

Mr. Secretary, you know all of this stuff, the JHSV, which is the Navy's vessel. I believe it is a valuable addition to the Navy's fleet. Just for the record, it has an expansive mission bay of some 20,000 square feet, which enables the ship to move 600 tons of cargo at more than 35 knots—that is moving—while carrying more than 300 combat-ready troops.

JOINT HIGH SPEED VESSEL PROCUREMENT

The Navy's budget request for fiscal year 2013 stops production of the JHSV at 10 ships, rather than continuing to build toward the 21 ships that was projected. I know budgets are tight. We really know that. But it seems it is a pretty good price. And as you know, the more you build, the better price you have been able to get in this environment.

What drove the Navy's decision to reduce the JHSV buy? And is that a decision that we could revisit as the ships enter service if you see the needs there?

Mr. MABUS. A couple of things drove this decision, Senator. One was, as you said, finances. We had to find money, particularly out of procurement accounts, to meet the $487 billion cut over 10 years.

Second is that when you look at our war plans, you look at the requirements for these JHSVs; the 10 that we have under contract today will meet all those requirements.

And third, as we were looking at ships to defer, we first looked at support ships like the JHSV, instead of combat ships like the LCS.

And so, given that combination of factors, we thought that stopping the buy at 10 in this FYDP would make sense. The thing that we give up is engagement capability, using the JHSV to go around

places like Africa or South America to do partnership training engagement and those sorts of things.

The final thing that we looked at was the health of the industrial base. And since the JHSV is made in the same shipyard that the version 2 of the LCS is made, and since the gear-up of that workforce is going to require the hiring of at least 2,000 more people during the next couple of years, we thought that it was a very healthy industrial base, and that at least for this 5 years, that contract could be ended at 10 without any harm there.

Senator SHELBY. You mentioned the LCS earlier. The Navy had to move two LCS ships out of the 5-year shipbuilding plan. I hope we can work together. I know the Navy has said good things about them.

LITTORAL COMBAT SHIP MISSION MODULE READINESS

I am concerned that issues relating to LCS mission modules have delayed sea trials for the vessel, and that is very important. How do you plan on dealing with the troubles affecting the module program?

Mr. MABUS. Right now, Senator, the module program is on schedule, exactly where we thought it would be.

Senator SHELBY. Okay.

Mr. MABUS. It has always been a spiral development. We are doing, in fact, testing today off Panama City on the unmanned underwater system for LCS. We are using the LCS 2 to do that testing. And we are absolutely confident that——

Senator SHELBY. You feel good about where you are.

Mr. MABUS. I feel very good. Yes, Sir. And I think the CNO does, too.

Senator SHELBY. Admiral.

Admiral GREENERT. Yes, Sir. You know, we took *Freedom*, the mission modules weren't ready. The surface module was going to come out first. So we took *Freedom*, and we said, well, we will go on down to the Gulf of Mexico. And we needed to shake the ship down and figure out the concept of operations. So she got involved in drug operations and took part in two busts.

Then we sent her over to Rim of the Pacific (RIMPAC), and we have had a lot of inquiries about this ship, this new ship that you brought. That has, I think, subsequently led to, although I cannot be completely sure it was because of RIMPAC, but the Singapore Government offered us, invited us to bring *Freedom*—in fact, encouraged us to bring *Freedom* to Singapore to operate there. And we are going to do that in about a year.

And so, we are moving out with what we call "sea frames" because we have got a lot of work to do to get the concept down. At the same time, as Secretary Mabus said, the mission modules move apace, as we need them to be integrated.

Senator SHELBY. Good.

Thank you, Madam Chairman.

Senator MIKULSKI. Thank you.

Senator Murkowski, and then Senator Kohl.

STATEMENT OF SENATOR LISA MURKOWSKI

Senator MURKOWSKI. Thank you, Madam Chairman.

And gentlemen, welcome. And I, too, join with my colleagues in expressing my appreciation for your leadership to our country. Greatly, greatly appreciated.

ARCTIC OPERATIONS

Secretary, I want to ask you some questions about the North. It is probably not going to be a surprise to you. But with the discussion about the shifting focus within the military toward Asia and the Pacific, when you look at Alaska, we are sitting right up there on top. We have got a larger interface with the Asia-Pacific theater than any other State out there.

We have 5,580 miles of coastline that touch the Pacific and the Arctic Oceans. And as we all know, this coastline is becoming certainly more accessible. It presents great opportunities, but it clearly presents some real challenges as well.

Can you inform me what the Navy has been doing over this past year to essentially get up to speed on the changing Arctic and what the near-term future holds for Navy involvement?

Mr. MABUS. Senator, in 2009, the Navy laid out the road map for the Arctic, things that we plan to do. And we are following that road map.

Last year, almost exactly at this time, I was at the Ice Exercise (ICEX) off the coast of Alaska, where we set up a camp, as you know, to do scientific work, but also bring last year two submarines up through the ice to do exercises in the Arctic.

We also operate with our Canadian allies in Operation Nanook. We have at least three operations on an ongoing basis, on a routine basis, in the Arctic.

The one area that we have said before that would be helpful to us is for the United States to become a signatory to the Law of the Sea Treaty because it would make dealings in the Arctic, it would give us easier—it would give us a seat at the table. It would allow us to state claims on the outer continental shelf that are certain under the Law of the Sea.

And as we go forward, because the Arctic, as you pointed out, as the Arctic will become ice free, it appears, within the next quarter century, at least in the summer, there will be increased shipping. There will be increased tourism. There will be increased commerce of all types through there. The naval requirements in things as diverse as search-and-rescue, as well as purely military functions, will increase every year.

And we are very focused on our responsibilities in the Arctic. And I will just repeat, one thing that would help us would be the Law of the Sea.

Senator MURKOWSKI. Well, I would certainly concur. We want to be able to work with you to try to advance it. I believe it is critically important.

I am concerned, though, that while other Arctic nations are moving forward with policies that build out infrastructure, that provide assets, that we are not prioritizing it to the extent possible. But I appreciate your commitment.

It is amazing to me to see the volume of shipping traffic, the cruise ships that are traveling through these northern waters. And

we recognize that there is not a lot up there if there were an incident. So it is something that we need to remain vigilant.

I wanted to ask, I have got a host of different questions, but I don't know whether we will have a chance to go to a second round.

SEXUAL ASSAULT PREVENTION PROGRAMS

But I do want to ask about an article that was in yesterday's news. And this relates to a new Federal lawsuit where eight members of the military, seven of whom who served in the Navy and the Marine Corps, have made allegations of sexual assault. And the allegations contained in at least the report that I read are pretty serious—a high tolerance for sexual predators in the ranks, fostering a hostile environment that discourages victims of sexual assault from coming forward, and punishing them when they do.

What are we doing, not only within the Navy, but what are we doing within the military to ensure that there is a level of safety? That if, in fact, one is a victim, that they are not further victimized by retribution when they come forward? Are we making any headway on this?

Mr. MABUS. One of the things that I committed to when I took this job and one of the things that I have focused on the most intently is sexual assault in the Navy and Marine Corps. It is a crime. It is an attack. It is an attack on a shipmate.

And we have a force that is willing to lay down its life for other shipmates. This should be no different. We have to make sure that the force understands the severity of this and is willing to intervene to stop this before it happens. I will give you some specific things that we have done.

I set up a sexual assault prevention office that reports directly to me, and I get reports on a very routine basis. And that office has been going around the fleet, around the Marine Corps to, number one, find out exactly the size of the problem and what we can do about it.

Some of the things that have come out of that is that now in boot camp—coming out of boot camp, we found that programs inside boot camp were not that effective because there are just too many things coming at people when they were at basic training, but that every sailor going to "A" School, and every sailor does go to "A" School, they will get three 90-minute sessions on sexual assault, on how to prevent it, on how to intervene.

Second, I announced Monday of this week that we are undertaking a major initiative called 21st century sailor and marine that has five different areas in it. And one of them is that people should feel safe.

Some of the things we are doing there is doing everything we can to remove the stigma of reporting, including—and this is a DOD-wide effort—some Federal forms that you have to fill out now for things like security clearances, you would have to put down counseling that you received after an attack. We have got to end that requirement. Including, if the victim wants to go to another command immediately, that person can go to another command immediately to get away from any sexual predators that they may have come in contact with.

And the one that got the most press was, we are instituting breathalyzer for alcohol on duty stations coming aboard our ships, coming to work at our surface locations. And the reason we are doing this is because alcohol has been shown to be the common factor in sexual assault, in domestic violence, in suicide, in fitness, in readiness.

And we have run a pilot program with Pacific submarines (SUBPAC) in Washington State, and we have also run a pilot program at the U.S. Naval Academy using these breathalyzers. The incidence of sexual assault, the incidence of domestic violence, of everything across the board has gone down dramatically when we have done that.

And I just thought if we have that opportunity and we know that sort of—we could get that sort of response in these pilot programs, that we had an obligation to put this in fleet-wide to guard against any not only sexual assault, but also the other risks that sailors and the marines face.

Senator MURKOWSKI. Well, I appreciate that, and the attention and the focus on the safety.

I look forward to welcoming you to Anchorage this summer when the USS *Anchorage* is commissioned. We are looking forward to that visit.

Thank you.

Mr. MABUS. We were at least bright enough to do that in the summer.

Senator MURKOWSKI. Much better weather and good fishing.

Thank you, Madam Chairman.

Senator MIKULSKI. Thank you, Senator Murkowski.

Before I turn to Senator Kohl, I just want to add and amplify the gentlelady's remarks and yours, Secretary Mabus.

All of the women in the Senate—and we don't have a caucus, we just come together on where we can find common ground—are very concerned about women in the military, their ability to serve and to be promoted and utilized in every capacity.

But this issue of alcohol is something that runs through all of the services. And for having the Naval Academy in Maryland, I am on the Board of Visitors, one of the things we find, because there is unwanted sexual—there is a continuum, the unwanted sexual contact, which would be very aggressive coming-on, but it is not assault, it is not harassment—to harassment, all the way up to a violent, violent situation like rape.

In 90 percent of those situations at the Academy, again, it is alcohol, alcohol, alcohol. We would hope that the Secretaries of all the service academies would look at alcohol on their campuses the way the Naval Academy is looking at theirs, lessons learned from civilian universities.

But I really want to encourage you to look at this. We are not prohibitionists. We understand human behavior, et cetera, that people are people, and human beings are human beings. There are two things that contribute to the kind of climate that Senator Murkowski raised. One, a cultural climate of hostility. And I think the military has dealt with that and has been dealing with that for more than 20 years and certainly this administration and, I believe, Secretary, President Bush did as well.

But this alcohol thing is big. And it also impedes the ability to serve and to be fit for duty.

So we just want to encourage you on that. I wanted to just congratulate the gentlelady for raising that question because it was going to be one of mine as well.

So, having said that, I am going to turn to Senator Kohl from Wisconsin.

STATEMENT OF SENATOR HERB KOHL

Senator KOHL. Thank you very much.

Secretary Mabus, the Navy's budget fully funds the current plan to split the purchase of 20 LCSs evenly between the variants built in Wisconsin and Alabama. I support this approach and commend you for requesting the funding necessary to carry it out.

LITTORAL COMBAT SHIP PROCUREMENT PROGRAM

However, the Navy's 5-year budget window cuts two LCS ships after the 20-ship purchase plan is complete. In light of that proposed cut in future years, does the Navy still support long-term plans to purchase 55 LCSs?

Mr. MABUS. Absolutely, Senator. The two ships, and it goes from three to two each year, we lost one ship in 2016, one ship in 2017, but it was just slid to the right.

We want to build out the 55 ships as quickly as we can. We still believe in that number and that need for our fleet.

Senator KOHL. Good.

Just to push it to a final comment from you, if the Congress were to delay the Navy's plans to bring these ships into the fleet, the Navy's effectiveness would be hurt. I hope you would agree with that. We understand that the LCS is going to replace an aging fleet of frigates and minesweepers and that Navy readiness would suffer without them.

Is that true? And what will happen if the LCS is delayed?

Mr. MABUS. Yes, Sir, the LCS is one of our—one of the backbones of our fleet today and for the future. As the CNO mentioned a little bit earlier, Singapore has invited us not only to bring the first LCS there next year, but also to forward deploy LCSs in Singapore in the future. And that is something that we are certainly planning to do and certainly is going to be one of the prime capabilities that we have in the Pacific.

Senator KOHL. All the hopes that you had for LCS are on plan and following, moving along as you guys had discussed?

Mr. MABUS. Yes, Sir. We are—it is an amazingly capable ship, shallow draft, very fast. But also I think it is one of the ships of the future because of its modularity.

Because every time the technology improves, every time we get a different weapons system, we don't have to build a new ship. We simply pull out the weapons system or the whatever system off the ship, put in a new one, a different one, and go back to sea.

And I think that capability, the first three systems, as you know, are anti-surface, anti-sub, anti-mine, and if you look at some of the things that we are facing in the world today, that we are relying, as you pointed out, on patrol boats and minesweepers, or mine-countermeasure ships to do, we need this capability very badly.

Senator KOHL. And you are pleased that you are building two variants on that LCS?

Mr. MABUS. Yes, Sir, I am. I think that they give us a wider range of options for our operators. As you know, and thanks to this subcommittee and the Congress, we were able to buy both variants at a greatly reduced rate.

Both variants are on firm fixed-price contracts. The price is going down for each successive ship. And we are very pleased with the shipyards that are building them. We are very pleased with the product that is coming out.

Senator KOHL. Thank you very much, Mr. Secretary.

Senator MIKULSKI. Senator Collins.

STATEMENT OF SENATOR SUSAN COLLINS

Senator COLLINS. Thank you very much, Madam Chairman.

I apologize for being late. The Armed Services Committee is having a hearing with Secretary Panetta on Syria, even as we are meeting today. And I clearly need a clone, but I have yet to figure that out.

Senator MIKULSKI. We will support that.

Senator COLLINS. Mr. Secretary, first of all, it is good to see you again.

DDG—1000 PROGRAM

As you know, Bath Iron Works is building the first two *Zumwalt*-class destroyers and will commence construction of the third DDG–1000 later this year. The first ship was 60-percent complete when the keel was laid. The construction rework rate is less than 1 percent, which is astonishing for the first ship of a new class. And the Navy retired a significant portion of the program's cost risk during the last year.

I think it would be helpful for the record, in light of the department's commitment to maintaining combat capability in anti-access/area denial environments, if you would comment on the combat capabilities that you expect these three DDG–1000 ships to bring to the fleet.

Mr. MABUS. I will be happy to, Senator. And I would also like to ask the CNO to follow along after I do.

These ships, with their new stealth technology, with the fire support for ground troops that they bring, with their anti-air, anti-surface, anti-submarine capabilities certainly fit very precisely into the anti-access/area denial areas that we have planned to use these ships in.

As you know, because of the truncation from 10 ships to 3, a Nunn-McCurdy breach occurred, but it was solely because the number of ships went down. At that time, the program was recertified as crucial to national security, and the building, the fabrication, at Bath has gone along very well. And I am happy that we now have the further two, 1001 and 1002, now under contract so that we can move forward with them to join the fleet.

Senator COLLINS. Thank you.

Admiral, is another advantage the smaller crew size that can be used on these ships, given the high cost of personnel?

Admiral GREENERT. Yes, Senator. We are talking 100 less on a ship of a comparable capability, 150 versus 250, for example, the DDG–1000 being 150.

We don't talk a lot about its undersea capability. It has a dual-frequency sonar capability, which means it can be searching for long-range underwater vehicles, submarines, but at the same time tracking something closer. Eighty-cruise missile capability, not a lot of people talk about that. That is extraordinary.

So it has a good land attack mode, the long-range gun, which we are really excited about, what it will bring—two of them, advanced long-range projectiles—and it also maintains three drones. We are going unmanned. It is very important. So it can employ three unmanned systems, vertical take-off and landing tactical unmanned air vehicle (VTUAV) Fire Scout or Fire-X, as well as a helicopter. So it is quite capable. And on radar, it looks like a fishing boat.

DDG–51 PROGRAM

Senator COLLINS. Mr. Secretary, your strategy to introduce competition into the restart of the DDG–51 program earlier than planned reaps some significant savings for the taxpayer, and I applaud you for that effort. In addition, it is my understanding that the Navy estimates that it could save up to $1.5 billion by exercising multiyear procurement authority for the DDG–51 program during the next 5 years.

I understand that Senator Reed mentioned some possible uses for those savings. So I would be remiss if I did not also follow that line of questioning.

That amount, as luck would have it, would be sufficient to procure one additional DDG–51 in the 5-year budget window. And currently, the Navy intends to procure nine ships during the 5 years. But the Navy's own requirements, plus the fragility of the industrial base, call for an absolute minimum procurement rate of two large surface combatants per year.

So, Mr. Secretary, if the Navy does reap the savings expected from the multiyear procurement authority and the increased competition and you have the opportunity to reinvest that funding, would adding an additional destroyer in the 5-year budget window also be one of your priorities?

Mr. MABUS. Senator, we will certainly be requesting multiyear authority for the DDG–51. I think it is exactly the type program, and your numbers are accurate in terms of the savings that we forecast.

What we have done, however, is we have already used those savings to get the nine ships. Without a multiyear, we would only be able to procure eight. And so, we have taken the savings that we anticipate from the multiyear to procure the ninth ship.

Senator COLLINS. I am concerned particularly, and I realize my time has expired, but particularly with the focus on the Asian Pacific, that we are not going to have enough ships to really do the job. And I hope that is something that we can focus on as we set priorities.

Also for the record, I will be, with the chairwoman's permission, submitting some additional questions involving investment in our

public shipyards. There is a long, long backlog, which the Government Accountability Office (GAO) has documented.

And unfortunately, there, I believe, is only one new military construction project identified in this year's budget request, for Norfolk. And the needs are great at the Portsmouth Naval Shipyard and elsewhere. So that is something we need to look at as well.

Mr. MABUS. Madam Chairman, if I could.

Senator MIKULSKI. Sure.

NAVY FLEET SIZE AND CAPABILITY

Mr. MABUS. Just in terms of numbers of ships, you and I share the concern, even though the fleet we have today is far more capable than any fleet we have had before. But one of the things that I think is important to note is that at the end of this 5 years, this FYDP, we will have the same size fleet, in spite of some early retirements of ships, in spite of the requirements of the Budget Control Act of 2011, in spite of having to defer the building of some ships, and that by 2019 we will be back at 300 ships. We will build the fleet to 300 ships because at some point, as we have discussed, quantity becomes a quality all its own.

So, thank you, Senator.

Senator COLLINS. Thank you. Thank you very much.

Senator MIKULSKI. Senator Collins, and also to other Senators, I know their staffs are here, the record will remain open for subsequent questions of members, and also Senator Inouye will be submitting his questions for the record.

I have some questions of my own. I really wanted to be at this hearing because we in Maryland, we are a Navy State. We are not just a Navy State. We love our Army presence, whether it is the National Security Agency at Fort Meade or Aberdeen or its bases. We love the Air Force because of being there at Andrews.

But we are crazy about the Navy. We have the Naval Academy, Naval Bethesda.

Mr. MABUS. Your ardor is returned, Senator.

Senator MIKULSKI. Well, we will get to that—Naval Bethesda, Pax River, the Office of Naval Intelligence.

USNS *COMFORT* RELOCATION

And we think we offer a fantastic set of home ports. We are the home port to the *Constellation*. We are the home port to the 10th fleet, the dynamic, cyber 10th fleet that has no aircraft carrier, submarines, or whatever, but is defending the fleet. And we are also the home to the *Comfort*.

Now, we feel real bad that we are going to lose the *Comfort*. And in fact, we feel so bad in Maryland that it has the same magnitude, if you were in Baltimore when we heard the *Comfort* was going to leave us, we have had the same feeling as when the Colts left us.

And I am not joking. We love the *Comfort*, the hospital ship that we have watched since 1987 steam down the bay for really significant missions, serving the Nation, whether it has been to respond to Desert Storm, and we were there along with the hospital ship *Mercy*, whether it was responding to 9/11 off the coast of New York, where Senator Collins and I stood side-by-side looking at the wreckage and the debris, and so on.

So I want to know how we can keep the *Comfort* in Baltimore?

Mr. MABUS. Senator, the decision to move *Comfort* was a purely financial one. The pier in Baltimore is a private pier that we pay a little more than $2 million a year to keep the *Comfort* berthed there. The pier that it will be moving to is a Navy pier. So we will save in excess of $2 million a year to move the *Comfort*.

Two other things went into the decision. One was the facilities at the new pier for the ship and its permanent crew, the 57 permanent crew members. And the other was that, as *Comfort* is manned by medical professionals——

Senator MIKULSKI. You have two mannings. You have those who keep the ship afloat and operational, and then you have this extraordinary medical team that is just amazing.

Mr. MABUS. Me, too. And that manning has changed over the years so that most of those health professionals now—doctors and nurses—come out of Portsmouth, Virginia, the hospital there, instead of the way they used to, out of Bethesda.

And so, those were the things that went into the decision. But it was primarily financial.

Senator MIKULSKI. Well, I have a couple of questions about that.

First of all, let us go to the pier part of it. And I understand we are in a frugal environment. That has been the point of the testimony and many of your comments as you support the Secretary of Defense and the President's initiative to have a more frugal but still muscular defense. We understand cost.

But tell me about this pier. Don't you have to build a new pier for the *Comfort*?

Mr. MABUS. No, ma'am. We upgraded the pier——

Senator MIKULSKI. And how much did that cost?

Mr. MABUS [continuing]. To provide for the *Comfort*. Three and a half million dollars.

Senator MIKULSKI. So it cost $3.5 million to upgrade it?

Mr. MABUS. Yes.

Senator MIKULSKI. Now, let us go to the mission. And I understand the fact that the manpower used to be at Naval Bethesda. So I don't dispute that.

But have you looked at the hurricane impact? Let me be specific so this isn't a trick question.

The *Comfort*, since the *Comfort* has deployed since 1987, I think, 9 or 10 times, two-thirds of that has been during hurricane season. Literally, when it went down the bay, it has been hurricane season. What Norfolk has to do when hurricanes come is they have to go to sea.

Okay. So the President says send the *Comfort* to wherever. It has been to Haiti, you know, and God knows what lies ahead, given the turmoil in the world.

So, have you looked at the hurricane impact statement, that while it is berthed at Norfolk, you are in a hurricane, the *Comfort* is out at sea riding it out, but you have to get ready to deploy? Have you looked at the hurricane impact?

Admiral GREENERT. I can't tell you that we have, Senator. What we would do is we would sortie the ship, like we do with the others. And I think that is your question, the cost to sortie——

Senator MIKULSKI. I don't know the military lingo. I just know——

Admiral GREENERT. We would get underway. The ship gets underway——

Senator MIKULSKI. Because while we are looking at Norfolk during the hurricane, we are up the coast at Ocean City, and so on.

Admiral GREENERT. Right.

Senator MIKULSKI. So we are all kind of in it together. So, go ahead.

Admiral GREENERT. I have to take it for the record, so that I—because I would want to make sure I understand your question.

I believe this ship will have to get underway like the other ships in Norfolk do when there is a hurricane in the region. And so, have we accommodated that factor, as opposed to remaining in Baltimore, the number of times ships sortie because of weather in Norfolk versus weather in Baltimore? I think that is your question, Senator.

Senator MIKULSKI. Yes.

Admiral GREENERT. I have to get back to you on that and see what that would be.

Senator MIKULSKI. Well, Admiral, I would really appreciate this.

Admiral GREENERT. Sure.

[The information follows:]

After revising our cost estimates to account for hurricanes, the case for moving USNS *Comfort* to Norfolk remains cost effective. The Navy will still save approximately $2 million annually. Details are as follows:

USNS *Comfort* has not conducted a weather sortie from her berth in Baltimore in the past 10 years, while Navy ships homeported in Norfolk have conducted two weather sorties during this period. If USNS *Comfort* was berthed in Norfolk, each weather sortie would incur operational costs of $0.5 million (assumes a 5-day sortie at a cost of $100,000/day). Over a 10-year period, two sorties would thus cost $1 million (2 × $0.5 million) or an average of $0.1 million/year.

Despite the potential operational cost for USNS *Comfort* to conduct weather sorties, the decision to berth her in Norfolk remains cost effective. Our report to the Congress on the Cost Benefit of Relocation of USNS *Comfort* estimated a $2.1 million/year savings. Factoring in the contingency of weather sorties reduces this estimate by $0.1 million to $2 million/year in savings. Also, the location in Norfolk would reduce the transit time to open ocean by 12 hours compared to a Baltimore berth.

Senator MIKULSKI. You know, it is my job to fight to keep the *Comfort*——

Admiral GREENERT. I understand.

Senator MIKULSKI [continuing]. Both for economic reasons and jobs, and yet we have developed just an affectionate relationship. And I think the crew of the *Comfort* feels the same, that we are a welcoming home port.

So, Mr. Secretary, with the cooperation of the Admiral, I would like you to look at that impact and see if it affects your judgment so we get to keep the *Comfort*.

If we cannot, if we cannot—and facts must speak for themselves—would you also take the opportunity to look and see if there are other home port opportunities for us? Because we have a 50-foot channel, we now have port capacity that is going to welcome the new ships coming through the Panama Canal. And if we can welcome these new ships from the canal, we sure would like to welcome a vessel from the United States Navy.

We have the *Constellation*, the older ship. We would welcome a new ship, and we would love to keep the *Comfort*.

Would you take a look at——

Mr. MABUS. We would be happy to look at both of those. Yes, Ma'am.

Senator MIKULSKI. Senator Cochran.

Senator COCHRAN. Madam Chairman, thank you.

General Amos, there is one question that I omitted asking for the record to you, and it relates to our amphibious warship fleet lift capacity.

AMPHIBIOUS SHIP REQUIREMENTS

What I would like to have for the record is what is the current inventory of amphibious ships in the fleet? And what is the maximum lift requirement? And are there operational readiness concerns? And are you aware of any unmet combatant commander demands for amphibious ships?

General AMOS. Senator, I can answer, I think, all of those or at least get a head start on those things, and we will come in on the record for the rest of it.

But I believe the current inventory—and John, Admiral Greenert can just keep me honest here—I think our current inventory is at 29 today, amphibious ships.

We have a few decommissions coming underway. We have some, as you know, new construction. I made a comment about 2 weeks ago that the agony that the CNO and the Commandant and the Secretary of the Navy went through in this FYDP cycle to cut Solomon's baby, to try to determine, what ships, you know, where are we going to spend our money was, I think, very responsible.

And I think, from my perspective, I mean, I would like to add 55 amphibious ships, but we can't afford it. My sense right now is that I am very satisfied with what we have done inside this FYDP.

There is going to be an effort underway over the next little bit to take a look at what is our real requirement? We know how much it takes to put a marine expeditionary brigade on a ship. That takes 17 amphibious ships. So if you just say, okay, let's put one of these brigades onboard, what is it going to take? It is 17.

Well, our Nation has an agreed-upon requirement for two of these in a forcible entry operation. Well, that is a lot of ships, and we can't afford that.

[The information follows:]

Question. What is the current inventory of amphibious ships in the fleet?

Answer. There are currently 28 amphibious warships in the fleet.

Question. What is the maximum lift requirement?

Answer. The Department of the Navy has identified a requirement of 38 amphibious warships to lift two Marine Expeditionary Brigade assault echelons. Compelled by fiscal realities, we have accepted risk down to 33 ships. Thirty operationally available ships is the baseline number to support day-to-day operations.

Question. Are there operational readiness concerns?

Answer. We currently have 27 operationally available amphibious warships in the inventory. With the commissioning of the USS *San Diego* (LPD 22) during May 2012, the number of operationally available amphibious ships will rise to 28. The current inventory does not support operational plan (OPLAN) lift requirements and defers critical warfighting capability to follow-on-shipping, and increases closure time. Additionally, it does not fully support single-ship deployer requirements requested by combatant commanders to meet their theater engagement plans. Last, there is little flexibility in the amphibious warship inventory, limiting the Navy's

ability to provide a "reserve" in the case of a catastrophic casualty to a ship or class of ship.

Question. Are you aware of any unmet combatant commander demands for amphibious ships?

Answer. Specific demand signals are classified and can be provided in a separate venue; however, the overall delta between global combatant command demand of Amphibious Ready Group/Marine Expeditionary Units and what has actually been sourced for fiscal year 2012 is 53 percent. For independent amphibious warship deployers, less than 10 percent of global combatant command demand is sourced.

General AMOS. So we are working right now, you know, what is it we can't afford? What are the elements of risk, as you come off of the number? And then how do you mitigate that risk? Because there are ways that you can mitigate risk.

But as the Secretary said, quantity has a quality all its own. It does reach a point, there is a knee in the curve where we want to make sure that we have the ability to be able to put these, deploy this forcible entry force. Hard to imagine that it could ever happen. It is almost out of the realm of our imagination. But let me give you a sense for magnitude.

When we surrounded the town of Fallujah in the fall of 2003—excuse me, 2004, we put 5 marine infantry battalions around there, 3 Army battalions, and 2 Iraqi battalions—10 infantry battalions. What we are talking about here for this forcible entry capability for the entire United States of America are basically six battalions, or two brigades worth of marines coming ashore.

So when you think of relativity, it is a pretty nominal capability for a nation that is a global power, that somewhere down the road may have to exercise its forcible entry capability.

Does that answer your question, Sir?

Senator COCHRAN. It does. Thank you very much.

Senator MIKULSKI. Mr. Secretary, General Amos, and Admiral Greenert, first of all, I think the subcommittee really wants to thank you for your service and for your leadership. In thanking you, we want to thank all the men and women who serve in the Navy and the Marine Corps.

So, for those who are active duty, Reserves, and part of our civilian workforce that supports the Navy, we really just want to say thank you in every way and every day.

FORCE SIZE AND DEPLOYMENT IMPACT

I want to ask a question really that then goes to deployment and our families. One of things we know that the health and vitality of our military personally—the individual soldier, sailor, airman, and marine—often depends on the frequency of the deployment.

With the drawdown of personnel and the fact that we are still in combat, my question to you is, given this current manpower that is being recommended in the appropriations, how do you see this affecting the deployments? Will they deploy more frequently? Will they deploy less? What is your view on that?

Admiral, can we start with you, and then go to General Amos?

Admiral GREENERT. Yes, Senator.

The demand signal which defines our deployment is called the global force management allocation plan. It is the distribution, the allocation of forces around the world. And one of the in-going foundations, if you will, or givens, for our budget as submitted and that

we signed up to was what we call—my process is called the fleet response plan. And I respond to the global force management allocation plan.

We established what that is, and I am comfortable that we can—and it will be less deployments than today, subject to the world voting and things changing.

The thing, the key in this is the combatant commanders' having a request for forces. This is a supplemental to the plan, if you will. Today, we are living with a fairly extensive number of requests for forces. These are deployments over and above what the budget is laid out to give. And due to the generosity, if you will, the support of this subcommittee and the Congress through the overseas contingency operations (OCO) appropriation, we are able to reconcile that.

So what I am telling you, Senator, is with the plan, the global force management plan that is laid out there, I am comfortable. If we are unable to, if you will, sustain that appetite for additional forces, then there is going to be a stress on that, and we are going to be deploying more than what is assumed in this budget. And that will be difficult.

Senator MIKULSKI. General.

General AMOS. Senator, several years ago, I remember answering your question about what would be the ideal what we call deployment-to-dwell ratio. And that is——

Senator MIKULSKI. That is exactly what I am trying to also get at.

General AMOS. Right. And it is deployment-to-dwell. And that was at the height of when the Marine Corps, my service, was essentially almost on a 1-to-1. So you are gone 7 months, and you are home 7 months. And while you are home at 7 months, you are training and you are doing all these things. So it is not like you are home in your house for 7 months. But that becomes a 1-to-1.

We are sitting today in our infantry battalions, which is the standard unit of measure in the Marine Corps—everything else is built around an infantry battalion—at about 1 deployment to 1.5, which means you are gone for 7 months and you are home for 10, 11.

Now, I will tell you that is going to change dramatically this year. As the Marine forces come down, as that surge force comes down in Afghanistan that we have talked about, our deployment-to-dwell ratio will increase. In other words, we will have more time at home.

So, as I look at a post-Afghanistan world, and I think about now being forward deployed and forward engaged in the Pacific, and being in Okinawa and being in Guam and being down in Australia, and doing all the things that marines do, my sense is that even at a 182,000 force—in other words, that force that we are going to go down to—that we will, when it is all said and done, we will settle down to something more than a 1-to-2 deployment-to-dwell.

So it will probably be—we will have some units that are 1-to-3. In other words, you are gone, we will get out of the 7-month deployments. We will get back to 6. You are gone 6 months, then you are home 18 months. And marines get bored. And quite honestly, they like to deploy, and they like to be out at the cutting edge. So

that is the 1-to-3 that we would probably, as a Nation, like our services to all kind of be at.

Are we going to ever see that again? I don't know. Will I be happy if I see 1-to-1.2, as a Commandant? Yes. Will the marines be happy? I think so. I think we are going—that is where we are headed. So I think if we are just patient for about another year, we will get this recocked and reset back to I believe where you would like to see it, Senator.

Senator MIKULSKI. Well, what I would like to see is that I know that our Marines and our Navy like to fight. That is why they join the military. I mean, like to be ready to protect and defend, and we love them for it. We really do.

And part of that love for them is to protect them while they are protecting us. Our job is to protect them. And deployment and the rate of deployment, the ratio of deploy-to-dwell has a dramatic, demonstrable effect now. We know this from our experiences on their physical and mental health.

So I am for them. And I know you are. God knows, I know you are. And so, I want to be sure that, as we look at the forces that we are going to have, we protect them as they protect us.

And Mr. Secretary, and I would hope the Service Secretaries and the Secretary of Defense also speak out at hearings, that if we are going to reduce the number of our military, we need to be careful with our rhetoric about where we want to just send them. So just know that. I think all of us want to work with you on it.

SERVICEMEMBER TRANSITION PROGRAMS

And then that goes to my last question. After they serve and they are ready to be discharged, I worry that they have jobs. I just worry about that. And I know many of the Members do. The women have talked about this. So, often when they are discharged, is there an actual plan that helps them sort out where they can work?

And also, it was something, I think, Mr. Secretary, you in your old hat as a Governor said, sometimes they had these fantastic skills in the military and serve us so well and bravely, but it doesn't count toward licensing in their home State. So we have heard about just wonderful people that have done incredible Medical Corps service in the most grim and violent of circumstances, where their performance has been amazing to prevent mortality and morbidity, and then it didn't count for anything when they came home to get a job, where we have a civilian workforce shortage—EMTs, nursing, et cetera.

Could I ask you, Mr. Secretary, and so I know I am going over my time, really, first of all, I think their service ought to count, and I think it ought to count in every State in the United States of America. Are you looking at that? And then, also, can you tell me about the discharge planning that goes on so that we help them be able to find their way in the civilian workforce?

Mr. MABUS. I would very much like to talk about that.

In terms of credentialing, whether it is for things like nurses or other things, two things spring to mind. One is the First Lady's initiative to make sure that every State in the Union signs up to accept credentials from particularly military spouses. Because we ask

our military to move a lot. Military spouses who are nurses or realtors or anything else that requires a certificate or a license sometimes have to wait 6 months or a year when they get there.

Second, for the members of the service, we have a thing called Navy COOL, which is Credentialing Opportunities On-Line.

Senator MIKULSKI. "Cool," like "You are a cool guy?"

Mr. MABUS. You are a cool guy.

Senator MIKULSKI. Okay. Is it C–O–O–L——

Mr. MABUS. I think that is why they picked it. No, it is C–O–O–L, Navy COOL. And what it will——

Senator MIKULSKI. I notice it is not "CNO."

Mr. MABUS. Well, he is a pretty cool guy, too.

Senator MIKULSKI. Yes. You all are.

Mr. MABUS. Navy COOL allows sailors to go online, get the certificate that they need to match the job they are doing in the military with a civilian credential. And we have this lined up with every naval job, what is a comparable civilian job and if you need a credential. And if you are leaving the Navy, we will pay for the things that you need to do to get that.

Senator MIKULSKI. Get that credential.

Mr. MABUS. Get a credential.

SERVICEMEMBER TRANSITION ASSISTANCE

The other things I want to talk about, and CNO and Commandant may want to give some more detail, too, as people separate from either the Navy or the Marine Corps, we are taking that transition very seriously. We are giving one-on-one counseling. We are doing things like, if you want to go to a job fair anywhere in the United States, we will pay for you to go there.

If you are overseas when you are being separated, we guarantee you 60 days back in the United States before that separation. The marines have a four-door process of "Tell us where you want to aim for." Do you want to aim for more education? Do you want to aim for apprenticeship? Do you want to aim for a certificate? Or do you want to aim to go right into the job market? And we will send you through the preparation to do that.

And the last thing I would like to say is that the Navy itself has taken it very seriously. Last year, we hired in the Navy almost 13,000 former sailors and marines to come in as civilians once their service was finished because they have a lot of the skills that we need. So far this year we have hired almost 3,000.

And we feel a special obligation to our wounded warriors. We have had two hiring conferences with private employers for wounded warriors, both of which all three of us have spoken at.

The second thing, though, is that the Department of the Navy, through Naval Sea Systems Command, NAVSEA, had a goal last year of hiring at least one wounded warrior per day for the entire year, and we exceeded that. We hired more than 400 wounded warriors into NAVSEA.

Senator MIKULSKI. Mr. Secretary, I am going to ask you not only for the record, but for me personally, if I could have whatever your policy papers are on this, because I want to talk to my colleagues about how we can promote the First Lady's initiative not only in

the budget. And I know both the Admiral and General could elaborate, but the hearing is getting longer.

[The information follows:]

Prior to 2009, the Department of the Navy (DON) had several initiatives and programs for hiring wounded warriors, but these efforts were consolidated under Executive Order 13518, "Employment of Veterans in the Federal Government" which DON now follows as its guiding policy. DON utilizes the Defense Outplacement Referral System (DORS) to help wounded warriors find employment opportunities within the Department of Defense (DOD). Wounded warriors who register in DORS have the opportunity to upload their résumés which are then available to hiring managers across DOD. DON is committed to recruiting and employing veterans, and our HR Wounded Warrior Coordinators help qualifying veterans register in DORS; 976 wounded warriors have been hired in fiscal year 2012.

In compliance with Executive Order 13518, DON provides the required veterans' employment training via human resources reference guides, online education tools, and in-person seminars. DON also recently published a wounded warrior reference guide for the use of employers, managers, and supervisors which provides information on how to successfully support veterans who have transitioned to the civilian workplace.

Senator MIKULSKI. And then I think there will be some of us who will want to take this on ourselves. You know, when World War II ended, we had a tremendous demand for workers and so on. And again, as part of it, if you are going to get out there and protect and defend us and be in the front line, we don't want them on the unemployment line.

ADDITIONAL COMMITTEE QUESTIONS

And so, we would like to work with you to really, really ensure that. I would like to have the policy papers and do that.

So, Mr. Secretary, Admiral Greenert and General Amos, we want to thank you for your testimony and for your service. Senator Inouye also said to please commend his regards to you.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO HON. RAY MABUS

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUYE

END-STRENGTH REDUCTIONS

Question. Secretary Mabus, as part of the fiscal year 2013 budget proposal, the Department of Defense (DOD) has put forward a plan to reduce the size of the active duty Navy by 6,200 sailors and Marine Corps by 20,000 marines over 5 years. What is the plan for reducing the force beginning in fiscal year 2013, and what are the risks associated with this downsizing?

Answer. Navy and Marine Corps end-strength reductions are a result of DOD Strategic Guidance released January 2012. This guidance emphasizes a smaller, leaner force structure that is agile, flexible, ready, innovative, and technologically advanced. This quality force is fully capable of executing its assigned missions, and is a force with capabilities optimized for forward-presence, engagement, and rapid crisis response. It also balances capacity and capabilities across our forces while maintaining the high levels of readiness on which the Nation relies.

Navy end-strength reductions are primarily the result of changes in force structure, such as ship decommissionings. To manage these reductions, the Navy will primarily rely on voluntary measures and attrition, before resorting to involuntary actions. The challenge is to shape and balance the force to achieve a mix of officers and enlisted personnel that ensures the right person, with the right skills is in the right job at the right time.

Marine Corps end-strength reduction result from right-sizing the Marine Corps to meet the anticipated security environment and needs of the Nation after the draw-

down in Afghanistan, and the impacts of the Budget Control Act of 2011 on DOD budgets. This force adjustment follows the Marine Corps growth of 27,000 marines in 2006 and 2007. The force funded in the fiscal year 2013 President's budget request is fully capable of executing all assigned missions in the new strategic guidance, and is a force with capabilities optimized for forward-presence, engagement and rapid crisis response. It balances capacity and capabilities across our forces while maintaining the high levels of readiness for which the Nation relies on the Marine Corps.

The Commandant of the Marine Corps (CMC) has approved the use of several force shaping tools as we reduce Marine Corps end strength by approximately 5,000 marines per year beginning in fiscal year 2013. The Marine Corps will accomplish the drawdown by maximizing the use of voluntary measures such as attrition and early separation/retirement authorities. This reduced level of end strength creates some additional risk in capacity as the operating force manning levels will go from 99 percent for both officer and enlisted ranks to 95 percent for officers and 97 percent for enlisted; however, it is a manageable and affordable solution that maintains a ready, capable, and more senior force in support of the new strategic guidance.

This enduring strength level and force structure ensures that the Marine Corps retains the necessary level of noncommissioned officer and field grade officer experience and war-fighting enablers to support the future security environment. The Marine Corps drawdown plan ensures the Marine Corps remains the Nation's expeditionary force in readiness while simultaneously keeping faith with our marines and their families who have excelled during the last 10 years of combat operations.

BIOFUELS

Question. Secretary Mabus, I am encouraged by the administration's proposal on biofuels and your leadership in DOD on alternate energy and biofuels in particular. I have heard concerns raised questioning the rationale for DOD's participation in this initiative. Can you comment on the national security justification for DOD's involvement in the biofuels project? Furthermore, does the administration still support this tri-Agency initiative?

Answer. By continuing to rely on petroleum fuels, DOD is subject to price volatility in the global petroleum market and bears potential exposure to foreign supply disruptions. Last year after the Libyan crisis occurred, the price per barrel charged by the Defense Logistics Agency (DLA) energy increased $38 to $165 per barrel. With this increase in the price of a barrel of oil, the Department of the Navy (DON) realized a $1.1 billion increase in our fuel bill. These midyear increases equate to less flying hours, less steaming hours, and less training, ultimately impacting readiness. Additionally, national security is threatened by the potential to be physically cut off from foreign sources of petroleum.

Because of the imperative for energy and national security, DON believes the United States must reduce its dependence on petroleum but especially foreign oil. DON is making investments in the American biofuels industry because this is vital to our operations. This effort can help to dampen price volatility while also developing an assured domestic source for tactical fuels. Currently, the Navy uses about 50 percent of its tactical fuels stateside, and 50-percent deployed overseas. The stateside portion is where most of our crucial training and readiness events take place. When petroleum prices exceed budget forecasts or supplies constrained, the amount of training can get reduced. To ensure the Navy is ready to serve national interests, this training must not be subject to the vagaries of the petroleum market. Domestically sourced and produced advanced alternative fuels could provide energy security for training and readiness and more budgetary certainty as alternative fuel prices will not move directly with the petroleum prices. The need to find cost competitive alternative fuels has never been greater. Unrest in Libya, Iran, and elsewhere in the Middle East drove up the price of a barrel of oil by $38, which increases Navy's fuel bill by more than $1 billion. Because every $1 rise in a barrel of oil is effectively a $30 million unbudgeted bill to the Navy, in fiscal year 2012 the Navy is facing a $1 billion additional fuel cost because the price has risen faster than that estimated when the budget was passed.

The administration is 100 percent behind this "tri-Agency initiative". Currently, the three agencies participating (U.S. Department of Agriculture, Department of Energy, and DON) expect to contribute $170 million each to the effort for a total of $510 million. There is a minimum requirement that industry provides a 1-to-1 cost share, resulting in a total investment of at least $1 billion.

With the total investment, DON anticipates that multiple integrated biorefineries could be constructed through new builds and retrofits. This investment, combined with a strong demand signal for alternative fuels from the military and commercial

sector, will be the impetus necessary to sustain the overall alternative fuels industry sector. Creating a strong, domestic fuel market that insulates the United States from foreign oil and price volatility has been, and continues to be, a goal of the current administration.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

BROAD AREA MARITIME SURVEILLANCE—GLOBAL HAWK

Question. Secretary Mabus, as you know, the Air Force has decided to cancel the Global Hawk Block 30 program and announced it does not intend to procure the last three assets appropriated in the fiscal year 2012 National Defense Authorization Act (NDAA). It is expected this will have a negative effect on the supplier base and will more than likely increase the unit price given the reduction of units procured.

Given the Navy's Broad Area Maritime Surveillance (BAMS) program is based upon the Global Hawk airframe, do you think the unit cost will increase now that the Air Force has decided to cancel the Global Hawk Block 30 and has decided not to procure the last three assets appropriated in the fiscal year 2012?

Answer. The cancellation of the Global Hawk Block 30 adds risk of some cost increases to the BAMS program. The unit cost impact will primarily affect the System Demonstration Test Articles (SDTA) and Low Rate Initial Production Lot 1 since these procurements are below the minimum sustaining production rate of four aircraft per year.

Question. Do you anticipate a break in the production line?

Answer. There is risk of a production line break if North Atlantic Treaty Organization Alliance Ground Surveillance does not procure an aircraft in at least 1 of the slots planned for Global Hawk lot 11.

Question. How will a break in production affect the Navy's BAMS program?

Answer. Exact cost impacts to BAMS Unmanned Aircraft Systems (UAS) are being discussed with the prime contractor. If a production line break is avoided and only a delay occurs, costs are estimated to increase by at least $40 million for the SDTA lot with additional potential cost for low rate initial production (LRIP) 1 lot. However, if a production line break occurs then the costs are estimated to be closer to $220 million, $140 million immediate impact plus $80 million across total production for lost learning. The most significant impacts are felt if a supplier business fails; work to identify impacts at this subtier supplier level is ongoing.

Question. If you anticipate an increase in unit cost, will the Navy still be able to procure the 68 aircraft you intend to buy?

Answer. The Navy does not anticipate the BAMS UAS unit cost to increase above the current Acquisition Program Baseline estimate developed at Milestone B. Therefore, it is anticipated that the Navy will continue with plans to procure all 68 aircraft.

JOINT STRIKE FIGHTER

Question. This past January 20, Defense Secretary Leon E. Panetta announced "there had been enough progress in fixing technical problems on the Marine variant that he could reverse the decision by his predecessor, Secretary Robert M. Gates, to put the plane on a probationary testing status. However, the President's fiscal year 2013 budget slowed the acquisition of the Joint Strike Fighter by 69 previously planned aircraft to outside the Future Years Defense Program (FYDP) to save $15.1 billion in savings. Lockheed-Martin has stated they have fixed their production and suppliers issues and are ready to accelerate their production line. It is a well-known fact that in order to achieve economies of scale you need to maximize your production capacity and supplier base to get the best price and yet that is exactly opposite of what we are doing here.

Mr. Secretary, in your opinion based on the testing data known to date, is the Joint Strike Fighter mechanically sound given its current design?

Answer. Yes. The three F–35 variants are encountering the types of development problems historically encountered on highly sophisticated state-of-the-art high performance aircraft development programs at this stage of maturity. While risks do remain in the balance of the development and flight test program, there are no known design issues that cannot be overcome by effective engineering. The program's management over the past year has put in-place the right fundamentals and realistic plans using sound systems engineering processes, and we are monitoring and tracking performance using detailed metrics. Additionally, the Acting Under Secretary of Defense for Acquisition, Technology and Logistics (USD(AT&L)) commissioned an internal/independent quick look review (QLR) of the F–35 program

during 2011. This USD(AT&L) review also found that while risks remain in the program the overall F–35 design is sound.

Question. If it is—what is the projected cost comparison of buying the 69 aircraft within the FYDP and retrofitting the necessary changes as compared to delaying the 69 and potential increased unit cost?

Answer. The cost to retrofit 69 aircraft within the FYDP is approximately $10 million each (fiscal year 2013–fiscal year 2017). The cost of delaying the aircraft procurement increases the average aircraft unit recurring flyaway (URF) cost over the total buy profile by $4–$6 million depending upon the variant.

Question. What is the new projected unit cost if the 69 aircraft are delayed?

Answer.

PRESIDENT'S BUDGET FOR FISCAL YEAR 2013 (SAR 11 REPORT) URF

[In millions of dollars]

Buy year	2013	2014	2015	2016	2017
Conventional take-off and landing (CTOL)	127.3	118.0	104.4	94.5	90.6
Carrier-variant (CV)	148.4	138.2	118.4	108.0	104.2
Short take-off and vertical landing (STOVL)	163.9	149.9	137.1	125.1	118.8

Question. Will Lockheed-Martin request contract consideration for reducing the number of aircraft procured, if yes how much?

Answer. No. The impact of the fiscal year 2013 President's budget will be incorporated into the respective negotiated and awarded LRIP contracts at the outset. Therefore, Lockheed-Martin will not have a basis to request "consideration" against any negotiated contract.

Question. Will this unit cost increase induce another Nunn-McCurdy Breach?

Answer. No. The Nunn-McCurdy calculation is heavily influenced by the total aircraft buy. There has been no reduction to the total planned Department of Defense aircraft procurement.

QUESTIONS SUBMITTED BY SENATOR BARBARA A. MIKULSKI

USNS *COMFORT*

Question. The Congress authorized the Navy $10 million in fiscal year 2011 military construction funding (P862) to modify Norfolk Naval Station Pier 1 to serve as a permanent berth for USNS *Comfort* (T–AH 20). USNS *Comfort* has been homeported in Baltimore since 1987 and is a crucial tool of America's "smart power" strategy and its ability to achieve its missions must not be impacted for relatively small savings. Since 1987, the USNS *Comfort* has deployed nine times, six of those have occurred during hurricane season (National Oceanic and Atmospheric Administration defines hurricane season as June 1 to November 30).

Did the Navy consider the increased risk of berthing the USNS *Comfort* in Norfolk during the hurricane season?

Answer. The risk associated with both locations was carefully considered. During hurricane season, potential storms are tracked throughout their lives. U.S. Navy ships at storm-hardened piers or ships that are unable to meet underway timelines remain at the pier and weather the storm. On the east coast, there is normally plenty of advance warning to a hurricane making landfall in order to prepare ships for sea. If the fleet were to sortie from Hampton Roads, depending on the pier hardening for USNS *Comfort*'s pier, she may not be required to sortie. For example, Military Sealift Command's (MSC) prepositioning ships berthed at Newport News CSX at storm-hardened piers do not necessarily sortie when the Atlantic Fleet sorties.

We recognize that each hurricane situation will be different. We understand that hurricane tracks are notoriously unpredictable. Should a storm track take an unexpected turn, the ability for USNS *Comfort* to quickly sortie into open ocean from a Norfolk berth was considered in our risk assessment. The Atlantic Fleet has sortied twice in the last 5 years. If USNS *Comfort* were required to crew and sortie every year, there would still be significant cost savings by departing from Norfolk vice her commercial berth in Baltimore. If a hurricane were to threaten Norfolk, USNS *Comfort* could get underway within 72-hours notice for hurricane evasion when required and be able to quickly steam to safer open waters offshore away from the storm. In summation, we consider USNS *Comfort* being berthed in Norfolk to significantly decrease risk to her and her ability to carry out her mission during hurricane seasons.

Question. How can the USNS *Comfort* respond to posthurricane disaster relief mission if it has to sortie to avoid an impending hurricane?

Answer. The ideal situation is to load medical equipment and personnel onboard USNS *Comfort* prior to sortie. Otherwise, USNS *Comfort* would sortie to a modified load out port and then proceed to the relief mission. In the case of a scenario like Hurricane Irene heading up the east coast last year, USNS *Comfort* would sortie out to sea and then return to a load-out port unaffected by the storm before responding to the disaster area. (Normally, official notification to deploy for a disaster relief mission is not provided until several days after a hurricane occurs and a Presidential Declaration is given or until a formal request for assistance is requested from a foreign nation).

Question. Would having to first sortie from Norfolk to avoid the hurricane storm significantly delay the USNS *Comfort*'s response time in providing disaster relief and humanitarian assistance?

Answer. No. While USNS *Comfort* sorties, the required provisions, supplies, and manning could be directed to a selected load out port. From the time of the order to sortie, USNS *Comfort* would be in open waters much more quickly, ready to respond to further orders if she was berthed in Norfolk. Steaming the ship to the selected load-out port while simultaneously preparing the load-out cargo at that port would allow the most flexible and efficient response. This is the normal process for responding to combat mission taskings as well, and was utilized for USNS *Comfort*'s response to Hurricane Katrina.

Question. What would have been the impact on the USNS *Comfort* mission to New York City in September 2001 if the ship had been stationed in Norfolk and the base was responding in a defensive, heightened security posture?

Answer. The response would have improved. The civil service mariner (CIVMAR) manning of the USNS *Comfort* crew would be sourced from the manpower pool onboard the naval base, and cargo and supplies for onload would be facilitated by the cargo handling equipment and facilities resident on the Norfolk Naval Base. Personnel responding from the Portsmouth Naval Hospital would have less direct travel time to the ship if she was berthed in Norfolk, Virginia.

Question. Did the Navy undertake a cost-benefit analysis based on the cost to sortie the USNS *Comfort* while also attempting to prepare and provide disaster and humanitarian relief assistance?

Answer. Hurricane sortie risk was taken into consideration. Avoiding the 12-hour Chesapeake Bay transit time offers a cost savings when comparing Baltimore to a coastal port.

UNITED STATES MARINE CORPS DRAWDOWN

Question. The Marine Corps has requested a reduction of 20,000 marines by fiscal year 2017. For many servicemembers, returning home and transitioning into civilian life will be challenging. The percentage of veterans in poverty increased significantly in recent years, rising from 5.4 percent in 2007 to nearly 7 percent in 2010. Across periods of service, those veterans who have served since September 2001, have the highest poverty rate. In 2010, 12.4 percent of post-9/11 veterans lived in poverty, compared with 7.9 percent of Gulf War I veterans and 7.1 percent of Vietnam era veterans.

As the Marine Corps prepares to drawdown troop levels, what is the Department of the Navy (DON) doing to ensure soon-to-be veterans do not end up in poverty?

Answer. The Marine Corps provides support to veterans throughout the Nation. Our Marine For Life program will support improved reach-back and outreach support for those veteran marines who require localized support in their hometowns with information, opportunities or other specific needs. We are enhancing our Marine for Life program and its nationwide network of Hometown Links, both of which are integral parts of our "cradle-to-grave" approach of Transition Assistance. These assets help veterans develop and maintain local networks of marine-friendly individuals, employers, and organizations and present a proactive approach to help marines before problems arise.

Question. How does this budget address the unacceptably high-unemployment rate for veterans?

Answer. The Marine Corps does three things for our Nation:

—it makes marines;

—it wins our Nation's battles; and

—it returns quality citizens.

We are improving our transition assistance program in order to better meet the needs of our transitioning marines and return quality citizens. Our program will be integrated and mapped into the lifecycle of a marine from recruitment, through sep-

aration or retirement, and beyond as veteran marines. There will be several "touch points" that are mapped into a marine's career. Because 75 percent of our marines will transition from active service after their first enlistment, these contact points are focused on the first term of a marine.

Our initial step in this planned process to improve transition assistance is our revised Transition Readiness Seminar (TRS). The revised week-long TRS includes a mandatory core curriculum with four well-defined military-civilian pathways:

—university/college education;
—vocational/technical training;
—employment; or
—entrepreneurship.

A marine will choose the pathway that best meets his or her future goals and will have access to individual counseling services within each pathway. Additionally, pre-work requirements will be expected from each attendee to maximize the efficiency and effectiveness of the seminar. This tailored approach to the TRS will greatly reduce information overload and target the individual circumstances and needs of the marine.

Question. Many marines find it difficult to translate what they have done in their military occupations to civilian workforce, what is DON doing to ensure the skills our troops have developed while in the Marine Corps can be applied to civilian workforce?

Answer. The Verification of Military Experience and Training (VMET), DD form 2586, document is an overview of a marine's military career. The military experience and training listed on the VMET is verified as official. The purpose of the VMET document is to help marines create a résumé and complete job applications. In addition, they can elect to show the VMET document to potential employers, employment/government agencies or to educational institutions. In some cases, it can be used to support the awarding of training or academic credit. Along with VMET document, marines can use DD Form 214s, performance and evaluation reports, training certificates, military and civilian transcripts, diplomas, certification, and other available documentation to achieve the best results in these endeavors. Military Occupation Specialty (MOS) Crosswalk is an activity that is conducted in our revised Transition Readiness Seminars (TRS).

The marine will be trained to use their VMET document to do a gap analysis between their work experience, education, available jobs and Labor Market Information in order to help marines choose the appropriate pathway:

—university/college education;
—vocational/technical training;
—employment; or
—entrepreneurship.

We teach these online tools in our TRS:

—O*NET Online (Department of Labor):
  —Find occupations;
  —Apprenticeship programs; and
  —MOS Crosswalk.
—My Next Move for Vets (Department of Labor):
  —Military Skills translator;
  —Bright outlook jobs (high growth jobs over the next 5 years);
  —Green jobs; and
  —Department of Labor-registered apprenticeship programs.
—Hire 2 Hero (Department of Defense):
  —Job search, military occupational codes military skills translator; and
  —Can submit résumés online to employers.
—VetSuccess (Department of Veterans Affairs):
  —Military skills translators; and
  —Can view and apply for jobs by geographic locations.
—Career One Stop (Department of Labor):
  —Explore careers;
  —Job searches;
  —Résumés and interviews; and
  —Salary and benefits.

Question. Is the Marine Corps partnering with the private sector to assist in the transition to civilian life?

Answer. The purpose of the Marine for Life program is to develop and maintain a network of marine-friendly employers, organizations, and individuals in order to provide all marines with a reach back capability and ongoing support in finding employment, pursuing educational opportunities and realizing life goals. These partnerships currently encompass more than 1,300 employers nationwide with a dem-

onstrated interest in employing marines as they leave active duty. In addition, Marine for Life works closely with national level, nonprofit organizations including the Marine Corps League, the Marine Corps Executive Association, and the American Legion in leveraging their members to assist transitioning marines with employment, educational goals, and relocation.

F–35 TEST AND EVALUATION

Question. A Pentagon study on the F–35 recently reported that the aircraft had completed only a small percent of its developmental test and evaluation program. The report listed problems with the program including the inability to land on an aircraft carrier. The Congress, in the Weapons Systems Acquisition Reform Act in 2009, established in title 10, a stronger developmental test and evaluation office inside the Office of the Secretary of Defense (OSD) to provide better oversight to correct deficiencies on new systems before they enter operational test and evaluation.

Does OSD provide DON with the proper levels of resources and authority to be effective in its mission to correct deficiencies on new systems before they enter operational test and evaluation?

Answer. In general, DON has adequate resources and authority to ensure known deficiencies are identified and corrected prior to a system entering operational test and evaluation.

With regard to F–35, since the 2010 Nunn-McCurdy breach (and the resulting Technical Baseline Review), the program has undergone significant reorganization and has been appropriately resourced to address future deficiencies. As part of the program reorganization, test, and evaluation (T&E) processes have now been better integrated with operational test (OT) involvement. Resource requirements are being further refined to support updated requirements that will be defined in a new F–35 Test and Evaluation Master Plan (TEMP/Rev. 4). This TEMP revision is currently being drafted and due to be signed in early fiscal year 2013. Additionally, a Joint Operational Test Team (JOTT) has been established and is actively involved with identifying deficiencies of the F–35 weapon system on an on-going basis. The JOTT does this through the conduct of Operational Assessments, as well as via an integrated test process now in place, to provide continuous feedback to the Program Executive Officer for the Joint Strike Fighter (PEO(JSF)) and the warfighter/acquisition communities. PEO(JSF) is directly involved in Ready-to-Test processes which culminates in an Operational Test Readiness Review prior to test. All deficiencies and the maturity of corrective action will be assessed as key criteria for OT readiness to enter test. As the F–35 program further matures, and OT begins to receive aircraft, it is expected that all of these processes will continue to improve resulting in even a better understanding of the F–35 Weapon System and insights to the PEO and the Department's test community oversight activities.

Question. How can OSD provide better oversight and guidance as DON develops new weapon systems?

Answer. Current OSD oversight and guidance is adequate for DON to develop new weapon systems. On-going OSD efforts to gain efficiencies in application of existing guidance should be continued.

With regard to F–35, OSD has been directly involved at all phases of T&E planning. Specifically, Defense Operational Test and Evaluation (DOT&E) leadership and action officers (or their designated representatives) are present at all meetings and actively participating. In the recent years there has been an increased presence of design, development, test, and evaluation (DDT&E) representatives at all key test and evaluation meetings as well.

Question. Do you believe prime contractors have assumed too much responsibility for the execution of developmental test and evaluation on large weapons systems?

Answer. The responsibility for developmental test is assigned, not assumed, and the level of developmental test conducted by the prime contractor is determined by the program manager and the Component Acquisition Executive as the developmental test strategy is formulated to ensure the system under development is adequately engineered and tested to meet the requirements set out by DON. This strategy is vetted with appropriate stakeholders and overseen by the Deputy Assistant Secretary of Defense for Development Test and Evaluation (DASD(DT&E)).

In the case of the F–35 program, the prime contractor was assigned responsibility for the execution of DT&E. Due to the misapplication of Total System Performance Responsibility (TSPR) authority, there was inadequate communication from the prime contractor about interim capabilities and interim performance of the overall air-system—which led to systems engineering solutions that differed from the intended requirements and sometimes falling short of the Services original desires. For DON, Aviation Developmental Test (DT) is robust and has a well established

community of interest. A more tightly integrated testing strategy with Government DT and Operational Test Authority (OTA) involvement earlier in the program might have better served in sustaining the original service requirements. These processes are now in-place today and PEO(JSF) and the Prime Contractor (Lockheed-Martin) are actively responding to government OTA inputs and guidance.

Question. How does the fiscal year 2013 DON budget provide for the right balance between Government oversight on testing and contractor execution of acquisition programs?

Answer. The fiscal year 2013 DON budget provides a balanced mix between contractor and Government in the T&E workforce. We utilize Government personnel to conduct inherently governmental oversight functions and contractor personnel in technical support and surge roles. The fiscal year 2013 budget includes all the necessary funding, both contractor and Government, for the approved test strategies that have been developed by program managers and approved by leadership for their respective programs.

For F–35, there is an integrated test force of Government and contractor personnel and operational test is adequately resourced to support all planned T&E program activities. As the U.S. Air Force Operational Test and Evaluation Command (AFOTEC) is the lead test organization, DON is using AFOTEC processes to conduct OT. Future F–35 resources requirements are subject to formal review and approval by DON leadership and are currently being refined to ensure OT's active participation through the entire F–35 Initial Operational Test and Evaluation program. Operational test personnel are also funded to participate in DT activities to provide insights and understanding of accomplishments during developmental test and to allow them to leverage, rather than repeat, DT tests.

ULTRA HIGH FREQUENCY SATELLITE FLEET

Question. The existing satellite fleet providing ultra high frequency (UHF) capacity for U.S. Government agencies is nearing the end of its lifespan. The Mobile User Objective System (MUOS) satellite program will ultimately replace the existing satellite fleet by 2015. However, the initial MUOS satellite orbits are not projected to cover North and Latin America which creates a capability gap, especially if one the aging satellites fail. Furthermore, apparently an existing UHF capacity exists today, industry experts claim that only 10 percent to 20 percent of requests are filled.

What is the status of the MUOS–1 advance waveform terminal program; to include:

—when the terminals will be available for global deployment;
—how long the U.S. military will need to rely on legacy UHF satellite services; and
—what are the intentions of our allies and partners regarding adopting the advanced waveform or is there a security issue associated with their use of this new platform?

Answer. The Joint Tactical Radio System Network Enterprise Domain (JTRS NED) program office is projecting Formal Qualification Testing (FQT) of the MUOS Waveform v3.1 (a.k.a. Red/Black Waveform) in August 2012, which would enable it to be ported to the JTRS Handheld, Manpack, Small Form Fit (HMS) Manpack radio by February 2013. This would mean that an operationally representative user terminal would be available in time for the MUOS Developmental Testing (DT)/Operational Testing (OT) period in early fiscal year 2014.

Navy intends to buy 202 JTRS HMS Manpack radios across the FYDP, including 50 radios in fiscal year 2013 to support MUOS testing, as part of an inventory objective of approximately 450.

Statistical reliability analysis conducted by the Navy has shown that the MUOS satellite launch schedule anticipated by the Navy (actual launch dates will be set by the Air Force Current Launch Schedule Review Board) will meet or exceed the legacy UHF satellite communications (SATCOM) requirements set by the Joint Requirements Oversight Council (JROC) through 2018. The new MUOS Wideband Code Division Multiple Access (WCDMA) capability will be operationalized with the launch and completion of on-orbit testing of the MUOS–2 satellite, projected in the late calendar year 2013, and will reach full operational capability by the end of 2016, at which time the JROC mandated requirement for legacy UHF SATCOM is retired. Legacy capability will continue to be maintained beyond 2018, although at lower capacity levels, to allow time for remaining users to transition to the new WCDMA capability.

The National Security Agency (NSA) currently restricts the MUOS WCDMA waveform from being released outside of the United States Government.

Question. What is the status of the Navy's UHF satellite fleet; include data on how many, in percentage terms, are within 12 months of their nominal design life?

Answer. Seventy-five percent of the eight UHF follow-on (UFO) satellites currently on orbit are at or beyond their 14-year design life. The remaining two have been on orbit for 12.3 and 8.3 years, respectively. The Navy's UHF satellite fleet (eight UFO satellites and two fleet satellites), with the help of actions taken by the Navy to mitigate unplanned losses of UHF communications satellites, the launch of the MUOS–1 legacy payload, and the projected launches of MUOS–2 through MUOS–5, are projected to meet the Legacy UHF SATCOM requirement through 2018. Legacy capability will be maintained beyond 2018 to continue to facilitate the shift of remaining users to the WCDMA capability and support coalition operations but not at the currently required capacity.

Question. Even with the launch of MUOS–1, what is the risk that current UHF satellites will fail? What would be the training and mission impact if UHF satellites fail?

Answer. As noted above, statistical reliability analysis conducted by the Navy has shown that the launch schedule anticipated by the Navy for MUOS satellites (actual dates will be set by the Air Force Current Launch Schedule Review Board) will maintain the legacy UHF SATCOM requirements set by the JROC through 2018.

In an effort to reduce the risk of an unplanned loss of a UHF satellite to acceptable levels, the Navy has aggressively implemented several mitigation activities to extend the service life of the existing constellation and increase on-orbit capacity. As a result, the current legacy UHF SATCOM capacity provides the warfighter with approximately 459 more accesses (111 more channels) worldwide than required by the stated Chairman of the Joint Chiefs of Staff (CJCS) capacity requirement. This additional capacity is equivalent to three UFO satellites, provides a buffer against unplanned losses in the future, and minimizes the training and mission impact to a manageable level.

Question. The U.S. Government made the decision in 2010 to partner with the Australians on a commercially provided, UHF hosted payload in the Indian Ocean region. Now that the private sector intends to launch an identical payload into the Atlantic Ocean region, what are the United States and Allied plans to take advantage of this capability?

Answer. DOD partnered with the Australian Minister of Defense (not the commercial provider) for access to 250 kHz of UHF Narrowband SATCOM on a commercial satellite payload that Australia is leasing over the Indian Ocean Region from 2012 to 2027. In exchange, the United States will provide the Australians access to 200 kHz of spectrum over the Pacific and 50kHz of spectrum globally from 2018–2033. DOD has additional commercial UHF SATCOM capacity through leases the Navy has procured on Leased Satellite (LEASAT) 5 and Skynet 5C and an agreement with the Italian Government for access to a UHF SATCOM channel on Sistema Italiano per Comunicazioni Riservate ed Allarmi (SICRAL) 1B.

As noted in preceding questions, the Navy is maximizing technical and fiduciary efficiencies through a combination of the implemented gap mitigation actions, commercial leases, international partnerships, and the MUOS legacy payloads, to ensure the warfighter has access to legacy UHF SATCOM capacity that meets the CJCS requirements and provides a buffer against unplanned losses. Since all DOD requirements for UHF SATCOM capacity are currently projected to be met over the Atlantic Ocean region through 2018, DOD is not planning to take advantage of this commercially provided UHF hosted payload in the Atlantic Ocean region or any additional commercial UHF SATCOM capacity at this time.

The Navy will continue to monitor the health of the current UHF SATCOM constellation for any signs that it is degrading more rapidly than currently projected. If it appears the level of legacy UHF SATCOM service will fall below CJCS requirements, the Navy will revisit all options, including commercial leases and hosted payloads, to maintain the current level of legacy service to the warfighter until the transition to the MUOS WCDMA capability is complete.

Additional details are available in the Report to the Senate Armed Services Committee on "Ultra High Frequency (UHF) Satellite Communications (SATCOM) Requirements and Options for Additional Capacity" signed on March 19, 2012, by the Assistant Secretary of the Navy for Research, Development, and Acquisition in response to the fiscal year 2012 Senate Armed Service Committee Report 112–26.

Question. How does the fiscal year 2013 DON budget provide for increased demand for UHF SATCOM both in the field and during training? Does the Navy have a multitiered approach towards ensuring the U.S. military has adequate UHF satellite access? If so, what is that approach?

Answer. Current and future DOD Narrowband SATCOM requirements will be met by the MUOS program through 2026. CJCS sets requirements for Narrowband

MILSATCOM for all DOD users based on warfighter needs and the Navy fills those as the DOD Acquisition Agent for Narrowband SATCOM. The current CJCS requirements are captured in the MUOS Capabilities Production Document dated January 15, 2008, and the MUOS program is on track to meet all key performance parameters given in that document. Increased capacity requirements, combined with inherent limitations of the military UHF SATCOM spectrum, drive the need to move beyond legacy UHF waveforms found in current military and commercial UHF SATCOM systems to the new WCDMA capability found in MUOS. Finally, instead of a multitiered approach, MUOS reliability and availability requirements are met by launching a fifth MUOS satellite as an on-orbit spare.

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

LHA 8 AMPHIBIOUS ASSAULT SHIP

Question. Secretary Mabus, Senate Report 112–77 which accompanied the Senate's version of the Defense appropriations bill for fiscal year 2012 included language about building the LHA 8 Amphibious Assault Ship in the most cost-effective manner. Specifically, the subcommittee directed the Navy "to fully fund advance planning and design of LHA 8 and work with industry to identify affordability and producibility strategies that will lead to more efficient construction of a large deck amphibious assault ship to best meet combatant commander needs". Can you please provide the subcommittee details on efforts being undertaken by the Department of the Navy (DON) to comply with this direction?

Answer. The Navy intends to engage industry via two Early Industry Involvement contracts that are focused on affordability and producibility. The goal is to have these contracts in place by the end of the calendar year. The contracts will utilize technical instructions (tasks) to focus industry involvement on areas that have the potential to reduce acquisition and life-cycle costs. These tasks will range from assessing select technologies for their potential to be integrated into the ship, such as Flexible Compartment Infrastructure, to more production-friendly design requirements and arrangements, to evaluating alternative C5I acquisition strategies. An Industry Day will be held prior to the release of the Early Industry Involvement contracts to ensure potential industry partners completely understand our expectations for their assistance in reducing the cost of LHA(R) Flight 1 ships.

QUESTION SUBMITTED BY SENATOR SUSAN COLLINS

DDG—51

Question. Last year, your strategy to introduce competition into the DDG–51 program earlier than planned reaped significant savings for the taxpayer, and I applaud you for that effort. In addition, the Navy estimates that it could save up to $1.5 billion by exercising multiyear procurement authority for the DDG–51 program during the next 5 years for a nine ship buy over that period. I appreciated your description during the hearing of how the multiyear procurement authority pending before the Congress would result in savings for the DDG–51 program during the next 5 years.

As I have stated in the past—based upon the Navy's own requirements and the fragility of the industrial base—we need to sustain an absolute minimum procurement rate of two large surface combatants per year. However, you did not comment specifically on the Navy's interest in procuring an additional DDG–51 in the multiyear procurement if the Navy was provided authority to reinvest unexpected savings from previous DDG–51 competitions or future competitions. I would like to provide you an opportunity to clarify your view regarding this matter. If the Navy were to take advantage of savings from previous DDG competitions and to realize savings above those projected for the upcoming multiyear procurement, would adding an additional destroyer as part of the multiyear procurement be at or near the top of your priority list?

Answer. Thank you for your strong support of our Navy and especially our shipbuilding industry. As we build the future fleet, we continually strive to maximize competition which will result in savings that can be applied to purchasing additional ships.

In evaluating the merits of a multiyear contract for the fiscal year 2013 through fiscal year 2017 DDG–51s, the Navy projected $1.5 billion in savings for nine ships across that time period. The President's budget request has leveraged these savings in the procurement of the nine ships. As you pointed out in your letter, the Navy

has achieved significant savings in previous competitions on the DDG–51 program. There are savings in the DDG–51 budget line in prior years. These savings alone are not adequate to procure an additional DDG–51 as part of the multiyear.

However, if the Navy had the authority to reinvest savings from previous destroyer competitions and were to achieve savings beyond what was projected on this upcoming competition, the Navy would certainly like to take advantage of the opportunity to procure an additional ship in the fiscal year 2013 through fiscal year 2017 DDG–51 Multiyear Procurement Program. In order to provide maximum flexibility, the Navy intends to request pricing for nine or ten ships in the solicitation. The Navy believes that this is the most affordable path to meet our surface combatant requirements while also addressing industrial base concerns.

The Navy looks forward to working with the Congress to maximize the numbers of ships that we buy under these competitive multiyear contracts. Again, thank you for your continued support for Navy shipbuilding.

QUESTION SUBMITTED BY SENATOR LISA MURKOWSKI

ENERGY INITIATIVES

Question. Each of our armed services is a significant consumer of energy and each is leading in its own way in addressing the challenges of diminished fossil fuel supplies and increased costs. How is the Navy leading in its efforts to diversify its fuel sources?

Answer. Because of the imperative for energy and national security, the Department of the Navy (DON) believes the United States must reduce its dependence on foreign oil. DON is making investments in the American biofuels industry because this is vital to our operations and, therefore, the security of the Nation. Currently, the Department of Agriculture, Department of Energy, and DON have entered into a Memorandum of Understanding for this Alternative Fuels Initiative that will be using the Defense Production Act title III authority. The three agencies are expecting to contribute $170 million each to the effort—$510 million total. There is a minimum requirement that industry provides a 1-to-1 cost share, resulting in a total investment of no less than $1 billion.

With the total investment, DON anticipates that 3–5 integrated biorefineries could be constructed through new builds and retrofits. This investment, combined with a strong demand signal for alternative fuels from the military and commercial aviation, will be the impetus necessary to sustain the overall alternative fuels industry sector.

The Navy has nearly completed the test and certification process for hydrotreated renewable (HR) fuels and is moving on to evaluate drop-in alternative fuel products from additional production pathways, such as alcohol-to-jet and pyrolysis. Navy plans to have HR fuel in the fuel specification by the end of fiscal year 2012.

In July 2012, the U.S. Navy will be demonstrating its Green Strike Group, which is a carrier strike group comprised of a carrier, two destroyers, and a cruiser, all operating on alternative fuels. The destroyers, cruiser, and the airwing on the carrier will be using a 50/50 blend of fossil fuel and biofuel. This demonstration will be a part of the Rim of the Pacific exercise off the coast of Hawaii. In 2016, we plan to deploy this Great Green Fleet overseas. These aggressive efforts are a major part of the Secretary of the Navy's broader energy goals.

QUESTION SUBMITTED BY SENATOR LINDSEY GRAHAM

NEXT GENERATION ENTERPRISE NETWORK

Question. Mr. Secretary, I understand that the Navy is weeks if not days away from issuing the request for proposal (RFP) for its Next Generation Enterprise Network (NGEN)—a highly complex information technology (IT) program that involves transitioning the Navy's largest and most secure network to a new contract. The Navy's acquisition strategy for NGEN has been much maligned. In addition to frequent criticism of the pass/fail technical requirements/lowest price selection from acquisition authorities, the U.S. Government Accountability Office (GAO) issued its 2012 annual report on "Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue" strongly suggest that NGEN should receive further scrutiny.

How can you convince us that the current course on NGEN will be the best approach for the Navy and for the taxpayer? Is there value in considering a more straightforward recompete of your current services contract cost/performance trade-

off since it apparently meets your needs, and should be well understood by those who will be evaluating proposals? If this lower-risk alternative is not being considered, why?

Answer. NGEN is a continuation of the Navy Marine Corps Intranet (NMCI) 2010 under the Continuity of Services Contract (CoSC). The current strategy is to competitively select either one or two vendors for the two main segments of the network (Transport and Enterprise Services) using a lowest price technically acceptable (LPTA) source selection; a best value determination in accordance with Federal Acquisition Regulation (FAR) Part 15.101–2. This approach for NGEN has been endorsed as appropriate at the Office of the Secretary of Defense (OSD) level via a robust oversight process that included multiple Overarching Integrated Product Team (OIPT), OSD Peer and Milestone Decision Authority (MDA) reviews. LPTA is considered appropriate when the requirement is well-defined, price control is paramount, and the risk of nonperformance is low. The performance requirement for NGEN is NMCI as it performed on September 30, 2010. It is well understood. As the network operates today, there is no development under NGEN. The major changes in requirements are for increased Government Command and Control (C2), enhanced Information Assurance (IA) and Government ownership of the network infrastructure; there are no significant changes in the technology required or how the contractor executes the contract. Furthermore, the technologies integral to NGEN are widely used Commercial-Off-the-Shelf (COTS) technologies. Finally, the Department of the Navy (DON) has determined that there are no clear discriminators for which the Government would be willing to pay more, and, given that there are several companies that are capable of delivering this service in accordance with the DON's requirements, price was determined to be the overriding factor.

While a straight-forward recompete would continue to provide the required level of service, it would not give the DON the needed insight into the elements that make up an enterprise network. Under NGEN, the 38 services to be delivered are individually priced and available to be recompeted separately or collectively as part of a FAR Part 15 contract; different from CoSC which was a FAR Part 12 contract that did not give insight into pricing or allow for severability of services or segments. This construct enables evolutions like the Joint Information Environment, enterprise email, Data Center Consolidation and other Department of Defense-level efficiencies without the burden of recompeting the entire enterprise contract. Increased competition will drive future innovation and price reduction without sacrificing performance or security of the DON's network.

QUESTIONS SUBMITTED TO ADMIRAL JONATHAN W. GREENERT

QUESTIONS SUBMITTED BY SENATOR BARBARA A. MIKULSKI

ELECTROMAGNETIC AIRCRAFT LAUNCHING SYSTEM

Question. Among the revolutionary changes in the USS *Gerald R. Ford*-class aircraft carrier is a new electromagnetic aircraft launching system (EMALS). The Navy continues to test a variety of aircraft on the system, including the F–35 Joint Strike Fighter. The question is whether that technology will be ready in time, in order to avoid either costly delays to the program—or an even more costly redesign of the first ship of class.

What is the status of EMALS development and testing?

Answer. EMALS continues to meet its development and test objectives. To date, the system has successfully completed 134 aircraft launches (including F/A–18E clean and with stores, C–2A, T–45C, E–2D, and F–35C) and more than 1,800 operationally representative deadload launches. Concurrent environmental qualification testing, including extensive aircraft, weapons, and personnel electromagnetic compatibility testing at the component and system level, have demonstrated EMALS suitability for use.

All deliveries to date of CVN 78 shipboard EMALS hardware have met ship construction need dates. All future EMALS component deliveries are likewise projected to meet shipyard need dates.

Question. Considering the criticality of this new technology, is the Navy considering building a second test facility at Naval Air Station Patuxent River to ensure the Navy has built in redundancy so that the USS *Gerald R. Ford*-class aircraft carrier delivers on schedule?

Answer. The Navy has no plans to build a second test facility at the Naval Air Station Patuxent River in support of the *Ford*-class aircraft carrier program.

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

SHIPBUILDING PRODUCTION RATES

Question. Admiral Greenert, the new Strategic Guidance for the Department of Defense highlights the importance of Nation's maritime presence and calls for increasing our posture in the Pacific. However, when compared to the last budget submission, this request reduces ship procurement from 57 to 41 ships. Admiral, if the Navy had additional resources in fiscal year 2013 or 2014, what ships would the Navy procure?

Answer. If appropriate fiscal resources were available in fiscal year 2013 and/or 2014 the Navy would likely allocate more funding to shipbuilding. The first priority would be restoring the attack submarine (SSN) removed from fiscal year 2014 in our budget submission. There will be a significant shortfall in "SSN-years" in the 2020s that can be best addressed by sustained submarine procurement. Our second priority would be restoring a destroyer (DDG) removed from fiscal year 2014 in our budget submission. A shortfall of DDGs will develop late in the 2020s that can be best addressed by sustained DDG procurement. Both of these actions would require advance procurement (AP) funding in fiscal year 2013; further, these changes would also contribute immensely to a more stable industrial base.

QUESTIONS SUBMITTED BY SENATOR LISA MURKOWSKI

JOINT PACIFIC ALASKA RANGE COMPLEX

Question. One of the contributions to our national security that Alaska is proudest of is the Joint Pacific Alaska Range Complex (JPARC). Alaskan Command reminds me that it is a unique national asset because it is in every respect a joint range. The Navy participates in exercises on the JPARC from platforms in the Gulf of Alaska (GOA). How does the Navy's participation in exercises utilizing the JPARC add value from a national security standpoint?

Answer. Since the 1990s, the Navy has participated in major joint exercises in the GOA involving each of the services in the Department of Defense and the Coast Guard. Participants report to a unified or joint commander who coordinates the activities of the forces. Services are able to demonstrate and be evaluated on their ability to participate in a joint force in simulated conflict and carryout plans in response to a national security threat.

Given the unique training environment provided by the JPARC, the range contributes to Navy readiness by:

—Supporting U.S. Pacific Command training requirements.
—Supporting Joint Task Force Commander training requirements.
—Providing realistic, expansive areas to replicate actual operations.

BIOFUELS

Question. I wonder if you might address the Navy's interest in biofuels. Has the Navy determined that the benefits of biofuels (potential decreased price volatility, diversified suppliers) outweighed the costs (research and development investment, uncertain future price of biofuels)?

Answer. Our alternative fuel initiative is an important investment for the Navy. It addresses a core concern of our national strategic and military operational need for energy security and energy independence. Investing in sustainable future technologies is critical to Navy's ability to remain the world's premier maritime force.

Navy is pursuing multiple paths to achieve a future less dependent on petroleum and the fiscal effects of rising energy costs. The current price volatility of oil increases the complexity of adequately funding our global operations. Already in this fiscal year, unanticipated fuel price increases have caused our operations accounts to become underfunded by approximately $900 million. To technologically hedge these execution year risks, the Navy will spend nearly $16 million on laboratory capabilities to examine, test, and certify alternative fuels. This expenditure positions us to validate the safe use of a wide variety of drop-in replacement fuels in the future. Although the Navy must pay a premium price to obtain biofuel for research and development, as well as for test and certification purposes, the Navy cannot and will not purchase alternative fuels for operations unless the price is competitive with conventional fossil fuels.

Question. How has this comparison been done between biofuels and the traditional fossil fuels?

Answer. There are a number of studies that state the case that biofuels will be cost competitive as early as the 2018–2025 timeframe without Government invest-

ment. A large majority of alternative energy firms also believe that the infusion of capital (from Defense Production Act title III or other investment sources) will measurably speed up the timeline.

Question. How can a robust biofuel industry domestically change that balance?

Answer. With a strong demand signal from the military and commercial aviation, there could be enough pull to entice more companies to enter this market. From the supply side, there are many feedstocks, numerous pathways, and multiple processes being identified for use in the alternative fuel industry. No single solution alone will reduce our reliance on foreign sources of liquid fuel. With many domestic biofuel companies in the market taking advantage of continued research, the costs for biofuels will eventually be competitive with conventional sources of petroleum.

Question. I understand that the Navy is quite interested in hybrid power and other fuel conservation efforts. Can you elaborate some on these efforts?

Answer. Navy is very interested in energy-efficiency efforts both afloat and ashore. It is the "first fuel" because what we don't consume or use directly enhances Navy's combat capability by extending the range and on-station time, in the air, on the water, or over land. The logistics tether of resupply has been exploited by the likes of al Qaeda in both Iraq and Afghanistan, but it is also a vulnerability at sea. By reducing fuel consumption for ships and aircraft, Navy reduces its reliance on a vulnerable logistics chain and improves its agility to meet the mission.

Initiatives range from simple lighting changes that are more energy efficient and last much longer than fluorescent bulbs to more efficient engines and a hybrid electric drive (HED) that drastically reduces fuel consumption for DDG–51. Below are some examples of energy initiatives that Navy is implementing in fiscal year 2013.

—A HED is in development for use in the DDG–51. The proof of concept is scheduled to be installed in fiscal year 2013.

—The Navy replaced the steam boilers on USS *Makin Island* (LHD 8) with gas turbines and an Auxiliary Propulsion System or HED. This propulsion system saved approximately $2 million in fuel cost during her transit from Pascagoula, Mississippi to San Diego, California. Over the ship's lifetime the Navy expects to save more than $250 million. This system will be installed on the LHA 6 class ships.

—Installation of ship-wide, energy consumption monitoring systems that compute the power usage and operating conditions of energy-consuming systems on the ship and display this information for leadership. Estimated efficiency gain is 2,179 Bbls/ship/yr.

—Replacement of fluorescent and incandescent lamps aboard DDG–51, CG–47, LSD 41/49, and LHD 1 class ships with more efficient solid-state lighting. Estimated efficiency gain is 100–500 Bbls/ship/yr.

—Development and installation of stern flaps on LHD 1 and LSD 41/49 class ships for improved hydrodynamics as demonstrated on USS *Kearsage* (LHD 3). The USS *Kearsage* will have an annual fuel reduction of 6,241 Bbls/yr. Overall estimated efficiency gain is 4,000–5,000 Bbls/ship/yr through the LHD 1 and LSD 41/49 classes.

—Replacement of obsolete fuel-air mixture monitors for main propulsion boilers on LHA 1 and LHD 1 class ships with a new automated system to control the fuel air mixture to increase efficiency. Estimated efficiency gain of >3,000 Bbls/ship/yr.

Intelligent Heating Ventilation Air Conditioning and Refrigerating (HVAC&R): HVAC&R plants on Military Sealift Command T–AKE ships consume approximately 36 percent of the total ship's power generated and lack the ability to be optimized to variable demands. Modifications to improve efficiency will increase HVAC&R systems efficiency by 30–40 percent which translates into more than 4,000 Bbls/ship/yr.

QUESTIONS SUBMITTED TO GENERAL JAMES F. AMOS

QUESTION SUBMITTED BY SENATOR DANIEL K. INOUYE

AMPHIBIOUS COMBAT VEHICLE

Question. General Amos, the amphibious combat vehicle (ACV) is a part of the Marine Corps integrated and complementary portfolio of combat vehicles critical to the future expeditionary Marine Air Ground Task Force Operation. Last year, the Marine Corps terminated the expeditionary fighting vehicle because it was too expensive. Since then you have stated the need to deliver the ACV within 4 years as

well as be more affordable and sustainable. What measures are being taken to ensure this vehicle meets the cost and schedule goals set forth?

Answer. The Marine Corps acquisition and requirements communities are working side-by-side to ensure that capabilities and requirements for the ACV are developed with an understanding of the costs associated with each. We have conducted upfront systems trade studies to drive technically feasible and affordable requirements decisions. We have conducted an extensive Systems Engineering Operational Planning Team that evaluated various system concepts to better define capability versus affordability trade space. As part of the ongoing analysis of alternatives we will conduct an affordability analysis to ensure the selected system meets life-cycle affordability targets. All of these efforts will ensure that cost goals are met, and if feasible and affordable, will deliver a prototype capability in 4 years.

QUESTION SUBMITTED BY SENATOR LISA MURKOWSKI

MARINE CORPS COLD WEATHER TRAINING

Question. The Army takes great pride in the fact that Alaska's training grounds produce "Arctic tough" soldiers. In fact the Web site of the Army's Northern Warfare Training Center at Fort Wainwright displays this inspirational message, "A Soldier trained in winter is also a good summer fighter; trained only in summer he is helpless in the winter!" This is something we've not discussed with the Corps before. I'm wondering how the Marine Corps trains to operate in cold climates and whether Alaska's ranges and training grounds might offer some value to the Corps.

Answer. The Marine Corps trains to operate in cold weather and alpine environments in medium to high-altitude aboard the Marine Corps Mountain Warfare Training Center (MCMWTC) in Bridgeport, California.

MISSION

MCMWTC conducts unit and individual training courses to prepare Marine Corps, Joint, and Allied Forces for operations in mountainous, high-altitude and cold weather environments; and the development of warfighting doctrine and specialized equipment for use in mountain and cold weather operations.

HISTORY AND BACKGROUND

MCMWTC is one of the Corps' most remote and isolated posts. The Center was established in 1951 with the mission of providing cold weather training for replacement personnel bound for Korea. After the Korean conflict the name was changed to the Marine Corps Cold Weather Training Center. As a result of its expanded role it was renamed the Marine Corps Mountain Warfare Training Center in 1963.

The Center occupies 52,000 acres in the summer and 62,000 acres in the winter of Toiyabe National Forest under management of the U.S. Forest Service (USFS). A letter of agreement between USFS and the Marine Corps permits the use of the area to train marines in mountain and cold weather operations.

The Center is sited at 6,762 feet, with elevations in the training areas ranging to just under 12,000 feet. During the winter season (October–April) snow accumulation can reach 6 to 8 feet. Of note, severe storms can deposit as much as 4 feet in a 12-hour period. Annual temperatures range from −20 degrees to +90 degrees Fahrenheit.

Marines at the Center are also involved in testing cold weather equipment and clothing, and developing doctrine and concepts to enhance our Corp's ability to fight and win in mountain and cold weather environments.

UNIT TRAINING

The premier training evolution aboard MCMWTC is a 35-day exercise called Mountain Exercise (MTNEX). The Center trains an infantry battalion and its attachments and enablers from across the Department of Defense (DOD). MCMWTC averages six MTNEXs per year with two being conducted in the winter and four conducted in the summer. A MTNEX trains elements of the Marine Air Ground Task Force (MAGTF) across the warfighting functions for operations in complex, compartmentalized, and mountainous terrain utilizing military mountaineering skills in order to enhance a unit's ability to shoot, move, communicate, sustain, and survive in mountainous regions of the world.

The winter MTNEX focuses on over the snow mobility by way of instructing a battalion on survival ski techniques, snowshoe application, short- to long-range movements via both methods, survival/field skills, and sustained operations in a cold

weather environment. The winter and summer training conducted at the MCMWTC is designed to provide individuals and units the requisite technical skills to gain a tactical advantage. Survival in extreme cold temperatures, maneuvering long distances in snowshoes or skis to defeat an enemy force, and using rope systems and climbing techniques, all of which allow a maneuver commander to achieve surprise through unsuspected routes and to maintain the initiative in complex, compartmentalized, mountainous terrain.

INDIVIDUAL TRAINING

Winter Mountain Leaders Course

The Winter Mountain Leaders course is designed to train marines to become subject-matter experts to a high degree in cold weather operations on ice and snow covered terrain. The mountain operations cold weather skills will enable enhanced movement, control of fires, intelligence gathering, sustainment, and force protection in complex snow and ice-covered terrain that is inaccessible to untrained marines.

Students are taught avalanche awareness, over the snow mobility to Military Skier level, survivability, bivouac routine, mountain patrol techniques, tactical considerations, weapons employment, fire support considerations, the necessary skills to plan, organize, and lead mountain/cold weather operations; to act as Scout Skier element leaders on ridgeline flank security, picketing and recon patrols; to train their units for mountain/cold weather operations; and advise MAGTF or MAGTF element commanders and staffs.

Mountain Scout Sniper Course

The purpose of this course is to train Scout Snipers to be tactically and technically proficient in a mountainous environment. This course includes instruction in advanced marksmanship at high angles with the M40A3 sniper rifle, M82A3 Special Application Scoped Rifle (SASR), M16A2 service rifle, and combat marksmanship with the M9 service pistol. Instruction in high angle marksmanship includes range estimation, determining slope angle and flat line distance, effects of vertical and angular distortion, effects of elevation, and effects of extreme weather. Instruction in field craft includes stalking and concealment techniques in a mountain environment, man tracking, counter-tracking, over snow mobility, mountain communications, and mountain survival. Tactical instruction includes employment considerations for scout snipers in a mountainous environment, detailed mission planning, preparation and conduct of patrolling, and collecting and reporting information.

Cold Weather Medicine

The purpose of this course is to give operating forces medical personnel the knowledge needed to support their units in a cold weather, mountainous environment. This course of instruction is designed to bring the students to a high standard of tactical and medical proficiency peculiar to a cold weather environment. The course subjects cover movement, survival, bivouac routine, leadership, diagnosing, treating, and preventing high altitude, cold-weather-related illness and injuries, and techniques of transporting casualties in a snow covered mountainous environment.

Mountain Command, Control, Communications Course

This course is designed to train communicators in the employment of communications assets in a cold weather/mountainous environment. It also covers communications planning for command posts and disaggregated units in highly complex, compartmentalized terrain. Additionally, graduates can be used by their parent units to train more marines in basic principles of mountain communications. Instruction is provided in wave theory and propagation, field expedient antennas, and re-transmission operations, advantages/disadvantages of varied radio equipment, planning for coverage through the use of all communication assets available and speed.

Mountain Operations Staff Planners Course

This course is designed to provide staff officers and staff noncommissioned officers academic instruction and field application in planning, conducting, and supporting combat operations in complex, compartmentalized, mountainous terrain. MWTC staff sections provide additional in-depth instruction relating to all aspects of operations and support functions in mountain warfare. Historical case studies and guest speakers play a key role in highlighting numerous lessons learned. Students then conduct operations in the local training area to familiarize them with operating in mountainous terrain. The course builds towards an intensive staff planning exercise and a follow on field combat operations center operations and tactical exercise without troops. This course is conducted once a year with an abbreviated version conducted during MTNEX for the training battalion.

ALASKA

Alaska provides ample opportunities for cold weather training however there are limiting factors that restrict the Marine Corps from conducting training in Alaska. The elevation at the Black Rapids Training Site starts at 440 feet above sea level and the terrain is not true complex, compartmentalized terrain that marines will operate in. Additionally the opportunity for the Marine Corps to train in Alaska is cost prohibitive due to military air for movement of units by Naval Air Logistics Operations being extremely limited, lack of an equipment allowance pool for a marine unit to fall in on, and the training area being 365 miles from the nearest port. Transportation of things and transportation of personnel to include civilian labor costs to run the ammunition supply point are additional cost factors.

SUMMARY

As it has since being established in 1951, the Marine Corps Mountain Warfare Training Center provides the individual and collective training opportunities necessary to ensure the Marine Corps is prepared to operate in cold weather and mountain environments.

SUBCOMMITTEE RECESS

Senator MIKULSKI. The Department of Defense subcommittee will reconvene on Wednesday, March 14 at 10:30 a.m., and we are going to hear from the Department of the Air Force.

This subcommittee stands in recess.

[Whereupon, at 12:18 p.m., Wednesday, March 7, the subcommittee was recessed, to reconvene at 10:30 a.m., Wednesday, March 14.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2013

WEDNESDAY, MARCH 14, 2012

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:30 a.m., in room SD–192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Feinstein, Johnson, Cochran, Hutchison, Alexander, Murkowski, and Coats.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE AIR FORCE

OFFICE OF THE SECRETARY

STATEMENT OF HON. MICHAEL B. DONLEY, SECRETARY

OPENING STATEMENT OF CHAIRMAN DANIEL K. INOUYE

Chairman INOUYE. The subcommittee meets this morning to receive testimony on the fiscal year 2013 budget request for the United States Air Force. I am pleased to welcome the Secretary of the Air Force, Michael B. Donley, and the Chief of Staff of the Air Force, Norton Schwartz. Gentlemen, thank you for being here with us to today and for sharing your perspectives.

The Air Force's fiscal year 2013 base budget request is $110 billion, about $5 billion less than last year's enacted base budget. The Air Force is also requesting $12 billion for overseas contingency operations, which is a decrease of $2 billion from last year's enacted amount.

To aid in the Governmentwide deficit reduction efforts, the Air Force laid in significant fiscal reductions and realigned resources to correspond with newly developed strategic guidance. Obviously taking risk in certain mission areas was unavoidable, so in the fiscal year 2013 budget the Air Force requests divestiture of aircraft, decreases in end-strength, and delays to some modernization efforts.

In fiscal year 2013 alone, the Air Force plans to retire 227 aircraft by reducing fighter squadrons, less capable mobility aircraft, and older tanker refueling aircraft. Additionally, the Air Force proposes to retire some of its intelligence, surveillance, and reconnaissance aircraft to include the Global Hawk Block 30 unmanned aircraft and an economically unrepairable Joint Surveillance Target

Attack Radar System aircraft. I know there is great consternation across the Senate regarding loss of mission assets and, in particular, changes to the Guard and Reserve forces. I hope to hear from you on how you plan to mitigate these losses with new mission assets to ensure our Guard and Reserve forces maintain high-readiness levels.

In line with these aircraft reductions are decreases in manpower. The Air Force will reduce to the smallest force since its establishment in 1947. By the end of fiscal year 2013, the Air Force will reduce military forces to 501,000. I look forward to hearing how you plan to achieve this end-strength reduction without causing undue hardship on those airmen who have served our country so dutifully.

In the fiscal year 2013 request, the Air Force protects high-priority modernization programs such as the KC–46 refueling tanker, the Joint Strike Fighter, the Long Range Bomber, and critical space assets. Unfortunately, there are many other modernization programs that you propose to terminate or restructure. I hope you will explain how you determined the appropriate risk levels for these programs.

Gentlemen, there is no doubt that we are entering another period of decreased defense spending similar to what we experienced at the end of previous wars. I look to your expertise and vision to ensure our Air Force remains the most effective Air Force in the world. I believe this is the fourth time the two of you have testified together in front of this subcommittee. I sincerely thank you for your service to our Nation and for your continued unity and professionalism during this difficult fiscal environment. We are also deeply grateful for the dedication and sacrifices made daily by the men and women in our Air Force. I look forward to working with you to ensure that the fiscal year 2013 appropriations bill reflects the most optimal balance between resources and risk to best meet the needs of the United States Air Force.

Your full statements will be included in the record. I now turn to the Vice Chairman, Senator Cochran, for his opening statement.

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, I join you with pleasure in welcoming the Secretary and the Chairman to the hearing and all of you who are attending this very important review of the budget request for the Department of the Air Force for the next fiscal year.

We thank you for your service to the country and your dedication to your role in helping protect the security interests of our great country.

Thank you.

Chairman INOUYE. Thank you very much. And may I now call upon the Secretary, Michael Donley.

Mr. DONLEY. Mr. Chairman, Vice Chairman Cochran, members of the subcommittee, it is a pleasure to be here today representing more than 690,000 Active Duty, Reserve, Guard, and civilian airmen. I'm also honored to be here today with my teammate, who is now the dean of the Joint Chiefs of Staff and certainly one of America's finest public servants, General Norty Schwartz.

General Schwartz and I are joined today by Lieutenant General Charlie Stenner, the Chief of the Air Force Reserve, and Lieuten-

ant General Bud Wyatt, who is the Director of the Air National Guard.

For fiscal year 2013, the U.S. Air Force is requesting $110.1 billion in our baseline budget and $11.5 billion in the overseas contingency operations supplemental appropriation to support our work. This budget request represents the culmination of many hard decisions taken to align our fiscal year 2013 budget submission with the new strategic guidance and with the cuts required by the Budget Control Act over the next 10 years.

Finding the proper balance between force structure readiness and modernization is our guiding principle. In short, we determined that the Air Force's best course of action is to trade size for quality. We will become smaller in order to protect a high-quality and ready force, one that will continue to modernize and grow more capable in the future.

The capabilities resident in the Air Force missions set are fundamental to the priorities outlined in the new strategic guidance. And in assessing how to adjust Air Force programs and budgets in the future, we've taken care to protect the distinctive capabilities we bring to the table—control of air, space, and cyberspace; global intelligence, surveillance, and reconnaissance (ISR); rapid global mobility; and global strike—all enabled by effective command and control.

The Air Force and our joint interagency and coalition teammates and partners rely on these capabilities, and though we will be smaller, we intend to be a superb force at any size, maintaining the agility and flexibility that is inherent in our air power capabilities, and ready to engage a full range of contingencies and threats.

This budget protects the Air Force's top priorities. We protect the size of the bomber force. We are ramping up our remotely piloted aircraft force to a total of 65 combat air patrols with the ability to surge to 85. We protect our special operations forces' capabilities, largely protect our space programs, and protect our cyber capabilities.

But, as we get smaller, it is not possible to protect everything. Our proposed force structure changes include the reduction of 286 aircraft over the future year's defense plan (FYDP), including 123 fighters, 133 mobility aircraft, and 30 ISR platforms.

Many of these changes correspond to adjustments in the overall size of the Armed Forces, especially the Army and Marine Corps ground forces, which is the case for the proposed reduction in A–10s.

Our smaller force structure has also led us to favor divesting smaller niche fleets, such as the C–27J, and emphasizing multirole capabilities that will provide operational flexibility across the spectrum of conflict demonstrated by our C–130s and by our choices in fighter force structure, which include a smaller A–10 fleet and plans for the F–16 service life extension.

We also emphasize common configurations, which can be seen in adjustments to the C–5 fleet and C–17 fleet and in ongoing efforts to seek common configuration within the F–22 and F–15C fleets.

Because force structure changes have a ripple effect on manpower needs, our budget proposal calls for a reduction of 9,900 Air Force military personnel. By component, this amounts to reduc-

tions of 3,900 in Active Duty, 5,100 in Air National Guard, and 900 Air Force Reserve personnel.

Fighter mobility and other force structure changes have been strategy driven, based on change requirements, and consistent with that strategy, especially where Air National Guard units are affected. We've proposed to re-mission units where feasible. We've carefully balanced our Active and Reserve component changes to make sure that we can meet the demanding operational tempos, including both surge and rotational requirements that are part of the current and projected strategic environment.

As our force gets smaller, all of our components get smaller together and will become even more closely integrated. We remain fully committed to our total force capability and have proposed several initiatives to strengthen integration of effort, including increasing the number of active Reserve component associations from 100 to 115 units.

Our intention is to protect readiness at any level, because if we're going to be smaller, we have to be prepared. To that end, we put funds in critical areas such as flying hours and weapon systems sustainment. We also support the Air National Guard readiness reset, which balances manpower across the States from lower-demand units to new high-demand ISR missions and increases readiness in 39 units. We're committed to ensuring that our military forces do not go hollow, and readiness bears close watching as we move forward.

Modernization, Mr. Chairman, is our most significant concern, especially as our fleets age and new technologies drive new investment needs. In this year's budget proposal, we slow modernization as we protect programs that are critical to future capabilities. We also restructure or terminate some major programs to protect key priorities.

Protected modernization priorities include the long-range strike bomber, the new KC–46 refueling tanker, and key space programs, such as the space-based infrared and extremely high-frequency satellites, follow-on global positioning system capabilities, and advanced ISR.

We remain fully committed to the F–35 Joint Strike Fighter, which is the future of the fighter force, but we reduce the rate of procurement for a few years, because in our judgment, Lockheed Martin is not ready to ramp up to full-rate production. Due to recent delays in the F–35 program, we also proceed with an F–16 service life extension program.

Among the programs slated for termination are the Global Hawk RQ–4 Block 30 aircraft, because, among other reasons, we couldn't justify the cost to improve the Block 30 sensors to achieve capability that already exists in the U–2, and the Defense Weather Satellite System, a termination initiated by the Congress, but one we can accept for now, because that program is early to need.

As noted earlier, we decided to divest the C–27J, but we have a good alternative to this aircraft, with the multirole capable C–130, which has demonstrated its ability to provide the direct support mission in Iraq and Afghanistan. We remain committed to providing this support to the Army.

In other cases, we eliminated programs that were judged to be nonessential in the current budget environment, such as the light mobility aircraft and the light attack and armed reconnaissance aircraft. Through more disciplined use of resources, the Air Force continues to ring savings out of overhead, squeeze discretionary spending, and find more efficient ways of doing business.

In fiscal year 2012, we committed to $33.3 billion in efficiencies across the FYDP. In this year's budget, we identified about $3.4 billion in efficiencies and another $3.2 billion in programmatic adjustments to add on top of that original $33.3 billion.

In keeping with our enduring obligation to take care of our people, we will keep faith with airmen and their families. Doing right by our servicemembers is key to our ability to recruit and to retain a high-quality force. Nevertheless, the impact of increasing personnel costs continues to be a serious concern. Therefore, we support the military compensation program reforms in the President's budget, which include a modest pay raise, proposals to control healthcare cost growth, and calls for a commission to recommend reforms in retired pay. We must continue to seek and develop reforms to ensure the long-term sustainability of the benefits our men and women in uniform have earned.

Mr. Chairman, identifying $487 billion in Defense cuts to comply with the current requirements of the Budget Control Act has been difficult. Our Air Force will get smaller, but we are confident we can build and sustain a quality force that is ready for the contingencies ahead and will improve in capability over time.

However, further cuts, through sequestration or other means, will put at risk our ability to execute the new strategy. To get this far, we made tough decisions to align, structure, and balance our forces in a way that can meet the new strategic guidance. If substantially more reductions are imposed on Department of Defense (DOD), we will have to revisit the new strategy. We cannot afford the risk of a hollow force.

PREPARED STATEMENT

General Schwartz and I feel deeply that our leadership team has inherited the finest Air Force in the world. It is our obligation to keep it that way, so that our Joint and coalition partners know they can count on the United States Air Force to deliver the capabilities that we need to meet the security challenges ahead, and so that our future airmen remain confident, as we are today, that they are serving in the world's finest Air Force. Mr. Chairman, that is our obligation going forward, and we are going to meet that obligation.

We certainly remain grateful for the continued support and service of this subcommittee, and we look forward to discussing our proposed budget.

[The statement follows:]

PREPARED STATEMENT OF THE HONORABLE MICHAEL B. DONLEY

INTRODUCTION

Since the first clash of battle, warriors have relied on breaking through the lines to achieve victory. However, once the airplane was used over the battlefields of World War I, the battle itself was forever revolutionized. In the 65 years since the

establishment of the United States Air Force as a separate service, its technological, strategic, and tactical innovations have been elemental in shaping the way the United States engages in war, deters aggression, and maintains peace. Because America's airmen characteristically view defense challenges differently, our Air Force has pioneered advancements that have been essential in ensuring our Nation's security while reducing the overall casualty counts inflicted by war. As the Department of Defense (DOD) faces fiscal pressures and an evolving strategic environment, America will continue to depend on the Air Force to contribute innovative strategies and systems to conduct our most important military missions.

During the past decade, the United States has engaged in a prolonged war aimed at disrupting, dismantling, and defeating al Qaeda and its network. A major part of this effort involved long-term and large-scale presence on the ground. The withdrawal of combat forces from Iraq and the drawdown in Afghanistan signal the beginning of a new chapter for America in which we will rely more heavily on airpower to complement innovative, lower-cost, lighter footprint approaches around the world. As the Nation sustains its global presence with a renewed emphasis on the Asia-Pacific region, in addition to continued focus on the Middle East, we must maintain the best military in the world—a force capable of deterring conflict, a force capable of projecting power, and a force capable of winning wars. We will preserve the capability and expertise in irregular warfare that we developed over the past decade, and we will invest in fielding appropriate amounts of new and existing military capabilities in order to meet the national security challenges of today and the future.

Despite new challenges and fiscal stress, America is and will unquestionably remain the global leader. The strategic choices embodied in the proposed fiscal year 2013 budget reflect 21st century defense priorities and will enable your Air Force to play a critical role in sustaining that leadership. As the DOD's recently released strategic guidance articulates, the Joint Force of the future must be smaller and leaner but agile, flexible, ready, and technologically advanced. The Air Force will leverage the innovative ability and technological acumen of its airmen as we conduct the military missions that protect our core national interests:

—defeating al Qaeda and its affiliates and succeeding in current conflicts;
—deterring and defeating aggression, including those seeking to deny our power projection;
—countering weapons of mass destruction;
—operating effectively in cyberspace and across all domains;
—maintaining a safe and effective nuclear deterrent; and
—protecting the homeland.

Air Force contributions to Total Joint Force effectiveness make us indispensable in carrying out these missions and overcoming existing and emerging threats in this strategic environment.

STRATEGIC ENVIRONMENT

After 10 years of sustained large-scale overseas operations, major changes in the strategic environment required a reshaping of defense strategy and priorities. Over the last several months, the Air Force, together with our joint partners, has reassessed our future military strategy and posture to determine how the Air Force will best contribute to achieving U.S. security objectives, including freedom of action in the global commons.

The major factors and trends of the strategic environment identified in the 2010 Quadrennial Defense Review (QDR) continue to affect the security environment and inform its trajectory. The rise of new powers, the growing influence of nonstate actors, the proliferation of weapons of mass destruction (WMD), the proliferation of conventional arms, and the transfer of other destructive enabling technologies are all trends that still require focused attention when considering how the Air Force will execute America's national security strategy.

Since the release of the QDR, however, we have witnessed events that further inform our strategy. The Arab Awakening in the Middle East and North Africa has brought about regime changes in some nations in the region and challenged the stability and security of others. The global economic crisis has made some nations reluctant to support international cooperative military efforts as they have shifted their focus towards domestic issues. The economic crisis continues to contribute to the economic and political shift toward the Asia-Pacific region, although we will continue to place a premium on U.S. and allied military presence in—and support for—partner nations in and around the Middle East. The demise of Osama bin Laden and other senior al Qaeda leaders has led to deterioration in the organization's leadership and impaired its strategic coherence, although the threat of extremism re-

mains. We are also transitioning out of the post-cold war world where our military could easily gain access to the battlefield and operate major systems unimpeded. Today, adversaries are developing ways to prevent our access to the battlefield and deny our freedom of action once there.

As a result of these factors, DOD undertook a comprehensive strategic review and recently released new strategic guidance, "Sustaining U.S. Global Leadership: Priorities for 21st Century Defense". The new guidance notes the importance of recalibrating Joint Force capabilities and investments to succeed in the following key military missions:

—counterterrorism and irregular warfare;
—deter and defeat aggression;
—project power despite anti-access/area denial (A2/AD) challenges;
—counter weapons of mass destruction;
—operate effectively in cyberspace and space;
—maintain a secure and effective nuclear deterrent;
—defend the homeland and provide support to civil authorities;
—provide a stabilizing presence;
—conduct stability and counterinsurgency operations; and
—conduct humanitarian, disaster relief, and other operations.

In determining development of the force required to meet these missions, the Secretary of Defense has directed that we maintain a broad portfolio of capabilities that, in the aggregate, offer versatility across this range of missions. Other factors that are important to the implementation of the new strategy include understanding which investments must be made now and those that can be deferred, maintaining a ready and capable force, reducing "the cost of doing business", examining how the strategy will influence existing campaign and contingency plans so that more limited resources are better tuned to their requirements, determining the proper Active and Reserve component mix, retaining and building on key advances in networked warfare on which the Joint Force has become truly interdependent, and maintaining the industrial base and investment in promising science and technology.

Airpower—the ability to project military power or influence through the control and exploitation of air, space, and cyberspace to achieve strategic, operational, or tactical objectives—has been a necessary component of successful U.S. military operations for many decades, and a reasonable assessment of the strategic environment suggests an even greater role for those capabilities. Since the end of the cold war, the Air Force's contributions to national security have evolved with the times. We have become not only more effective, but also increasingly intertwined with the successful operation of the Joint Force. We have now reached a point where no other service operates independently of the Air Force; we are a necessary catalyst for effective U.S. and Coalition military operations. As we realign our resources to support the new strategic guidance, the capabilities that underpin these contributions on which the Joint Force depends will be protected.

REALIGNMENT TO THE NEW DEFENSE STRATEGIC GUIDANCE

The Air Force has made the hard choices to closely align with the new strategic guidance by trading size for quality. We will be a smaller, but superb, force that maintains the agility, flexibility, and readiness to engage a full range of contingencies and threats.

New Concepts

One way in which the Air Force is posturing itself for the future in light of the strategic guidance is through our pursuit of the Air-Sea Battle (ASB) concept in partnership with our sister services. The rise of near peer capabilities—such as fifth-generation fighters, air defense systems, and ballistic missiles—evince emerging A2/AD threats. The ASB concept will guide the services as they work together to maintain a continued U.S. advantage against the global proliferation of advanced military technologies and A2/AD capabilities. ASB will leverage military and technological capabilities and is guiding us to develop a more permanent and better-institutionalized relationship between the Military Departments that will ultimately shape our service organizations, inform our operational concepts, and guide our materiel acquisitions.

Enduring Air Force Contributions

The Air Force will also continue to bring four enduring and distinctive contributions to the Nation's military portfolio to support the new strategic guidance:

—air and space control;
—global intelligence, surveillance, and reconnaissance (ISR);
—global mobility; and

—global strike.

These four core contributions—plus our ability to command and control air, space, and cyberspace systems—will sustain our Nation's military advantage as the Joint Force becomes smaller and as we face emerging A2/AD threats.

Air and Space Control

From the World War II Pacific island-hopping campaign to the success of liberation forces in Libya, control of the air has been and remains an essential precondition for successful land and maritime operations. Today, control of the air and space, along with assured access to cyberspace, allows U.S. and Coalition forces to take advantage of unique capabilities in mobility, strike, and ISR and permits surface forces freedom of action without the threat of adversarial attack from above. Whether friendly naval forces are helping to secure vital lines of communication and transit, marines are conducting amphibious operations, special operations forces are executing counterterrorism missions, or ground forces are engaged in combined-arms maneuvers, these operations all fundamentally depend on the Air Force to provide mission-essential control of air and space. In the coming decade, our ability to assert control in all domains will be increasingly at risk as sophisticated military technology proliferates. The new strategic guidance demands that we forge ahead and maintain the air and space power advantages that will enable our entire Joint Force to deter and defeat aggression, operate effectively in space and cyberspace, defend the homeland, and conduct stability operations.

Global ISR

Combat experience over the last decade has shown how important ISR capabilities are to the counterterrorism and irregular warfare missions and has also made it increasingly clear that these capabilities will be required in contested environments in future conflicts and as we take an active approach to countering extremist threats. Through a mix of aircraft and satellite sensors and corresponding architecture for exploitation and dissemination, Air Force ISR affords U.S. leaders an unparalleled decisionmaking advantage on which commanders rely—from supporting national strategic decisionmaking to successful outcomes in life-and-death tactical situations. Moreover, airmen provide expert processing and exploitation of staggering volumes of raw data and timely dissemination of usable intelligence. In the past 10 years, Air Force ISR contributions have been ascendant, particularly from our space-enabled remotely piloted systems. But power projection in the future strategic environment will require extending today's ISR capability into contested battle spaces. This demands significant and sustained attention to modernization of our ISR capabilities.

Global Mobility

The capability to get friendly forces to the fight and to extend the range of airborne strike platforms is a unique Air Force contribution that not only enhances joint effectiveness, but also embodies the Nation's global reach and power. The military's ability to deter and defeat aggression, project power, provide a stabilizing presence, conduct stability operations, and conduct humanitarian and other relief operations depends on the airlift and in-flight aerial refueling that the Air Force provides. We ensure that joint and coalition assets get to the fight and remain in the fight, posing a potent threat to adversaries and a persuasive presence to allies. Our airlift fleet transports massive amounts of humanitarian-relief supplies and wartime materiel to distant locations around the world in impressively short-time periods. Furthermore, in-flight aerial refueling is the linchpin to power projection at intercontinental distances. Global mobility also provides for persistent pressure and over-watch once we arrive, as demonstrated last year in the skies over Libya.

Global Strike

Finally, the Air Force's ability to conduct global strike—to hold any target on the globe at risk—will be of growing importance in the coming decade. Our conventional precision strike forces compose a significant portion of the Nation's deterrent capability, providing national leaders with a range of crisis response and escalation control options. Our nuclear deterrent forces provide two-thirds of the Nation's nuclear triad, competently forming the foundation of global stability and underwriting our national security and that of our allies. However, increasingly sophisticated air defenses and long-range missile threats require a focused modernization effort exemplified by the long-range strike family of systems. A key element of this effort is the long-range strike bomber (LRS–B) which will strengthen both conventional and nuclear deterrence well into the future.

Collectively, these capabilities, and the Air Force's ability to command and control the air, space, and cyber systems, provide the Nation with the global vigilance, global reach, and global power necessary to implement the new strategic guidance.

ADAPTING TO CONSTRAINED RESOURCES

Although the contributions that the Air Force provides to the Joint Force have increased in relevance over time, there has not been a corresponding proportional increase in resources. The Air Force has entered this era of fiscal austerity with significantly fewer uniformed personnel, with older equipment, and with a smaller budget share than any military Department in one-half a century. The Air Force has been continuously engaged in combat for more than two decades and has taken on a range of new missions. Yet over that same time period, our aircraft inventory and end strength declined. Since 2001, we have reduced our inventory by more than 500 aircraft and have added new missions, while end strength has come down by thousands of airmen, leaving us next year with the smallest force since our inception in 1947. Meanwhile, the average age of Air Force aircraft has risen dramatically:

—fighters stand at 22 years;
—bombers, 35 years; and
—tankers, 47 years.

Reduced manpower, full-scale operations, and reduced training opportunities have pushed our readiness to the edge. The budget increases that have occurred in the last decade were primarily consumed by operational expenses, not procurement. There is a compelling need to invest in next-generation, high-impact systems so that the Air Force can continue to provide the capabilities on which our Nation relies. The failure to make the proper investments now will imperil the effectiveness of the future force and our ability to execute the new strategic guidance for decades to come.

We are mindful, however, of the current fiscal situation and recognize that we must contribute to Governmentwide deficit reduction as a national security imperative. Our ability to make proper investments to modernize and sustain the capabilities of the Air Force is directly tied to the economic health of the United States. In addition, as respectful stewards of the American taxpayer's dollars, the Air Force is committed to achieving audit readiness and meeting Secretary Panetta's accelerated goal to achieve auditability of the Statement of Budgetary Resources by 2014. Over the last year, the Air Force has made real progress, receiving clean audit opinions on two important components of our budget and accounting processes from independent public accounting firms. In the coming year, the Air Force expects to have independent auditors examine the audit readiness of our military equipment inventories, our base-level funds distribution process, and our civilian pay process.

The Air Force fiscal year 2013 budget request reflects aggressive prioritization of limited resources, heavily informed by the new strategic guidance, with regard to both capability and capacity of our forces—that is, both what capabilities we should buy and how much of them. The budget brings together strategic guidance with fiscal constraint. Its guiding principle was balance. To retain critical core Air Force capabilities and the ability to rapidly respond to mission demands, the Air Force balanced risk across all mission areas.

Although we will be smaller and leaner, we will not sacrifice readiness. Selected reductions in force structure and modernization programs were based on careful assessments reflecting the requirements to address potential future conflict scenarios and to emphasize the Middle East and Asia-Pacific regions. Force and program development choices were also influenced by the need to protect our ability to regenerate capabilities to meet future, unforeseen demands. Our budget request seeks to leverage strong relationships with allies and partners, including the development of new partners. Finally, the fiscal year 2013 budget request honors and protects the high-quality and battle-tested professionals of the All-Volunteer Force.

Force Structure

The fiscal reality and strategic direction mean that the Air Force will continue the long-term trend of accepting a smaller force to ensure high quality. In planning for a smaller force, our decisions favored retention of multirole platforms over those with more narrowly focused capabilities—for example, F–16s over A–10s and F–15Cs, and C–130s over C–27s. Where feasible, we sought to divest smaller fleets with niche capabilities and stressed common configurations for key platforms in order to maximize operational flexibility and minimize sustainment costs.

Aircraft

In meeting the force sizing requirements of the new strategic guidance and to remain within the constraints of the Budget Control Act, the Air Force made the difficult choice of divesting 227 aircraft from our combat and combat support aircraft fleets in the fiscal year 2013 budget request. Total divestitures rise to more than 280 aircraft over the fiscal year 2013–2017 future years defense plan (FYDP) period. These divestitures will result in $8.7 billion in savings across the Active and Reserve components.

In order to balance current and future requirements in the Combat Air Forces (CAF), we are reducing the total number of combat-coded fighter squadrons from 60 to 54 (31 Active squadrons and 23 Reserve component squadrons). As part of a broader strategy to reshape the Air Force into a smaller, yet capable force, we divested 21 F–16 Block 30 aircraft in the Reserve component and 102 A–10s (20 Active and 82 Reserve component) from the total aircraft inventory. In making these difficult choices, we considered several factors:

—the relative operational value of weapon systems to counter capable adversaries in denied environments;

—fleet management principles, such as retiring older aircraft first and prioritizing multi-role aircraft; and

—operational flexibility, forward-basing, and host-nation commitments.

The allocation of reductions between the Active and Reserve components took into consideration the Air Force's surge requirements as directed by the new strategic guidance, the expected future deployment tempo, the need to increase means to accumulate fighter pilot experience, and the imperative to ensure that the Reserve component remains relevant and engaged in both enduring and evolving missions.

In the Mobility Air Forces (MAF), we sized the fleet to a total of 275 strategic airlifters—52 C–5Ms and 223 C–17s.

We will seek legislative approval to retire 27 C–5As across fiscal year 2013–2016, going below the fiscal year 2012 National Defense Authorization Act (NDAA) strategic airlift floor of 301 aircraft. This will avert higher sustainment costs for aircraft with substantially less reliability than the C–17 or C–5M. For our intra-theater airlift, the fleet was sized to meet the airlift requirements of the new strategy, including our direct support requirements of ground forces. We will retire 65 C–130Hs across fiscal year 2013–2017 and are divesting the C–27J fleet. After these retirements, we will maintain a fleet of 318 C–130s (134 C–130Js and 184 C–130Hs). Our air refueling fleet is being reduced to 453 tankers after retiring 20 KC–135s. The development and procurement of the KC–46A is on-track for initial delivery in fiscal year 2016 with the strategic basing process underway.

In our ISR aircraft fleet, we plan to divest all 18 RQ–4 Global Hawk Block 30 aircraft and retain the U–2S Dragon Lady program. Due to the reduction in high altitude ISR combat air patrol (CAP) requirements, the need for RQ–4 upgrades to meet current U–2 sensor operational performance levels, and the high-operational costs of the RQ–4, continued investment into the U–2 is both the fiscally and operationally responsible choice. Transferring the MC–12W Liberty from the Active component to the Air National Guard (ANG) reflects the assessment that the ANG is the appropriate place for long-term, scalable support of medium-altitude ISR. The Active component will retain association with the ANG units. The MC–12W will also perform the mission of the divested RC–26 fleet. Finally, we will retire one E–8C Joint Surveillance Target Attack Radar System (JSTARS) aircraft that is damaged beyond economical repair.

Air Force leaders recognize that proposals to retire aircraft are often contentious and that the Congress has at times written legislation blocking or delaying proposed retirements. We are committed to faithfully executing the law; however, we urge the congressional defense committees and the Congress as a whole to be especially cautious about proposals to block or delay aircraft retirements that do not provide the additional human and financial resources needed to operate and maintain those airframes. Retaining large numbers of under-resourced aircraft in the fleet in today's fiscally constrained environment will significantly increase the risk of a hollow force. After the intense efforts to find efficiencies over the past few years, the Air Force has only a limited ability to reallocate resources and personnel to uncovered operations without creating major disruption in other critical activities.

End Strength

In correlation to the reductions in our aircraft force structure, we are also adjusting our end strength numbers. Since 2004, our Active, Guard, and Reserve end strength has decreased by more than 48,000 personnel. By the end of fiscal year 2013, end strength will be reduced a further 9,900 from 510,900 to 501,000. This will result in a reduction in Active Duty military end strength from 332,800 to

328,900, Reserve military end strength will decrease by 900 to 70,500, and ANG military end strength will decrease by 5,100 to 101,600. Although the reductions in aircraft and personnel carry risk, we are committed to managing that risk and ensuring successful execution of the new strategic guidance.

Reserve Component

The Air Force has enjoyed great success in leveraging our Total Force Enterprise to present our enduring core capabilities to the Joint warfighter. The ANG and Air Force Reserve are integrated into all major Air Force mission areas, train to the same high standards as the Active component, and are invaluable partners in helping us meet our many and varied commitments. This will not change—we will rely on our Air Reserve Component (ARC) as both a strategic and operational reserve. A strategic reserve can be employed to mobilize significant numbers of airmen in the event of a significant national crisis while an operational reserve will still be used to augment day-to-day operations.

Maintaining the appropriate mix of forces between the Active and Reserve components is critical to sustaining Air Force capabilities for forward presence, rapid response, and high-rate rotational demands within a smaller overall force. Over the years, we have adjusted the mix between Active and Reserve components to ensure we maintained a ready and sustainable force and could meet our surge and rotational requirements. The Air Force has successfully met the demand of increased operations tempo through a combination of volunteerism, selective mobilization, and the establishment of Classic, Active, and ARC associations to better manage high-activity rates. However, two decades of military end strength and force structure reductions in our Active component have shifted the ratio of Active to Reserve component forces. In 1990, the Reserve component represented 25 percent of total force end strength; today that percentage is at 35 percent. Reserve component aircraft ownership also increased from approximately 23 percent to 28 percent over the same period.

The total Air Force leadership carefully considered the ratio between the Active and Reserve components for the proposed force structure reductions in the 2013 budget request. The expected deployment tempo, and the need to increase pilot seasoning drove the allocation of reductions between components. The proper ratio between components must be achieved to maintain acceptable operations tempo levels within each component and to preserve the ability of a smaller Air Force to meet continued overseas presence demands, and the rapid deployment and rotational force requirements of the strategic guidance.

While the Air Force Reserve and ANG are significantly affected by the proposed 2013 Air Force budget request, they remain essential elements of our total force. Due to the magnitude of the budget decline, our programmed reductions are wide-ranging, directly impacting more than 60 installations. Thirty-three States will be directly impacted, but all 54 States and territories will be affected in some way by the proposed aircraft and manpower reductions. Although some squadrons will actually grow larger, it is unlikely that there will be a 100-percent backfill of personnel or alternative mission for every location. Without the total force re-missioning actions we are proposing, these reductions would have significantly affected 24 units and left eight installations without an Air Force presence.

In close coordination with our ANG and Air Force Reserve leaders, we have developed a detailed plan that will mitigate the impact by realigning missions to restore 14 of the 24 units. Nine of the remaining ten units have existing missions, or the mission will transfer from the ANG to the Air Force Reserve. Our plan also maintains an Air Force presence on seven of the eight affected installations. This plan will allow us to preserve an appropriate Active to Reserve component force mix ratio and minimizes the possibility of uncovered missions. The aircraft force structure changes also presented an opportunity for the ANG to realign manpower to ensure proper mission resourcing while simultaneously bolstering ANG readiness. The fiscal year 2013 adjustments in strategy, force structure, and resources allowed us to realign manpower within the ANG to properly source its growing MC–12W and MQ–1/9 missions.

After the proposed force reductions and mitigations, Reserve component end strength will make up 33 percent of total force military personnel, a reduction of 2 percent from the fiscal year 2012 numbers. Within the CAF, the Reserve component will have 38 percent of total aircraft which is 4 percent lower than fiscal year 2012. For the MAF, the Reserve component shares shifts from 51 percent to 46 percent. In order to maintain capability, the Air Force intends to grow the number of total force Integration associations from 100 to 115. This will enable the seasoning of our Active Duty personnel while improving the combat capacity of our Reserve component.

Readiness

Readiness is comprised of complementary components, such as flying hours, weapon system sustainment, and facilities and installations. A good readiness posture depends on health in all of these key areas. In spite of aircraft divestments and reduction in personnel, we are committed to executing the Defense strategy and will ensure America's Air Force remains ready to perform its mission every day. High operations tempo has had some detrimental effects on our overall readiness, particularly in the context of aging weapons systems and stress on our personnel.

Since September 11, 2001, the Air Force has flown more than 455,000 sorties in support of Operations Iraqi Freedom and New Dawn and more than 350,000 sorties in support of Operation Enduring Freedom. In 2011, our airmen averaged approximately 400 sorties every day, with December 17, 2011, marking the first day in 20 years that the Air Force did not fly an air tasking sortie in Iraq. Maintaining our ability to be ready across the full spectrum of operations has been challenging in recent years, especially for the CAF and certain limited-supply/high-demand units. We will continue to revise our readiness tracking systems to provide increasingly accurate assessments and mitigate readiness shortfalls. Preserving readiness and avoiding a hollow force was a non-negotiable priority for the Air Force and DOD in developing the fiscal year 2013 budget.

Weapons System Sustainment

During previous budget cycles, the overall Air Force weapons system sustainment (WSS) requirement increased each year due to sustainment strategy, the complexity of new aircraft, operations tempo, force structure changes, and growth in depot work packages for legacy aircraft. In fiscal year 2013, although the Air Force is retiring some combat, mobility, and ISR force structure, our overall weapon system sustainment requirements continue to increase. These cost increases, along with a reduction in the Service's overseas contingency operations (OCO) request, resulted in a slight decrease in the percentage of weapons systems sustainment requirements funded from fiscal year 2012 to fiscal year 2013.

Including the OCO request, WSS is funded at 79 percent of requirement in the fiscal year 2013 budget.

We maintained our readiness capability in the portfolio areas most directly affecting readiness such as aircraft, engines, and missiles, while taking some risk in areas that are less readiness related in the short term such as technical orders, sustaining engineering, and software. Additionally, the Air Force continues to conduct requirements reviews and streamline organizations and processes to reduce maintenance and material costs, develop depot efficiencies, and manage weapon system requirements growth. The goal of these efforts is to sustain fiscal year 2012 weapon system sustainment performance levels for fiscal year 2013.

Facility Sustainment, Restoration, and Modernization

The sustainment portion of facilities sustainment, restoration, and modernization (FSRM) was funded more than 80 percent of the Office of the Secretary of Defense (OSD) facility sustainment model. Due to current fiscal realities the revised strategic guidance, the Air Force is also taking a deliberate pause in its military construction (MILCON) program, resulting in a nearly $900 million reduction from fiscal year 2012 enacted levels. To manage the risk associated with these actions we continue civil engineering transformation to employ an enterprise-wide, centralized, asset management approach to installation resourcing which maximizes each facility dollar.

Flying Hour Program

The emphasis on readiness in the new strategic guidance reinforced Air Force focus on the importance of maintaining our flying hour program (FHP). The fiscal year 2013 budget removes flying hours where associated with the retirement of some of our oldest aircraft and divestiture of single-role mission weapon systems. In the remainder of the FHP, however, levels are consistent with fiscal year 2012 levels to prevent further erosion of readiness. The fiscal year 2013 baseline FHP remains optimized as we continue to fly a significant portion of our hours in the Central Command (CENTCOM) area of responsibility (AOR), but still poses a measured risk to our full-spectrum training and readiness levels, especially with our tactical fighters. As operations in the CENTCOM AOR decrease, these OCO hours will migrate back to our baseline program to ensure peacetime FHP requirements are met. We are also committed to a long-term effort to increase our live, virtual, and constructive operational training (LVC–OT) capability and capacity by funding improvements in our LVC–OT devices (e.g., simulators and virtual trainers) and networks.

Although the Air Force has no single rollup metric to measure FHP requirements, we are working toward a set of metrics that clearly articulate the training requirements needed to support desired readiness levels. Our challenge is that the diversity of our missions does not lend itself to yardsticks like "hours per crewmember per month". The Air Force operates a wide variety of aircraft—including multirole aircraft—that require differing training requirements in amount and type for each aircrew member. In addition, we have critical space and cyber units that involve no aircraft at all. As we develop FHP metrics, we will dovetail our efforts with the work being done at the Cost Assessment and Program Evaluation (CAPE) office at the OSD to study the relationship between Defense funding and military readiness and mature necessary metrics and assessment tools.

Even though the Air Force will be smaller in capacity, we will remain highly capable and lethal, as well as ready, agile, and deployable.

Modernization

Looking ahead, the Air Force faces two primary strategic challenges. In the face of declining budgets, we must still provide the essential force structure and capabilities on which the Joint Force depends. Historical and projected uses of U.S. military forces and our inability to accurately predict the future, make the complete divestment of the capability to conduct any 1 of the 12 Air Force Core Functions imprudent. Yet, the new strategic guidance also requires continuing modernization of our aging force to address the proliferation of modern threats. Finding the right balance requires a long-range plan that begins with a strategic vision. Implementing across the board cuts will not produce the envisioned Joint Force of 2020.

Accordingly, we carefully scrutinized all our weapons systems and capabilities to determine which require investment today and those that can be deferred. We then made the tough choices to maximize our military effectiveness in a constrained resource environment. Combat and combat support aircraft force structure reductions, coupled with reduced development and procurement of preferred munitions and other key modernization programs, were essential to achieving the Air Force fiscal year 2013 budget targets.

In fiscal year 2013, we have programmed $35.8 billion for modernization, approximately 33 percent of the Air Force total obligation authority. We are slowing the pace and scope of modernization while protecting programs critical to future warfighter needs. Focused investment in high-priority programs such as the F–35 Joint Strike Fighter, LRS–B, KC–46A refueling tanker, service-life extension of the F–16, space-based infrared and advanced extremely high-frequency satellites, space situational awareness capabilities, and our space launch capability is critical to the Department's overall strategy. Access and continued freedom of maneuver within cyberspace is an essential requirement for our networked force, therefore the development of offensive and defensive cyber capabilities remains a top Air Force priority. Additionally, in coordination with the Navy, the Air Force will fund modern radars, precision munitions, and other priorities to support the ASB concept and ensure worldwide power projection despite increasing A2/AD challenges.

To continue funding these high-priority investments, we made the hard choices to terminate or restructure programs with unaffordable cost growth or technical challenges such as the RQ–4 Block 30, B–2 extremely high-frequency radio improvements, and the Family of Advanced Beyond Line of Sight Terminals (FAB–7). We eliminated expensive programs, such as the C–130 Avionics Modernization Program, the C–27J program, and Defense Weather Satellite System, which have more affordable alternatives that still accomplish the mission. Likewise, we discontinued or deferred programs that are simply beyond our reach in the current fiscal environment, such as the common vertical lift support platform, light mobility aircraft, and light attack and armed reconnaissance aircraft. The fiscal year 2013 budget also accepts significant near-term risk in MILCON for current mission facilities, limiting ourselves to projects required to support new aircraft bed downs and emerging missions.

Underpinning the Air Force's ability to leverage and field these crucial technologies is America's aerospace research and development infrastructure—a national asset that must be protected to ensure future U.S. advantages in technology and civil aerospace. Therefore, the Air Force's budget protects science and technology funding as a share of our total resources.

More Disciplined Use of Defense Dollars

In June 2010, the Secretary of Defense challenged the Services to increase funding for mission activities by identifying efficiencies in overhead, support, and other less mission-essential areas in an effort to identify $100 billion in DOD savings for reinvestment. Our fiscal year 2013 budget continues to depend on successfully man-

aging and delivering the $33.3 billion in Air Force efficiencies from fiscal year 2012 to fiscal year 2016 associated with the fiscal year 2012 President's budget submission. We are actively managing and reporting on these, as well as the Air Force portion of DOD-wide efficiencies. In light of the current budget constraints, the Air Force continues to seek out opportunities for additional efficiencies.

The fiscal year 2013 budget request includes additional savings of $6.6 billion over the next 5 years from our more disciplined use of DOD dollars. This represents $3.4 billion in new efficiency efforts as well as $3.2 billion in programmatic adjustments. These reductions continue to focus on overhead cost reductions and spending constraints consistent with Executive Order 13589, "Promoting Efficient Spending", and an Office of Management and Budget (OMB) memorandum, dated November 7, 2011, to reduce contract spending for management support services. Areas in which we are seeking major efficiencies and spending reductions in this budget submission include information technology, service contracts, travel, and inventory.

We are identifying and eliminating duplicate information technology applications across our business and mission system areas. Policies and better spending controls will be placed within modernization and legacy systems sustainment areas. We have committed to save $100 million in fiscal year 2013 and $1.1 billion across the future years defense plan (FYDP) in this area. We continue to put downward pressure on service support contract spending and are committing to an additional $200 million reduction in fiscal year 2013 and $1 billion across the FYDP. These efforts are consistent with Secretary of Defense-directed efficiencies across the DOD and OMB guidance to reduce contract spending by 15 percent by the end of fiscal year 2012 from a fiscal year 2010 baseline. Executive Order 13589 also directs reductions in travel across Departments. The Air Force budget for travel has steadily declined from actual spending of $984 million in fiscal year 2010 to a budgeted-level of $810 million in fiscal year 2012. Between Air Force budget reductions and DOD-directed travel reductions, the fiscal year 2013 President's budget reflects an additional $116 million travel savings in fiscal year 2013 and $583 million across the FYDP. Finally, a bottom-up review of base-level inventory is planned, with the intent of identifying consumable and repairable items that are excess, including Government Purchase Card-procured excess inventory. We estimate $45 million savings in fiscal year 2013 and $225 million across the FYDP.

Taking Care of Our People

Regardless of any strategy realignment or future mission commitment, the hallmark of our success as an Air Force has always been, and will remain, our people. Our mission effectiveness depends first and foremost on the readiness and dedication of our airmen. Nearly two decades of sustained combat, humanitarian, and stability operations have imposed extraordinary demands on our force. As we look to the future of reduced funding and fewer manpower positions, we are working hard to continue meeting the needs of a 21st century force. The Nation owes a debt of gratitude for the sacrifices made by our airmen and their families.

Despite the difficult budgetary environment, we are committed to our Air Force community. Therefore, quality-of-service programs must continue as one of our highest priorities. We are sustaining cost-effective services and programs to maintain balanced, healthy, and resilient airmen and families so that they are equipped to meet the demands of high operations tempo and persistent conflict. As our force changes, we must adapt our programs and services to ensure we meet the needs of today's airmen and their families. Developing our airmen will be a key focus as we continue efforts to reduce the "cost of doing business" and develop lighter-footprint approaches to achieving security objectives. We will do this by developing expertise in foreign language, regional, and cultural skills while also ensuring our educational programs focus on current and anticipated mission requirements.

Even as Air Force end strength continues to be reduced, requirements for some career fields—like special operations, ISR, and cyber—continue to grow. We will continue to size and shape the force through a series of voluntary and involuntary programs designed to retain the highest-quality airmen with the right skills and capabilities. As we take steps to reduce our end strength, we will offer support programs to help separating airmen translate their military skills to the civilian workforce and facilitate the transition in a way that capitalizes on the tremendous experience in technical fields and leadership that they accrue while serving.

Although retention is at a record high, we must sustain accessions for the long term and utilize a series of recruiting and retention bonuses to ensure the right balance of skills exist across the spectrum of the force. Enlistment bonuses are the most effective, responsive, and measurable tool for meeting requirements growth in emerging missions, while retention bonuses encourage airmen to remain in, or retrain into, career fields with high-operational demands.

We recognize the unique demands of military service and want to ensure that our airmen are compensated in a way that honors that service. Accordingly, the President has announced a 1.7-percent increase in basic military pay for fiscal year 2013. The costs of military pay, allowances, and healthcare have risen significantly in the last decade. These costs have nearly doubled DOD-wide since fiscal year 2001 while the number of full-time military personnel, including activated Reserves, has increased only 8 percent. As budgets decrease, we must find ways to achieve savings in this area to prevent overly large cuts in forces, readiness, and modernization. As part of a DOD-wide effort, we are looking at a gamut of proposals, including healthcare initiatives and retirement system changes, to meet deficit reduction targets and slow cost growth. Proposed healthcare changes will focus on working-age retirees and the retirement commission will address potential future changes, with the current force grandfathered into the current system. The Defense budget includes a number of proposals to control healthcare cost growth in fiscal year 2013 and for the longer term. The recommendations included in the budget reflect the proper balance and the right priorities.

We must go forward with balanced set of reductions in the military budget that not only implements the strategic guidance but also does our part to alleviate the Nation's economic difficulties. Any solutions to this problem will be deliberate, will recognize that the All-Volunteer Force is the core of our military, and will not break faith with the airmen and families who serve our Nation.

With this as a backdrop, the Air Force has approached its investment strategy in a way that seeks to apply our resources to the people, programs, and systems that will best contribute to the new DOD strategic guidance.

AIR FORCE CORE FUNCTIONS

The Air Force core functions provide a framework for balancing investments across Air Force capabilities and our enduring contributions as we align our resources to the new defense strategic guidance. However, none of these core functions should be viewed in isolation. There is inherent interdependence among these capabilities within the Air Force, the Joint Force, and in some cases, throughout the United States Government. The Air Force's budget request of $110.1 billion reflects the difficult choices that had to be made as a result of Air Force fiscal limitations, while still providing an appropriate balance of investment across our core functions in a way that best supports key DOD military missions. Additional detailed information about each core function, including specific investment figures, can be found in the Budget Overview Book and in the detailed budget justification documents provided to the Congress.

Air Superiority

U.S. forces must be able to deter and defeat adversaries in multiple conflicts and across all domains. In particular, even when U.S. forces are committed to a large-scale operation in one region, they must also be capable of denying the objectives of—or imposing unacceptable costs on—an opportunistic aggressor in a second region. Securing the high ground is a critical prerequisite for any military operation to ensure freedom of action for the Joint Force and the Nation. In making operational plans, American ground forces assume they will be able to operate with minimal threat of attack from enemy aircraft or missile systems. For nearly six decades, Air Force investments, expertise, and sacrifice in achieving air superiority have ensured that condition. The last time any American ground forces were killed by an enemy air strike was April 15, 1953.

But while the United States has enjoyed this control of the air for the last 60 years, there is no guarantee of air superiority in the future. Airspace control remains vitally important in all operating environments to ensure the advantages of rapid global mobility, ISR, and precision strike are broadly available to the combatant commander. Fast-growing, near-peer capabilities are beginning to erode the legacy fighter fleet's ability to control the air. Likewise, emerging adversaries are developing significant air threats by both leveraging inexpensive technology to modify existing airframes with improved radars, sensors, jammers and weapons, and pursuing fifth-generation aircraft. Simultaneously, current operations are pressing our legacy systems into new roles. As a result, the legacy fighter fleet is accumulating flying hours both faster and differently than anticipated when they were purchased decades ago.

Given these realities, the Air Force's fiscal year 2013 budget request includes $8.3 billion for initiatives to address current and future air superiority needs. We continue incremental modernization of the F–22 fleet, including Increment 3.2A, a software-only upgrade adding new electronic protection (EP) and combat identification techniques. The fiscal year 2013 budget request includes approximately $140.1 mil-

lion for Increment 3.2B, which includes the integration of AIM–120D and AIM–9X capabilities, data link improvements, and faster, more accurate target mapping. We are continuing the F–15 active electronically scanned array (AESA) radar modernization program, funding the F–15 Advanced Display Core Processor (ADCP), and funding the development and procurement of an Eagle Passive/Active Warning and Survivability System (EPAWSS). We are also investing in fourth-generation radar upgrades to ensure their continued viability, sustaining the development and procurement of preferred air-to-air munitions and select electronic warfare enhancements, and resourcing critical readiness enablers, including training capabilities and modernized range equipment.

As part of our Airspace Control Alert mission, the Air Force, working closely with U.S. Northern Command, reduced full-time ANG requirements at two sites while maintaining overall surveillance and intercept coverage.

Global Precision Attack

A critical component of the broader mission to deter and defeat aggression is the Air Force's ability to hold any target at risk across the air, land, and sea domains through global precision attack. Global precision attack forces perform traditional strike and customized ISR roles to support Joint and coalition ground forces every day. However, as A2/AD capabilities proliferate, our fourth-generation fighter and legacy bomber capability to penetrate contested airspace is increasingly challenged.

The A2/AD threat environment prescribes the type of assets that can employ and survive in-theater. While the Air Force provides the majority of these assets, success in this hazardous environment will require a combined approach across a broad range of assets and employment tools. Even then, these will only provide localized and temporary air dominance to achieve desired effects. Simultaneously, ongoing contingency operations in a permissive, irregular warfare environment at the lower end of the combat spectrum require adapted capabilities, including longer aircraft dwell times and increasing use of our platforms in unique intelligence gathering roles. Our fiscal year 2013 budget request of $15.5 billion applies resources that will help the Air Force best meet threats in evolving A2/AD environments.

To enhance our global strike ability, we are prioritizing investment in fifth-generation aircraft while sustaining legacy platforms as a bridge to the F–35 Joint Strike Fighter, the centerpiece of our future precision attack capability. In addition to complementing the F–22's world-class air superiority capabilities, the F–35A is designed to penetrate air defenses and deliver a wide range of precision munitions. This modern, fifth-generation aircraft brings the added benefit of increased allied interoperability and cost-sharing between services and partner nations. The fiscal year 2013 budget includes approximately $5 billion for continued development and the procurement of 19 F–35A conventional take-off and landing (CTOL) aircraft, spares, and support equipment. In fiscal year 2013, we deferred 98 CTOLs from the F–35A program.

As we move toward fifth-generation recapitalization, we are funding fourth-generation fighter modernization to ensure a capable global attack fleet. Reserve component recapitalization will begin based on F–35 production rates, basing decisions, the F–16 Service Life Extension Program (SLEP), and Combat Avionics Programmed Extension Suite (CAPES). The Air Force will continue to plan and program for approximately 350 F–16 service life extensions and capability upgrades over the FYDP to ensure a viable F–16 combat capability across the total force and to mitigate the effects of F–35 procurement rate adjustments on the total fighter force capacity during completion of system development and low rate initial production.

In our fiscal year 2013 submission, we accepted risk by retiring 102 A–10s and 21 F–16s. Although the A–10 remains essential for combined arms and stability operations, we chose to retire more A–10s because other multirole platforms provide more utility across the range of the potential missions. We are retaining enough A–10s to meet the direction of the new strategic guidance to maintain readiness and capability while avoiding a hollow force.

We are modernizing conventional bombers to sustain capability while investing in the Long-Range Strike Family of Systems. The bomber fleet was retained at its current size because we recognized the importance of long-range strike in the current and future security environments. The Air Force is enhancing long-range strike capabilities by upgrading the B–2 fleet with an improved Defensive Management System (DMS) and a new survivable communication system, and is increasing conventional precision guided weapon capacity within the B–52 fleet. We are investing $191.4 million in modernizing the B–1 to prevent obsolescence and diminishing manufacturing sources issues and to help sustain the B–1 to its approximate 2040 service life. In addition to aircraft modernization, we are upgrading our B–1 train-

ing and simulator systems to match aircraft configuration and ensure continued sustainability.

Procuring a new penetrating bomber is critical to maintaining our long-range strike capability in the face of evolving A2/AD environments. The new long-range, penetrating, and nuclear-capable bomber (LRS–B), which will be capable of both manned and unmanned operations, will be designed and built using proven technologies, and will leverage existing systems to provide sufficient capability. It will also permit growth to improve the system as technology matures and threats evolve. We must ensure that the new bomber is operationally capable before the current aging B–52 and B–1 bomber fleets are retired. LRS–B is fully funded at $291.7 million in the fiscal year 2013 budget.

Global Integrated ISR

Global integrated ISR includes conducting and synchronizing surveillance and reconnaissance across all domains—air, space, and cyber. These ISR capabilities produce essential intelligence to achieve decision superiority through planning, collecting, processing, analyzing, and rapidly disseminating critical information to national- and theater-level decisionmakers across the spectrum of worldwide military operations. Air Force ISR growth and improvement over the last decade has been unprecedented. Because of the dynamic nature of the operating environment, the Air Force conducted an extensive review of the entire Air Force ISR enterprise in 2011 to inform future planning and programming decisions. Even as the United States plans to reduce our military presence in CENTCOM AOR, combatant commands will continue to use our ISR capabilities to combat global terrorism, provide global and localized situational awareness, and support future contingencies.

Recognizing the need for continued and improved ISR capabilities, and based on the 2011 ISR review, the Air Force is investing $7.1 billion in this core function in fiscal year 2013. We are continuously improving the current suite of capabilities and will field the MQ–9 Reaper to meet delivery of 65 remotely piloted aircraft (RPA) combat air patrols (CAPs) by May 2014. We are actively managing our procurement rate of MQ–9s to efficiently increase RPA fleet size while allowing for necessary aircrew training. We are extending operations for the U–2 Dragon Lady manned aircraft, in lieu of investing more heavily in the RQ–4 Block 30 Global Hawk fleet. Despite early predictions, the savings anticipated by the use of Global Hawks have not come to fruition, and we will not invest in new technology at any cost. Divesting the RQ–4 Block 30 fleet and extending the U–2 will save the Air Force $815 million in fiscal year 2013 and $2.5 billion across the FYDP. Sustaining the U–2 fleet will ensure affordable and sustained high-altitude ISR for the combatant commanders and joint warfighters.

We will maintain investment in the MC–12 Liberty as we transfer it to the ANG, but we will establish active unit associations to meet combat air patrol and surge requirements. The MC–12 will also perform the mission carried out by the RC–26 as we divest 11 of those aircraft from the ANG. In the ANG, six RPA units have been or are currently being established, and an additional five units will stand-up in fiscal year 2013. An ANG ISR group with two squadrons will be established to conduct ISR in cyberspace and to conduct digital network intelligence and cyber target development.

We are developing a more balanced and survivable mix of airborne platforms to enable continued operations in permissive environments and to enable operations in A2/AD environments. We are exploring innovative ways to leverage space and cyberspace capabilities as part of the overall mix of ISR capabilities and partner with joint, coalition, and interagency partners, including the use of Air-Sea Battle as a framework to develop required capabilities for the joint fight. We are investing $163 million in fiscal year 2013 in our ground processing enterprise, the Distributed Common Ground System, and will continue migration to a service-oriented architecture to handle the increasing quantities of ISR data that is integrated and delivered from emerging sensors and platforms operating in all domains. We will also improve our ability to move information securely and reliably over information pathways. Finally, we are improving analyst capability through improved training, automation and visualization tools while we deliberately plan for future operations using a refined capability planning and analysis framework.

Cyberspace Superiority

Access and continued freedom of maneuver within cyberspace is an essential requirement for our networked force. Today's modern forces require access to reliable communications and information networks to operate effectively at a high operations tempo. Air Force and DOD networks face a continuous barrage of assaults from individual hackers, organized insurgents, State-sponsored actors, and all level

of threats in between. Our adversaries are also realizing gains from electronically linking their combat capabilities. This is creating new warfighting challenges that the Joint Force must be prepared to address. As we work to ensure our freedom of movement in cyberspace, we will also work with service, joint, and interagency partners on additional and further-reaching cyberspace initiatives.

We are using a cyber strategy which not only improves the Air Force's ability to operate in cyberspace, but also mitigates constantly increasing infrastructure costs. This approach focuses on near-term FYDP investments to automate network defense and operations which increase both combat capacity and effectiveness. This effort, led by 24th Air Force, under Air Force Space Command, includes continued development of the Single Integrated Network Environment which provides a seamless information flow among air, space, and terrestrial network environments, and most importantly, mission assurance to the warfighter.

Our fiscal year 2013 budget request for cyberspace superiority is $4 billion. With these funds, we are expanding our ability to rapidly acquire network defense tools, such as Host Based Security System, a flexible, commercial-off-the-shelf (COTS)-based application to monitor, detect, and counter cyber-threats to the Air Force Enterprise. We are also investing in advanced technologies to monitor and secure both classified and unclassified networks. We have made considerable progress in our efforts to meet the emerging challenges and threats in cyberspace by fielding a total force of more than 45,000 trained and certified professionals equipped to ensure continuity of operations in cyberspace. The establishment of an additional ANG network warfare squadron (NWS) will enhance the Maryland ANG 175th NWS as they actively conduct cyber defense to protect networks and systems. The Air Force Reserve will also stand up an Active Association Network Warfare Squadron with the 33rd Network Warfare Squadron at Lackland AFB, Texas.

To keep with the rapid pace of technology, the Air Force is developing Joint standardization and acquisition strategies to enable quick delivery of cyber capabilities to address constantly evolving and more technologically advanced cyber threats and to improve intelligence capabilities in cyberspace. The Air Force is spending $27.3 million on the Air Force Wideband Enterprise Terminal, leveraging Army procurement efforts for significant quantity savings, joint standardization, interoperability, and enabling wideband global satellite communication (SATCOM) Ka-band utilization, resulting in greater bandwidth for deployed warfighters. The Air Force continues efforts toward the Single Air Force Network, which increases Air Force network situational awareness and improves information sharing and transport capabilities. For future budget requests, the Air Force is working with DOD to define near- and long-term solutions to deliver warfighting communication capabilities, such as Family of Advanced Beyond Line of Sight Terminals (FAB–T) and upgrading the Air Force's wideband enterprise terminals to provide joint standardization and greater bandwidth.

Space Superiority

America's ability to operate effectively across the spectrum of conflict also rests heavily on Air Force space capabilities. Airmen provide critical space capabilities that enhance the DOD's ability to navigate accurately, see clearly, communicate confidently, strike precisely, and operate assuredly. General purpose forces, the intelligence community, and special operations forces depend on these space capabilities to perform their missions every day, on every continent, in the air, on the land, and at sea. In addition, space operations help ensure access and use of the global commons, enabling a multitude of civil and commercial activities such as cellular communications, commercial and civil aviation, financial transactions, agriculture and infrastructure management, law enforcement, emergency response, and many more. Like air superiority, space-based missions can easily be taken for granted.

The Air Force has maintained its record of successful space launches, began on-orbit testing of the first advanced extremely high-frequency military communications satellite, and launched the first Space Based Infrared System geosynchronous satellite. Our ability to deliver space capabilities is currently without equal. As we become a smaller, leaner force in accordance with the new defense strategic guidance, the leveraging and multiplying effects that space provides will become increasingly important. Improving space situational awareness will be key to protecting the unique advantage space provides.

Rapid technology advancements and the long-lead time for integrating and fielding new space technology results in an ongoing need to plan, design, and implement space advancements. We must procure our space systems at the lowest-cost possible while providing assured access to space. Our innovative acquisition strategy for the

Efficient Space Procurement (ESP)[1] of complex space systems is designed to identify efficiencies and use those resources to provide enduring capability and help provide stability to the space industrial base. We are again requesting advance appropriations to fully fund the satellites being procured under ESP. While we are modernizing and sustaining many of our satellite constellations, funding constraints have slowed our ability to field some space capabilities as rapidly as is prudent. Therefore, as we continue to sustain our current level of support to the warfighter, the current fiscal environment demands that we explore alternate paths to provide resilient solutions. As we incorporate the tenets of the new National Space Policy and National Security Space Strategy, we are actively developing architectures that take into consideration the advantages of leveraging international partnerships and commercial space capabilities. One example being tested is a commercially hosted infrared payload (CHIRP) launched from Guiana Space Center, Kourou, French Guiana, which begins to explore the utility of a dedicated payload for missile warning hosted on a commercial communications satellite.

With the $9.6 billion in funds for space programs in the fiscal year 2013 budget request, the Air Force is recapitalizing many space capabilities, fielding new satellite communications systems, replacing legacy early missile warning systems, improving space control capabilities, and upgrading position, navigation and timing capabilities with the launch of Global Positioning System (GPS) IIF satellites and the acquisition of GPS III satellites. Consistent with the 2012 National Defense Authorization Act (NDAA) and Department of Defense Appropriations Act, the Air Force is canceling the Defense Weather Satellite System, saving $518.8 million in fiscal year 2013 and $2.38 billion more than the FYDP. The Defense Meteorological Satellite Program (DMSP) will continue to fulfill this critical requirement as the Air Force determines the most prudent way forward.

Nuclear Deterrence Operations

Credible nuclear capabilities are required to deter potential adversaries from attacking our vital interests and to assure our allies of our commitments. Although the threat of global nuclear war has become remote since the end of the cold war, the prospect of nuclear terrorism has increased. Proliferation of nuclear weapons, especially among regional power aspirants, is on the rise. Advanced air defenses increasingly threaten the survivability of current bombers. Area denial and ballistic missile threats reduce our basing options and challenge the responsiveness and survivability of long-range strike. As a result, the United States must shape its deterrent forces to maintain stability among existing nuclear powers, to strengthen regional deterrence, and to reassure U.S. allies and partners.

The Air Force is responsible for 2 of the 3 legs of the nuclear triad and continuing to strengthen the Air Force nuclear enterprise remains a top Air Force priority. Air Force investment in our bombers and intercontinental ballistic missile (ICBM) systems reflects our commitment to the nuclear deterrence mission well into the future. Our request of $5.1 billion for this core function in fiscal year 2013 increases sustainment for the Minuteman III ICBM through 2030 with fuze component replenishment and replacement programs, as well as new transporter erectors. We are also enhancing long-range strike capabilities by upgrading the B–2s with an improved Defensive Management System (DMS) and a new survivable communication system. These investments will ensure the Air Force maintains the capability to operate and sustain safe, secure, and effective nuclear forces to deter adversaries, hold any target at risk, and respond appropriately if deterrence fails. In particular, the responsiveness of the ICBM leg and the flexibility of the bomber leg are valued attributes of the nuclear force. We are committed to a future force that will have the flexibility and resiliency to adapt to changes in the geopolitical environment or cope with potential problems in the nuclear stockpile.

The New Strategic Arms Reduction Treaty requires the United States to reduce warheads and delivery capacity by 2018. Our fiscal year 2013 budget request includes $20.1 million to fund treaty preparatory actions that began in fiscal year 2012 and additional actions necessary to accomplish the treaty-required reductions by 2018. While final force structure decisions have not yet been made, we are continuing to develop detailed plans, working with the Department of Defense and U.S. Strategic Command, for executing force reduction decisions which retain the attributes of the Triad needed for 21st century deterrence.

Rapid Global Mobility

The Air Force provides unparalleled in-flight refueling and cargo carrying capacity in support of worldwide operations. Mobility forces provide vital deployment and

[1] Previously known as Evolutionary Acquisition for Space Efficiency (EASE).

sustainment capability for Joint and coalition forces by delivering essential equipment, personnel, and materiel for missions ranging from major combat operations to humanitarian relief operations. Achieving unprecedented survival rates, our highly skilled aeromedical transport teams swiftly evacuate combat casualties, ensuring our wounded warriors receive the best possible medical care. A unique Air Force contribution, rapid global mobility must be maintained on a scale to support DOD force structure and national strategic objectives.

On any given day, the Air Force fleet of C–17s and C–5s deliver critical personnel and cargo, provide airdrop of time-critical supplies, food, and ammunition, and enable rapid movement of personnel and equipment. Air Force air refueling aircraft will continue to play a vital, daily role in extending the range and persistence of almost all other Joint Force aircraft. The Air Force remains committed to fully funding the acquisition of the new KC–46A tanker with $1.8 billion in research, development, testing, and evaluation (RDT&E) in fiscal year 2013, while also resourcing critical modernization programs for the KC–10 and KC–135 fleets. This will ensure our Nation retains a tanker fleet able to provide crucial air refueling capacity for decades to come. The retirement of 20 KC–135s is consistent with our analysis of warfighting scenarios based on the strategic guidance and will results in savings of $22.5 million in fiscal year 2013. As part of our energy efficiency initiatives, we plan to begin upgrading 93 KC–135 engines in fiscal year 2013 and 100 more each year through the FYDP. We anticipate overall savings in fuel and maintenance of $1.5 billion from this $278 million investment.

In addition, with our fiscal year 2013 budget request of $15.9 billion in rapid global mobility funds, the Air Force will continue to modernize its inter-theater airlift fleet of C–17s and C–5s. To move toward a common fleet configuration, the Air Force is investing $138.2 million in fiscal year 2013 for the Global Reach Improvement Program (GRIP). The GRIP brings the multiple variants of C–17 to a standard configuration, designated the C–17A, that will provide efficiencies in operations and weapon system sustainment. We also plan to transfer eight C–17s from the Active component to the ANG in fiscal year 2013, and an additional eight in fiscal year 2015. We are modernizing the most capable C–5 airframes while retiring the final 27 of the oldest model, the C–5A. On the remaining 52 C–5s, the Air Force is investing $1.3 billion in modernization in fiscal year 2013 to improve capability and reliability, including $1.23 billion on the Reliability Enhancement and Re-engining Program. We currently have seven operational C–5Ms. The retirement of the last C–5A by fiscal year 2016 is timed to match the completion of the last C–5M upgrade.

Because the strategic guidance reduced the overall requirement for intra-theater airlift, we are retiring C–130H aircraft (39 in fiscal year 2013 and a total of 65 more than the FYDP). These older aircraft would require costly modification or modernization to remain viable. We will maintain the necessary intra-theater airlift capability and capacity by completing the recapitalization of older C–130E/H aircraft with the C–130J. The remaining legacy C–130H aircraft are being modernized to reduce sustainment costs and ensure global airspace access.

Finally, after rigorous mission analysis, we determined the mission performed by the C–27J fleet could be performed by the C–130 fleet which is fully capable of meeting direct ground support and homeland defense requirements.[2] The fiscal constraints that demand we become a smaller Air Force also support the decision to retain aircraft that have multiple role capabilities, like the C–130. Therefore, all 21 C–27Js in the current fleet will be retired, and we are canceling procurement of 17 additional aircraft. Without question, the Air Force's commitment to support time-sensitive, mission-critical direct airlift support to the Army is unaltered by the divestment of the C–27J.

Command and Control

Command and control (C2) of our forces has never been more vital or more difficult than in the highly complex 21st century military operations that depend on close Joint and coalition coordination. C2 is the key operational function that ties all the others together to achieve our military objectives, enabling commanders to integrate operations in multiple theaters at multiple levels through planning, coordinating, tasking, executing, monitoring and assessing air, space, and cyberspace operations across the range of military operations. No longer in a cold war technological environment, the Air Force is transforming its C2 to an Internet protocol-based net-centric war fighting capability. To do so, the Air Force must sustain, modify, and enhance current C2 systems, and develop deployable, scalable, and modular systems that are interoperable with joint, interagency, and coalition partners.

[2] Six of the seven ANG units that are affected by the divestment of the C–27J fleet are being backfilled with MC–12W Liberty, ISR/cyber, MQ–9, or C–130 units.

The Air Force is focusing its attention to modernization efforts to operate in A2/AD environments with our fourth- and fifth-generation weapon systems. In doing so, the Air Force will continue to use a balanced approach across the C2 portfolio by investing in sustaining legacy platforms while modernizing our C2 aircraft fleet and ground operating nodes only as needed to sustain our capability. Our fiscal year 2013 budget request of $5.8 billion for C2 includes $200 million to support secure and reliable strategic level communications through the E–4 National Airborne Operations Center (NAOC). We are also spending $22.7 million to begin fielding a cockpit modernization development program to sustain the capability of the existing Airborne Warning and Control System (AWACS) platform and we will continue to modernize and sustain the Theater Air Control System Command and Control Centers (CRC). The modernization of the Air Operations Center (AOC) will move this weapon system to an enterprise system which can accept rapid application upgrades and enable future warfighting concepts.

To reduce unnecessary cost, the Air Force will retire one JSTARS aircraft that is beyond economical repair, saving the Air Force $13 million in fiscal year 2013 and $91 million more than the FYDP. The JSTARS re-engining system development and demonstration (SDD) flight test program completed in January 2012; however, because the fiscal year 2012 NDAA reduced re-engining funding, full completion of the re-engining SDD is under review. The JSTARS re-engining program is not funded in fiscal year 2013. We also terminated our portion of the Army-managed Joint Tactical Radio System (JTRS) small airborne radio program that was over cost and behind schedule and will instead leverage industry-developed hardware, while continuing the development of the required radio waveforms. The termination of this program and the associated nonrecurring engineering will save $294 million in fiscal year 2013 and $3.2 billion more than the FYDP.

Special Operations

Success in counterterrorism and irregular warfare missions requires the ability to conduct operations in hostile, denied, or politically sensitive environments, using other than conventional forces. Air Force special operations capabilities continue to play a vital role in supporting U.S. Special Operations Command and geographic combatant commanders. U.S. special operations forces (SOF) depend on a balanced force of air, sea, and land capabilities; Air Commandos bring specialized expertise for infiltration and exfiltration and the kinetic and nonkinetic application of airpower that are essential to joint special operations capabilities.

Our investments in SOF must strike a balance between winning today's fight and building the Joint SOF of the future, including the ability to act unilaterally when necessary. Despite the challenging fiscal environment, with our budget request of $1.2 billion, the Air Force was able to sustain nearly all of the SOF aviation improvements realized over the past several years. The programmed buy of 50 CV–22 Ospreys will complete in fiscal year 2014, and the procurement of MC–130Js for the recapitalization of 37 MC–130E/Ps will also complete in fiscal year 2014. MC–130H/W recapitalization will begin in fiscal year 2015, a year earlier than scheduled in the fiscal year 2012 President's budget, which ensures a continued, more capable SOF mobility fleet. The Air Force is modernizing our SOF precision strike capability by procuring AC–130Js, on a one-for-one basis, to recapitalize our legacy AC–130Hs. We are also ensuring our battlefield airmen continue to receive first-class equipment and training by adding funds to operations and maintenance accounts.

Personnel Recovery

The Air Force remains committed to modernizing crucial combat search and rescue (CSAR) capabilities. The additional use of personnel recovery (PR) forces for medical and casualty evacuation, humanitarian assistance, disaster response, and civil search and rescue operations has steadily risen since the early 1990s. This increase in usage has taken its toll on the aircraft and significantly affected availability. Currently, Air Force PR forces are fully engaged in the CENTCOM and Africa Command AORs, accomplishing lifesaving medical and casualty evacuation missions. They are also supporting domestic civil land and maritime search and rescue, humanitarian assistance/disaster relief, and mass casualty evacuation missions. The dynamic geopolitical environment suggests that the continued need for PR forces to conduct nonpermissive CSAR in contingency operations and permissive humanitarian assistance, disaster response, and civil search and rescue operations will remain.

To ensure the Air Force is able to provide this vital core function in the future, we are recapitalizing our fixed wing aircraft, replenishing our rotary wing aircraft through the Operational Loss Replacement (OLR) program, and replacing aging rotary wing aircraft through the Combat Rescue Helicopter (CRH) program. The $1.4

billion fiscal year 2013 budget request for PR includes $152.2 million for the HC–130J and $183.8 million for the OLR and CRH programs. The fiscal year 2013 RDT&E funding for the CRH was reprogrammed to support the acquisition of two test aircraft. The program remains on track to produce a replacement for the HH–60G through a full and open competition, with initial operational capability planned for fiscal year 2018. The Air Force also continues to fund the HH–60G and HC–130 sustainment programs while continuing to invest in the Guardian Angel program that provides first-class equipment and training for the rescue force.

Building Partnerships

Building the capacity of partner governments and their security forces is a key element in our national security strategy. The establishment of strong, foundational aviation enterprises in our partner nations enables successful, sustainable security within their own borders while contributing to regional stability. Successful partnerships ensure interoperability, integration and interdependence between air forces, allowing for effective combined and coalition operational employment. These partnerships also provide partner nations with the capability and capacity to resolve their own national security challenges, thereby reducing the potential demand for a large U.S. response or support.

The necessity for partnering is evident every day in Afghanistan where United States and coalition air forces provide flexible and efficient airpower support to International Security Assistance Force operations. In both Iraq and Afghanistan, airmen are building the capabilities and capacities of the Iraqi and Afghanistan air forces so that they can successfully employ airpower in their own right. In addition, the success of the Libya operations last year can be partly attributed to years of engagement that led to improved interoperability and highly capable and equipped partner nations.

These international engagements require airmen to perform their duties effectively and achieve influence in culturally complex environments around the globe. Fielding the Joint Strike Fighter and other platforms will help further our partnerships with more established allies. The U.S. role in the 12-nation Strategic Airlift Consortium enables a unique fully operational force of three C–17s to meet the airlift requirements of our European allies. The fiscal year 2013 budget request of approximately $300 million in this core function continues to fully resource the Strategic Airlift Consortium effort at Papa AB, Hungary. The Air Force also committed to field a new aviation detachment in Poland.

Due to fiscal constraints, the Air Force terminated the Light Attack Armed Reconnaissance and the Light Mobility Aircraft programs; however, the Air Force believes this requirement can be substantially met with innovative application of ANG State Partnership Programs and Mobility Support Advisory Squadrons. We are working with partner nations to build and sustain ISR capacity and help them effectively counter threats within their borders. We are also pursuing international agreements to increase partner satellite communication, space situational awareness, and global positioning, navigation, and timing capabilities.

The Air Force also recognizes that it cannot build effective international partnerships without effective U.S. Government interagency partnerships. To that end, we are a strong supporter of State-Defense exchanges and other programs that provide interagency familiarity and training.

Agile Combat Support

Underpinning our capacity to perform the missions in these core functions is the ability to create, protect, and sustain air and space forces across the full-spectrum of military operations—from the training, education, and development of our airmen to excellence in acquisition. The fiscal year 2013 budget request includes $31 billion for agile combat support.

We will continue to support our airmen and their families through quality of life and support services such as child care and youth programs and initiatives, medical services and rehabilitation for wounded warriors, improvements to dining facilities, food delivery, fitness centers, and lodging. We are partnering with local communities, where feasible, to provide the highest-quality support, and we are changing the way that we provide services so that airmen and their families are more able to easily access and receive the support they need. To ensure we continuously focus on and improve readiness and build a more agile and capable force, we have strengthened technical and professional development by enhancing technical training, professional military education, and language and culture programs.

The Air Force is committed to sustaining excellence with a smaller force. We remain attentive to force management efforts and continue to size and shape the force to meet congressionally mandated military end strength. A series of voluntary and

involuntary force management efforts have been successful in reducing Active Duty end strength. Force management programs in fiscal year 2012 include voluntary and involuntary programs which lessen the need for involuntary actions in fiscal year 2013. We are posturing accessions for the long term and ensuring the right balance of skills exists to meet operational requirements. The Air Force will meet its OSD-directed civilian end strength target for fiscal year 2012. The Force Management Program is not a quick fix, but a tailored, multiyear effort to manage the force along the 30-year continuum of service.

We are improving acquisition processes, recently completing implementation of the Acquisition Improvement Plan (AIP). We have also institutionalized the "Better Buying Power" (BBP) initiatives promulgated by the Under Secretary of Defense for Acquisition, Technology and Logistics and are expanding those improvements through our Acquisition Continuous Process Improvement 2.0 (CPI 2.0) effort. The major elements of the CPI 2.0 Initiative—process simplification, requirements, realizing the value proposition, and workforce improvement—will build upon the BBP initiatives and continue our momentum in improving our acquisition workforce skills.

We are ensuring the Air Force continues to have war-winning technology through the careful and proactive management of our science, technology, engineering, and mathematics (STEM) workforce and improving our means to attract and recruit future innovators for the Air Force. Properly funding our science and technology laboratories enables them to continue discovering, developing, and demonstrating high-payoff innovations to address the changing strategic environment and sustain air, space, and cyberspace superiority. Therefore, the Air Force's budget protects science and technology funding as a share of our total resources.

Science and technology investments are also a key toward enhancing our energy security and meeting our energy goals. The Air Force is requesting more than $530 million for aviation, infrastructure, and RDT&E energy initiatives in fiscal year 2013 to reduce energy demand, improve energy efficiency, diversify supply, and increase mission effectiveness. A focus of these initiatives is to improve our energy security by diversifying our drop-in and renewable sources of energy and increasing our access to reliable and uninterrupted energy supplies. We are investing more than $300 million in energy RDT&E, which includes $214 million for the fiscal year 2013 Adaptive Engine Technology Development (AETD) Initiative. This initiative will build upon the Adaptive Versatile Engine Technology (ADVENT) effort to reduce energy consumption and improve efficiency and reliability of future and legacy aircraft.

We are continuing to support an important aspect of our readiness posture through weapons system sustainment, the requirements for which have grown due to the complexity of new aircraft, operations tempo increases, force structure changes, and growth in depot work packages for legacy aircraft. We are mitigating overall WSS growth through efficiency efforts and requirements reviews. WSS funding through overseas contingency operations (OCO) requests remains critical while we continue to be engaged in these global operations. For fiscal year 2013, we are seeking $11.6 billion in WSS (including OCO). We are committed to retaining three strong organic depots. In fiscal year 2012, we are investing approximately $290 million in new technologies and infrastructure in all of our depots. Although we may have a short-term challenge to meet the title 10, section 2466 Depot 50/50 Rule requirements due to force structure changes, we have a robust plan in place to perform organic repair for future weapon systems like the KC–46A.

As noted earlier, Air Force continues to emphasize the importance of maintaining readiness in support of our FHP. The Air Force's $44.3 billion fiscal year 2013 operations and maintenance request supports 1.17 million flying hours for new pilot production, pilot development, maintenance of basic flying skills, as well as training of crews to support combatant commander priorities.

Facility sustainment, restoration and modernization, and MILCON are essential tools for providing mission capability to our warfighters. The $441 million in MILCON funding, a $900 million decrease from fiscal year 2012 enacted levels, represents a conscious decision to take a deliberate pause in MILCON investment. During this pause, we will maintain funding levels for facility sustainment at $1.4 billion and restoration and modernization at $718.1 million. We will continue to fund the most critical construction priorities of our combatant commanders and the Air Force, including projects aligned with weapon system deliveries—supporting beddowns for the F–22, F–35, HC–130J/C–130H, and MQ–9. In addition, our investment funds some much-needed support to our airmen, with $42 million in dormitory recapitalization.

CONCLUSION

Given the continuing complexity and uncertainty in the strategic environment, and a more constrained fiscal environment, DOD and Air Force resources are appropriately targeted to promote agile, flexible, and cost-effective forces, and to mitigate strategic risks. The fiscal year 2013 Air Force budget request reflects the extremely difficult choices that had to be made that will allow the Air Force to provide the necessary capability, capacity, and versatility required to prevail in today's and tomorrow's wars, prevent and deter conflict, and prepare to defeat adversaries and succeed across the range of potential military operations—all the while preserving and enhancing the All-Volunteer Force. Additional reductions would put at risk our capability to execute the new strategic guidance.

We are confident in our airmen and their families. They are the best in the world, and we rely on them to meet any challenge, overcome any obstacle, and defeat any enemy—as long as they are given adequate resources. As they have time and again, our airmen innovators will find new and better ways to approach future military challenges across the spectrum of domains and against nascent threats. We are committed to excellence and we will deliver with your help. We ask that you support the Air Force budget request of $110.1 billion for fiscal year 2013.

Chairman INOUYE. Thank you very much.

General Schwartz.

STATEMENT OF GENERAL NORTON A. SCHWARTZ, CHIEF OF STAFF

General SCHWARTZ. Mr. Chairman, thank you. Vice Chairman, members of the subcommittee, just a brief addendum to the Secretary's comments, if you would allow me, on military compensation.

I would appeal to the subcommittee, Sir, to carefully consider those initiatives in our budget proposal that begin to tackle escalating personnel costs: compensation, healthcare, and retirement. Among all the other challenges facing us, the reality of fewer members of the Armed Forces costing increasingly more to recruit, train, and retain for promising careers, I think, is the monumental Defense issue of our time.

Our inability to address this issue properly will place other areas of the budget, including force structure and modernization, under yet more pressure, forcing out needed military capability, at a time when we already are right sized for the likely missions ahead.

Sir, we look forward to your questions.

Chairman INOUYE. Thank you very much. If I may, Secretary Donley, your budget request proposes to terminate or restructure a significant number of programs and force structure which were funded in the fiscal year 2012. Now, can you provide this subcommittee some assurance that the Air Force is not ramping down its activities until we act on the fiscal year 2013 Defense bills?

Mr. DONLEY. Yes, Sir, I can. Our guiding principle is that we will not take any irreversible actions before the Congress has had a chance to review and approve, or adjust, the proposals made in the President's budget. There is a different situation with respect to each program. We have some programs, such as the Global Hawk, for example, Block 30 capability, that has already been fielded. Some aircraft are in procurement, and then there were dollars appropriated for additional procurement beyond that.

So, at appropriate points in contracts, we are taking pauses to slow down but are taking no irreversible decisions. The one exception to that that I mentioned in my statement is the Defense Weather Satellite System, which the Congress actually terminated

in fiscal year 2012. So, we have taken steps to terminate that program.

Chairman INOUYE. In your fiscal year 2013 budget request, you're cutting down the size of the Air Force personnel by 9,900. Now, it will take place in this fiscal year 2013. What force-shaping tools are you using to make these reductions?

Mr. DONLEY. Sir, we appreciate the support of the Congress in the last year to provide additional force-shaping tools for the Air Force and for the rest of the uniform services to adjust, as required, the size of our forces. We have been very aggressive in the last couple of years to get down the size of the Air Force. Our Active Duty has been over strength, at one point, by up to 5,000 or 6,000 personnel. So, we've taken aggressive action in the last 2 years to get down to authorized levels.

We will await the outcome of the congressional deliberations, but at this point we are hopeful that we can avoid potentially adverse force-shaping methods going into fiscal years 2013 and 2014. We're still not sure, but I think we're well-positioned, given the actions we've taken in the last couple of years.

Chairman INOUYE. General Schwartz, do you have anything to add?

General SCHWARTZ. Sir, I would just reiterate that at the moment it appears we will not have to use involuntary measures, that the voluntary incentives that are available, including those recently approved, will serve the purpose.

Chairman INOUYE. Mr. Secretary, General Schwartz, I have several other questions, but because of the legislative schedule, I'd like to submit them for your consideration. May I now recognize the Vice Chairman.

Senator COCHRAN. Mr. Chairman, my question is a follow-on to your first question. It seems that the Air Force may be getting ahead of the Congress here on making decisions to shut down operations of one kind or another, in anticipation of cuts that will be approved in the budget, but which have not yet been debated or reviewed carefully so that it will be ready to make any announcements.

Are any of these decisions that you've been making to shut down operations, like at Meridian, Mississippi, and other places, final decisions, or when do you consider that to become a final decision?

Mr. DONLEY. Well, certainly, we need congressional action on the fiscal year 2013 to confirm a way forward in these force structure adjustments. At the same time, we'll be frank with the subcommittee that many of our force structure adjustments are frontloaded to fiscal year 2013. So, we do need to continue the planning that would allow us to implement our proposals, should you approve them. So, we will need to go forward with planning, but, again, the Congress has the final say on next steps.

Senator COCHRAN. So, I understand from that that operations are not going to be affected in the foreseeable future, or during this next fiscal year, necessarily, unless the Congress approves it. Is that what I understand you to say now?

Mr. DONLEY. That's correct. The operation of the Global Hawk Block 30, the operation of the C–27s that have been delivered, those, for example, continue.

Senator COCHRAN. Thank you, Mr. Chairman.
Chairman INOUYE. Thank you.
Senator Alexander.

STATEMENT OF SENATOR LAMAR ALEXANDER

Senator ALEXANDER. Thank you, Mr. Chairman. Mr. Secretary and General Schwartz, thank you for being here.

General Schwartz, we met a couple of years ago, and we talked about the C–17s, and how to get them to Memphis and replace the aging C–5As. You're now on a path to do that, according to your proposal. As I understand it, the C–17s will be relocated in fiscal year 2013. What's the exact timeline for getting the C–17s to Memphis?

General SCHWARTZ. I would like to get you the exact timeline for the record, if I may, but I think that is a reflection of a larger effort that's under way to reshape the airlift force by retiring, in terms of the big aircraft, the 27 remaining C–5As and repopulating with C–17s and/or the re-engined C–5s across the fleet.

[The information follows:]

When the fiscal year 2013 President's budget was being developed, the Air Force determined that the Tennessee Air National Guard's 164th Airlift Wing at Memphis would convert from C–5As to C–17As, completing an action initiated during the fiscal year 2012 President's budget request. Memphis receives the first four C–17A aircraft in fiscal year 2013, with the remaining four aircraft arriving in fiscal year 2014. The schedule was planned around the transition between missions, accounting for C–5As retirements to make room for C–17As, as well as allowing for the retraining of aircrew and maintenance personnel. C–5As are planned to complete retirements from Memphis by the end of fiscal year 2014.

Air Mobility Command will work closely with the Air National Guard to ensure the most effective plan is implemented, adjusting the arrival plan accordingly based on the specific details of the C–5A retirement schedule and progress of C–17A training for Memphis personnel.

Senator ALEXANDER. Well, you have come to a conclusion that I certainly support, in recognition of the unusually good facilities you have in Memphis, and the same kind of conditions that the FedEx super hub, and the world runway, and others have. It makes a lot of sense to do that. And I'd be interested in any further detail about the timeline for that action.

Let me ask you a couple of questions, and then I'll stop, so other Senators can have their time. I want to ask you about the Arnold Engineering Development Center in Tullahoma, Tennessee. You've announced a restructuring of the Air Force Materiel Command. You're going to reduce the number of them. You're going to save some money doing that, eliminate civilian positions, and the Arnold Center, as a part of that restructuring, will be renamed. It will be reported to the Air Force Test Center at Edwards Air Force Base in California. All of which seems to me, again, to make a lot of sense, in terms of the demands that you have to reduce the size of what you're doing.

I wanted to express my support for your decision. Even though I know it's a difficult one, it ought to help the testing mission, and I believe it makes good sense. So, I know that sometimes as you go through these restructurings, you get expressions of lack of support. I want to give you one of support. And I want to ask you what you can tell me about the timeline for implementing the Air Force Materiel Command realignment plan. In other words, when do you

expect Arnold to start reporting to Edwards Air Force Base in California?

General SCHWARTZ. Sir, that is a fiscal year 2013 initiative, and so it would happen during the fiscal year, and we've got phased approaches. As you know, we're taking 10 direct reports to the Air Force Materiel Command Commander down to 5, and that will be done in a phased basis, and it will also include the transitions of supervision, in some cases, from, for example, two stars to one star to address the reduction in general officer manning that we've been mandated to undertake.

So, once again, Sir, with your permission, we'll give you the exact timeline with respect to the test center specifically, but it's a fiscal year 2013 undertaking.

[The information follows:]

The timeline for implementing the Air Force Materiel Command realignment comprises a transition period from early June 2012 through September 30, 2012. During this transition period the command will begin to shift to a new framework and refine processes necessary to operate in the new construct. This transition period is necessary to work through the many required changes in order to successfully meet the initial operating capability objectives. Initial operating capability includes completion of organizational alignment, new processes established, and personnel in place to support the new structure. Full implementation execution will commence on October 1, 2012 (fiscal year 2013) with completion of stand-up activities of the new Air Force Materiel Command five center organization. The re-designation of the Arnold Engineering Development Center to the Arnold Engineering Development Complex is planned to occur coincident with leadership change in the July timeframe. Full alignment to the Air Force Test Center (re-designated from Air Force Flight Test Center) will be complete by October 1, 2012.

Senator ALEXANDER. Thank you. Thank you, gentlemen. One last question. I was talking with Colonel Brewer, who's the base commander at Arnold. Looking way down the road, he reminded me that the facilities of the base are 50 years old. And I know at a time of less money and restructuring that it's tempting not to spend money on long-term planning for maintenance and modernizing, but we all know, as I'm sure you do, that there has to be a long-term plan to ensure that critical testing facilities such as that are at a very high level with cutting-edge technologies.

What plans have you undertaken to make sure that the testing facility there remains capable of its mission over the long-term.

General SCHWARTZ. Sir, as you know, there's a number of unique facilities at Tullahoma.

Senator ALEXANDER. Yes.

General SCHWARTZ. Including the high-speed test tunnels, and so on, and so forth. And among other things, we have invested in energy initiatives at Tullahoma in order to reduce the costs of operation there and to have a more efficient footprint.

As you are aware, many of these test facilities are very energy intensive, and one of those major efforts under way is not only to make them modern in terms of their test capacity, but importantly, how we manage the energy consumption at that installation.

Senator ALEXANDER. Thank you, Mr. Chairman, and thank you, General.

Chairman INOUYE. Thank you, Senator Alexander.

Senator Coats.

STATEMENT OF SENATOR DANIEL COATS

Senator COATS. Thank you, Mr. Chairman, and Mr. Secretary and General, thank you for your testimony.

As I understand it, the downsizing of certain assets is the consequence of the Office of the Secretary of Defense (OSD) decision to basically scale back to be able to engage in one full-time combat operation with a sort of a hold on a second rather than the two full-effort strategy that we've been under. And that has had an effect, I believe, on your decision, relative to the A–10s, apparently.

But setting that strategy aside for another day, I want to ask a question about the A–10s. As you know, the 122nd Fighter Wing in Fort Wayne, is home to those A–10s. And under the plan, that would be switched to an ISR platform in the future.

I know that the Guard has submitted a counterproposal, which meets your goals. They even said, look, we understand these cutbacks are necessary, reductions are necessary, and so forth, but that counterproposal provided, I think it was based on the premise that when those A–10s are not in combat, they have to be deployed not overseas, but to some base, whether it's Active, or Reserve, or Guard. And in so doing, when they're not deployed, there's significant cost savings for that, and I think the 122nd has demonstrated that pretty effectively; less than one-third of the cost, if it's based on an active base.

My question is: Have you been able to review that proposal? Have you come to a conclusion on it? If so, what is that conclusion, and what's the justification for it?

Mr. DONLEY. So, as you alluded to, Senator, the Council of Governors approached the Secretary of Defense and asked if he would be open to suggestions for how to adjust the fiscal year 2013 President's budget. The Secretary indicated he would entertain suggestions. The Council of Governors did table a proposal almost 2 weeks ago, and that has been under review.

We've met three times with the empowered adjutant generals that the Council of the Governors have directed to work with us, General Wyatt, and also the Chief of the National Guard Bureau, General McKinley. The Chief and I have met now, as I said, three times. This work is ongoing, and we've not yet reached a conclusion, but we recognize the need to do so in time to meet the appropriate congressional markups that are in front of us in the next couple of months.

Senator COATS. Well, I very much appreciate it when you do reach a conclusion that we be informed about that. Obviously, it affects what has been, I think, rated over, and over, and over a very cost-effective unit, the 122nd at Fort Wayne. Again, we're not chaining ourself to the fence here and saying you can't touch this for any reason, whatsoever. We understand the need to make these reductions, but if there is a means by which makes sense, help you meet your goals, and save the funds, we certainly would like to have you give that very, very serious consideration.

General, anything you might want to add to that?

General SCHWARTZ. Sir, we are doing just exactly that, and we'll be bringing the conclusions of our work to the attention of the more senior people in the department within days.

Senator COATS. Good. Well, I've always tried to be supportive, whether it's base closings or anything else, in terms of the most cost-effective efficient military, and would be happy to work with you on that. And I thank you very much for your response.

Thank you, Mr. Chairman.

Chairman INOUYE. Thank you, Senator Coats.

Senator Johnson.

STATEMENT OF SENATOR TIM JOHNSON

Senator JOHNSON. Secretary Donley, General Schwartz, thank you, and welcome, for being here today.

Secretary, the Air National Guard is a cost-effective force of experienced airmen. Given our difficult fiscal situation, why does the budget request propose disproportionate cuts in aircraft and manpower for the Air National Guard?

Mr. DONLEY. Sir, the adjustments in our manpower were driven by adjustments in the force structure itself, and the fighter force structure, and in the mobility force structure. Those changes were prompted by the adjustments and strategic guidance that we received that asked us to reorient geographically toward, certainly, the sustaining missions in the Middle East, but also look more carefully at Pacific priorities, going forward, and recognizing that the overall size of the ground forces are going down.

So, the force structure adjustments that we proposed were connected to those strategic judgments and the direction from the department that we could take additional risk in the fighter force structure. And as we looked at the fighter force structure and the mobility force structure as well, the key issues for us were how to develop on a total force basis the right balance between Active and Reserve component capabilities. Not just to husband reserve capabilities, as a strategic reserve back in the United States, but on a total force basis, how to integrate the Reserve components and the Active forces with the ongoing commitments of the United States Air Force 24/7, 365, and also to be able to meet surge and sustaining requirements. And this is what brought a closer attention to the Active and Reserve balance.

The size of our Air Force now is so small, as a result of the proposals that we're making here, we will be the size of the Air Force in 1947, when this Air Force was first created, on the Active-Duty side. So, as we go forward together, our Reserve and Active components have to be more closely integrated, and we can't get either side of this out of balance going forward.

I'd ask the Chief to add to this.

General SCHWARTZ. The only thing I would add to the Secretary's comments is one of the principle considerations was what will the activity level be for deployment requirements that's both rotational and potential surge contingency requirements. And with a smaller force, you have to assure that you can spread that activity level properly across the entire inventory, and that suggested that we needed to get the balance so that the Active Duty would not be more busy than what we call a deploy-to-dwell ratio of 1 to 2. In other words, 6 months deployed, 1 year home, and for the Reserves, not less than 1 to 4, ideally 1 to 5. And the reason is, if we overuse any of these components, especially when the economy turns up,

we will end up in a situation where Active Duty will not stay with us, and on the Guard and Reserve side, perhaps employers, and family members, and so on will see the activity level on the Guard side as too active-duty like. And so, this was trying to get the mix right, so that we could maintain the anticipated activity level without overusing either of the components, Sir.

Senator JOHNSON. General Schwartz, we look forward to hosting you at Ellsworth Air Force Base in May to celebrate the 70th anniversary of the base. Ellsworth has a proud history and will continue to play an important role for the Air Force.

Looking to the future, is the Air Force close to issuing the record of decision on the Powder River Training Complex?

General SCHWARTZ. Yes, Sir, we are. We got numerous comments from all interested parties on the environmental impact statement, some of which were not favorable. So, we took a brief pause to digest those comments and make sure that the requirements that we had were appropriate and justified. We have concluded that work, so the record of decision is imminent, and we will publish that in the appropriate fashion, Sir.

Senator JOHNSON. Thank you.

C–130 MOVE FROM FORT WORTH

Chairman INOUYE. Thank you very much.

Senator Hutchison.

STATEMENT OF SENATOR KAY BAILEY HUTCHISON

Senator HUTCHISON. Thank you, Mr. Chairman, and thank you, Mr. Secretary and General Schwartz.

Many of us were stunned about the plan that you have to remove eight of the C–130s from the Fort Worth Joint Base, from the 136th Airlift Wing, and to move those to Great Falls, Montana. That 136th has been crucial for the evacuation of victims of hurricanes and storms. In fact, all five Governors of States on the gulf coast sent a letter to the President, strongly asking that this relocation not occur. They said, "Losing the C–130s takes away a powerful airlift asset for saving the lives of Gulf Coast State citizens."

Now, these are Governors who have relied heavily on the 136th Airlift Wing in response to Hurricanes Gustav and Ike, in 2008, Dean in 2007, and Hurricanes Katrina, Rita, and Wilma in 2005. In fact, the 136th has flown 423 sorties in response to storms, have safely evacuated more than 3,000 victims, and delivered 939 tons of emergency aid. So, there will be no Guard C–130s on the entire gulf coast, which we know is one of the key places where hurricanes certainly hit, but we also have tornado alley in that area.

In addition to that, General Schwartz, the Air Force has requested a $3 million earmark in fiscal year 2013 for operations and maintenance to fund a temporary shelter for these C–130s in Montana. The Air Force has also requested $20 million in military construction funding for fiscal year 2014 for conversion of facilities from F–15 to C–130s. The DOD said in the request that the C–130s cannot fit inside the current hangar and perform maintenance, thus negatively impacting the C–130 mission.

Until this proposed project is completed, the lack of a fuel cell control facility will also cause maintenance delays, forcing fuel cell

work to be done on the ramp in harsh winter conditions. You responded, General Schwartz, to Congresswoman Kay Granger in a March 6 hearing that the Air Force has not yet completed all the work on this.

I'm hoping you're going to say today that it is still being assessed and possibly for a rethinking of this kind of a transfer, when these have been so vital to an area that is, really, the area of the country that has the most disasters and emergency needs, and this 136th is specifically trained to be the immediate response for these Governors that use the Wing.

So, my question is: Are you reconsidering, and if not, why not?

General SCHWARTZ. The short answer is yes, we are. In fact, part of the Council of Governors' proposal was an adjustment to our original recommendations. So, as the Secretary indicated, it certainly is under consideration.

I would only offer this context, though. While it is true that there are no Air National Guard C–130s in the gulf region——

Senator HUTCHISON. There are Reserves.

General SCHWARTZ [continuing]. There are numerous other C–130s.

Senator HUTCHISON. Yes.

General SCHWARTZ. Both Active Duty and Reserve. And that the fiscal year 2012 National Defense Authorization Act enables the Active Duty now to provide support to civil authority much like the interstate compacts that exist, you know, between the States for title 32 application of the Air National Guard.

Nonetheless, the short answer to your question is yes, it certainly is under consideration, and for some of the reasons you mentioned, and others as well.

Senator HUTCHISON. Did you have a comment, Mr. Secretary?

Mr. DONLEY. I just wanted to reinforce that yes, we are looking at this in the context of the Council of Governors' proposal, but to reiterate, as we go forward, and the military becomes stronger, we need to think about the most efficient use of our Armed Forces across components. And we know this has been an issue for the Guard. But in the gulf region, we have Active, Guard, and Reserve airlift. We have about 100 either C–130-like or helicopter-like capabilities that are available. And we have done the analysis on support to hurricanes and tropical storms on the gulf coast. And the numbers show that the Active Duty actually ends up flying in support of the States, and the Federal disaster support planes have flown fully one-half or more of those kinds of missions. So, we are, as a total Air Force, available to support the Governors' needs, when there is a natural disaster.

Senator HUTCHISON. Well, let me just say that I do think that the guard is the immediate call, that is, all of the training with the Governors is guard, and they have been very successful, and immediate. They give the immediate response.

And second, as the former chairman and ranking member, with my colleague, Senator Feinstein, of the Military Construction Committee, I know that when you have facilities, and then you talk about moving, and constructing all new facilities, really, because they're not prepared for it, and then you have the operations and maintenance increase, I just would hope you'd look at the effi-

ciencies there, where you've got the support at the joint base, also a part of the policies of the DOD to have joint bases that are more efficient. It's a Navy lead base, but Air Force has both fighter wings, as you know, a fighter wing, as well as the C–130.

So, I'm just saying it's hard for me to see an efficiency argument here, when if it ain't broke, don't fix it sort of attitude. So I'm hoping you will reconsider, for whatever reasons that are the right reasons, and keep this very vital asset where it's performed so well. Thank you very much.

Thank you, Mr. Chairman.

Chairman INOUYE. Thank you.

Senator Feinstein.

STATEMENT OF SENATOR DIANNE FEINSTEIN

Senator FEINSTEIN. Thank you very much, Mr. Chairman. If I may, gentlemen, I'd like to follow-up on Senator Hutchison's question, because it also affects Fresno, California, and the 144th. It's my understanding that F–16s are being replaced with F–15s. Is that transfer on course, General?

General SCHWARTZ. It is, Ma'am.

Senator FEINSTEIN. And will the 144th remain?

General SCHWARTZ. It will, with the new F–15 equipage.

Senator FEINSTEIN. So, in terms of Fresno, which is a community that is very upset about it, it will be a substitution, and as far as the community is concerned, there will be a continuation.

F–16 TO F–15 CONVERSION AT FRESNO

General SCHWARTZ. The Air Sovereignty Mission, which the wing has performed from Fresno, will continue, except with F–15s vice F–16s, which, frankly, are a better fit for that particular mission.

Senator FEINSTEIN. Well, that is your department, and if you say so, I'm certainly not one to contest that. As long as that feature remains in place, that's excellent.

Secretary Donley, I wanted to ask you, on page 19, in your written testimony, and I'm sorry, I missed your oral testimony, you make this statement, "The Air Force must procure our space systems at the lowest cost possible, while providing assured access to space." That's a direct quote. I'm very concerned that this is not the case, that with the United Launch Alliance (ULA) contract, details of which are apparently not put out, that there is no competitive bidding, and that there is a company, a California company, that could competitively bid, come 2014, and reduce the per-unit cost per ULA booster core from $420 million to $60 million, over a contract term; therefore, saving literally billions of dollars.

The rockets are all produced in this country, rather than one-half of the rockets being produced outside the country, from the joint venture between the two big aerospace companies.

I have felt this way in the Energy and Water Development Subcommittee. I chair that subcommittee, and we've had this problem with small nuclear reactors being limited, just the two big ones for licensing help. I see the same thing happening here. Instead of being able to open the process for competition, the big companies are chosen, and it's a long contract. And I understand they tell you, well, if we don't have the long lead, the price will go up. But then

you have a company, relatively new, have done a lot of testing, has other contracts, would like to participate, and cannot.

Could you respond to that?

EVOLVED EXPENDABLE LAUNCH VEHICLE COMPETITION

Mr. DONLEY. Absolutely, Senator. I think we have a good site picture here for space launch. We have been concerned about the cost of the Evolved Expendable Launch Vehicle (EELV) program and ULA's performance. We believe we've been paying more than we need to for space launch.

The flipside is that we've had a string of successful launches, and we have repaired some of the previous problems and issues we had with assured access to space, and lost payloads a few years back. So, this has been a long, very focused effort to develop assured access, and to increase the reliability and sustain the reliability of space launch.

Now, we're at a point where we've achieved that with the EELV, but we'd like to get a better price for that work. So, we've had a should-cost study completed and other studies under way for some period of time, to better understand the cost basis of the EELV contract, and to renegotiate that contract going forward. And we are in the process of doing that. We will have an acquisition strategy ready later this spring that provides more flexibility for the government, and we think better savings for the taxpayer.

[The information follows:]

The Air Force plans to release a request for proposal that will help properly inform the Government decision on the quantity and length of the first phase; and then award a contract based on analysis of the most advantageous approach to the Government. The Air Force has not determined a final quantity or duration for the contract starting in fiscal year 2013. The Air Force believes it is essential to have more fidelity in the Evolved Expendable Launch Vehicle (EELV) pricing strategy before making a long-term contractual agreement. In order to validate the most advantageous production rate and commitment period, and to use maximum leverage in negotiations, the government will require the contractor to propose a range of fixed prices for various rate and commitment options. The decision on the specific contractual commitment will be balanced among price, operational requirements, budget realities (including all fiscal law constraints), and potential for competition. Requirements above the contract commitment will be met through a full-and-open competition among all certified providers. While United Launch Alliance is currently the only responsible source certified to launch EELV class payloads, research indicates there are potential new entrants; however, the earliest timeframe to meet all EELV-class launch requirements appears to be fiscal year 2016–2017.

In order to facilitate the certification of potential New Entrants, the Air Force has identified two opportunities that providers may bid on—the Deep Space Climate Observatory mission (currently scheduled for late fiscal year 2014) and the Space Test Program–2 mission (currently scheduled for late fiscal year 2015), which were funded by the Congress in fiscal year 2012. These EELV-class missions have a higher risk tolerance and will provide an opportunity for potential New Entrants to prove their capability for certification.

When the phase I block buy expires, assuming new entrants are certified, we will have a full and open competition for launch services for the second Phase.

Mr. DONLEY. At the same time we're working on the EELV side we've been working with National Aeronautics and Space Administration (NASA) and the National Reconnaissance Office (NRO) to develop a joint process through which new entrants into the space launch business gets certified by having opportunities to fly DOD payloads or other Government payloads of perhaps lower risk or lesser value, in order to prove out the reliability of their systems.

And so, we agreed at the end of last year on new entrant certification criteria. We have a process for doing that. In fiscal year 2012, we will go out on contract for two payloads that are being set aside for the new entrants, and so that work will continue through this spring. But, our objective is to get the cost of EELV down, and to bring in new competitors into space launch that will help to continue to provide more competition in this area.

Senator FEINSTEIN. Well, I thank you for that answer. I just need time to analyze exactly what it means. Let me just go to basics. You know what I'm talking about. Will SpaceX be able to compete?

Mr. DONLEY. I believe we've addressed the issues raised by the new entrants, including SpaceX, in the work that we've done over the last year. So, I think there is an open path, and I believe SpaceX and the other new entrants understand the opportunities available, and what they will need to do to be certified for EELV class launches in the future, so we can bring competition into this work.

Senator FEINSTEIN. And when would that competition begin? When would the first year be when a new company can compete?

Mr. DONLEY. Well, the initial work this year is to identify less-risk, lower-value payloads for these new entrants to demonstrate their launch capabilities. And that will happen this year. Those launches, I believe, are scheduled for 2014 and 2015. So, this has to play out over a few years.

Senator FEINSTEIN. Okay.

Mr. DONLEY. That work is under way.

Senator FEINSTEIN. Let me ask you specifically. In 2014 and 2015, will there be an open competition?

Mr. DONLEY. Let me get back to you on the record for that, because we do not have a predictable path for exactly when the new entrants will be certified. And we have not yet completed the acquisition strategy for EELV, going forward. Although, it's our intent to build into that acquisition strategy the flexibility for the Government to determine at what point competition comes in.

Senator FEINSTEIN. Right.

Mr. DONLEY. So, there's some unknowns here.

Senator FEINSTEIN. Well, I really appreciate that, Mr. Secretary. And what I'm told is, and this may be wrong, that they're under the impression they cannot compete for the rest of the decade. That's tragic, because it could be, I'm not saying it would be, but it could be a savings of many billion dollars, if they're competitive.

Mr. DONLEY. So we'll continue to look.

Senator FEINSTEIN. All right. I appreciate that. General, would you like to make a comment?

General SCHWARTZ. Just quickly, Ma'am. And the Secretary is the real expert here, but two important points. There are two payloads that the new entrants will have an opportunity to fly. That's the Discover mission and the Space Test Program II payload.

The bottom line here, from my point-of-view, is I don't want to put a $1.5 or $2 billion satellite atop a rocket for the first flight. I think it's important for us to manage risk. We would do the same thing on the air-breathing side. So, this needs to be done in a deliberate way, where the new entrants demonstrate the reliability of their platform so we can get that $2 billion satellite into orbit.

Senator FEINSTEIN. I think I understand. I'm trying to understand. Again, my interest is a competition, where everybody can compete, and the Government can hopefully save some money. So, Mr. Secretary, I appreciate your comments, and I trust we can stay in communication, and you'll let me know.

Mr. DONLEY. Absolutely.

Senator FEINSTEIN. Thank you very much. Thank you, Mr. Chairman.

EIELSON AIR FORCE BASE

Chairman INOUYE. Thank you.

Senator Murkowski.

STATEMENT OF SENATOR LISA MURKOWSKI

Senator MURKOWSKI. Thank you, Mr. Chairman.

Mr. Secretary, General, thank you for being with us. Your leadership greatly appreciated. And General, I thank you for your recent visit to the interior of Alaska. As we discussed with community leaders, the proposal to move the F–16 aggressor squadron from Eielson Air Force Base (AFB), we know that we've kind of seen this movie before, that this was suggested back in the 2005 base realignment and closure (BRAC), a great deal of discussion, ultimately, that the decision was made not to move that aggressor squadron. Now, the proposal is before us again.

I know that you have seen the chart there that demonstrates Alaska's geographic position in the world. In fact, I think you probably had that in your office when you were in Alaska, so I don't need to speak to that. But, I still have a very difficult time understanding a proposal that would somehow possibly decrease our presence in Alaska, when the administration says that we're going to focus our attention on the Asia and the Pacific.

And I continue to press for the answer from the Air Force as to its intentions with Eielson AFB to continue that installation as a fully functioning base that allows the 168th Air Refueling Wing to fully conduct its critical refueling mission as part of the administration's Asia-Pacific focus. I guess I would like to hear that assurance that Eielson AFB will continue in that very, very significant role, and would ask a series of questions then, in terms of what we might anticipate with the site survey, going forward.

General Schwartz, I have sent a letter asking that with this site survey that will be conducted, I understand now in April that the team include a general officer and also a provision to consult with the Alaska National Guard, since the plans there at Eielson AFB will significantly impact this 24-hour, 365-day-a-year refueling mission with the Guard.

So, I'm wondering where we are on that request with the site survey coming forward, and again, a reaffirmation of that very critical role that Eielson AFB has historically played for the Air Force.

General SCHWARTZ. Yes, Ma'am. Clearly, the intent is to support in its entirety the 168th mission and not just the 168th. But there are other activities at Eielson AFB, the Arctic Training School, and so on, and so forth, that will continue, and will not be diminished by the relocation of the F–16s or the associated reduction of base operating support that's tied to that relocation.

I can't commit today to a flag officer for the survey, but clearly, the interaction will include the Guard and all other stakeholders that have an interest, obviously, in Eielson AFB.

And, Ma'am, as you know, not only is Eielson AFB the home for the 168th, it is the access point for the range area just to the west, and so on. And that will continue to be the case. And 23 million gallons of jet aviation fuel stored there is a significant asset that clearly is in the back of our mind continuously, especially with the new emphasis and the strategy on the Asia-Pacific.

Senator MURKOWSKI. Well, let me ask you about the cost savings. And again, I remind all that we've looked at this once and determined that the cost savings were simply not going to be there.

The proposal to move the squadron from Eielson AFB down to Elmendorf Air Force Base is one that I think is somewhat problematic. We've got, currently, at Joint Base Elmendorf-Richardson (JBER), about 400 soldiers that are already in temporary barracks. So, by relocating significant number of airmen and their families down into that area, I want to know whether or not we have determined what the cost to house these new airmen at JBER would be, how and when we would fund that, because as you indicated when you were in Alaska, this proposal would move forward next summer.

What level of analysis has been conducted to date with regards to the accommodations at JBER? Not only with the housing, but the additional infrastructure that may be required.

General SCHWARTZ. As you know, Ma'am, we did not do a site survey, and that's the purpose of the undertaking that will go off, I think it starts the 6th of April, specifically. But the key thing here is that, as you're well aware, there used to be three flying squadrons at Elmendorf AFB, and there are two now. And in looking at the tabletop level, at the facilities on Elmendorf AFB, the conclusion was that both for maintenance and ops, and base support, that it was possible to reabsorb a third squadron and to do that efficiently. With regard to military family housing and/or dormitory space, that is a specific output from the survey team on the ground, and clearly, they will give us very precise insights in that regard.

JOINT BASE ELMENDORF ENVIRONMENTAL ANALYSIS

Senator MURKOWSKI. Would moving the F–16s from Eielson AFB to JBER require either an environmental analysis or an environmental impact statement (EIS)? And if so, do we have any handle on what that cost might be? And then, again, how we deal with the funding and the timing again of all of this, if the Air Force is to move forward with the proposal as it is on the table now.

General SCHWARTZ. Given that the most current environmental impact for Elmendorf AFB was addressed at the three-squadron level, the presumption was that it would not require a follow-on study. That, again, is another output from the survey team to confirm that that is, in fact, the case. And so, again, this 2-week effort coming up next month is important in lots of dimensions.

Senator MURKOWSKI. Well, I would certainly concur with that. And again, I would repeat my request, that you consider sending a general officer as part of that site survey. I think we recognize

that it's not just looking at the ledger, the balance sheet there, from a cost analysis, it is incorporating so many of those intangibles that I think is important. The strategic asset that we have up north, sometimes that doesn't necessarily fit into those neat boxes, as you do a cost benefit analysis. And having that level of oversight, I think, would allow for greater comfort with the process, and, hopefully, a greater transparency with that. So, I would hope that you would consider this. We're looking at it, again, with a great deal of anxiety for the interior, but we need to know that we can work with you on that.

Thank you, Mr. Chairman. I know that my time is expired, and we've got a vote, I understand. So, thank you. And thank you, gentlemen.

ADDITIONAL COMMITTEE QUESTIONS

Chairman INOUYE. Thank you very much. Mr. Secretary and General Schwartz, on behalf of the subcommittee, I thank you very much for your service to our Nation and for your testimony, and we look forward to working with you in the coming months.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO SECRETARY MICHAEL B. DONLEY AND GENERAL NORTON A. SCHWARTZ

QUESTIONS SUBMITTED BY SENATOR TOM HARKIN

Question. What cost-benefit analysis was done by the Air Force to determine the savings achieved by closing or reassigning Air National Guard and Air Force Reserve units versus Active-Duty Air Force units? I understand that different types of units have different fixed costs, so if this question needs to be narrowed down, what is the difference in cost, over the course of a 5-year cycle, of different types of F–16 wings?

Answer. While cost savings are part of the decisionmaking process, the most important factor is the Air Force's ability to provide the capabilities required by the new Defense Strategic Guidance, "Sustaining U.S. Global Leadership: Priorities for 21st Century Defense". This new strategy directs the services to build a leaner, more flexible, and technologically advanced force. As a result, the Air Force is rebalancing our Total Force to match the capability and capacity requirements of the new guidance. The proposed Reserve component force structure reductions were determined using a deliberate and collaborative process which leveraged careful analytical review of warfighting scenarios consistent with the new strategic guidance. Two decades of military end strength and force structure reductions in our Active-Duty component have changed the Active and Reserve component mix, and achieving the appropriate Active and Reserve component mix is critical to sustaining Air Force capabilities for forward presence and rapid response, as well as meeting high-rate rotational demands with a smaller force. Therefore, the Air Force did not believe a cost-benefit analysis between the Active and Reserve components for the different types of F–16 wings is warranted.

However, the component mix had to be determined based on the "availability rate" of the two components. As I had recently stated to the Air Force Reserve Senior Leaders Conference, "We place an enormous value on the experience provided by the Reserve component, but we don't want to shift the warfighting burden to a part-time force. This isn't what [the Reserve component] signed up for . . . as we plan our Total Force mix, we keep the components' contributions and commitments in mind and look to size our Active, Guard, and Reserve forces so they can meet their respective roles. If our Active component is too small to meet its demands, then we put our Guard and Reserve forces in the position of breaking other commitments to employers, communities, and families. Alternatively, if our Active component is too large, then we would not be taking advantage of the benefits that our Guard and Reserve forces have to offer."

Question. When conducting a cost-benefit analysis of the costs of an Active-Duty Air Force wing versus an Air National Guard or Air Reserve wing, do you consider costs that may not be reflected in personnel or operations and maintenance costs? For instance, are the costs of maintaining on-base housing for Active-Duty units included in this analysis? Are the costs of maintaining Department of Defense schools for children of airmen to attend included? Are the long-term costs of retirement and TRICARE-for-life benefits included?

Answer. When determining the costs of operating a wing, regardless of component, the Air Force accounts for costs outside of personnel and operations and maintenance. For instance, the costs of facility sustainment, restoration, and modernization are included in any analysis. Base operations support costs are also considered. These costs include communications infrastructure support and maintenance, ground fuels and transportation shipping, contract services, and utilities. With regard to housing, the Air Force evaluates the cost of operating and maintaining on-base units and Basic Allowance for Housing for members not using on-base units. Medical and retirement costs are part of our personnel costs.

Question. What is the annual cost to man, operate and maintain of each United States Air Forces in Europe (USAFE) installation? Can you compare that to a comparable number of Air Combat Command (ACC) and Air National Guard (ANG) installations?

Answer. The Air Force compared three bases from ACC (Seymour Johnson, North Carolina; Shaw, South Carolina; and Moody, Georgia), USAFE (Aviano, Italy; Lakenheath, United Kingdom; and Mildenhall, United Kingdom) and the ANG (Burlington, Vermont; Jacksonville, Florida; and Birmingham, Alabama) and used annual operation and maintenance obligations from fiscal year 2011, excluding overseas contingency operations funding. Military personnel data has also been included for fiscal year 2011. Using this methodology, the below table is provided:

[Dollars in millions]

Command	Base	Fiscal year 2011	Aircraft PAA
USAFE	Lakenheath	439.6	70
ACC	Moody	427.0	64
ACC	Seymour Johnson	414.0	87
ACC	Shaw	371.4	72
USAFE	Aviano	366.5	42
USAFE	Mildenhall	245.0	15
ANG	Jacksonville	89.3	19
ANG	Birmingham	73.8	8
ANG	Burlington	72.6	18

The Air Force cautions this kind of comparison does not include the differences in missions, location, population, mix of officers, enlisted, and civilians, host-nation support, and other variables that make such a comparison misleading as to the value of each installation to the fight. Additionally, it is important to note that costs for USAFE's geographically separated units and smaller units are consolidated into the financial reporting of their owning main operating bases.

The permanent, forward basing of aircraft in Europe represents a key element of our Nation's defense strategic guidance. It avoids the costs and disruption of units by implementing a constant rotation of aircraft and personnel from the continental United States.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

GLOBAL HAWK

Question. Last June, the then Under Secretary of Defense for Acquisition, Technology and Logistics, Ashton Carter certified to the Congress that the Global Hawk was "essential to the National security"; and "that there are no alternatives to the program which will provide acceptable capability to meet the joint military requirement at less cost". And yet in February of this year, the Air Force decided to cancel the program and retire the existing aircraft despite an investment of $4 billion. Additionally, my staff was informed through Mr. Randall Walden, Director for Information Dominance Programs (Office of the Assistant Secretary of the Air Force for Acquisition) that you would like to invest another $1.1 billion to upgrade U–2 aircraft to keep them flying through 2040.

Secretary Donley and General Schwartz, how do you explain what has changed to cancel this program?

Answer. Following the Nunn-McCurdy certification in June 2011, a reduced requirement where the U–2 is sufficient and a reduced budget where the Department could no longer afford to keep investing in RQ–4 Global Hawk Block 30 drove the divestiture decision resulting in a savings of $3.8 billion.

In September 2011, the Department of Defense (DOD) Joint Requirements Oversight Council reviewed recent adjustments in military strategy and determined that conventional high-altitude intelligence, surveillance, and reconnaissance (ISR) requirements could be reduced. The Air Force further determined the U–2, which remains viable until at least 2040, was sufficient to meet the reduced requirements. Continued increased investment in RQ–4 would be required to field a comparable capability to U–2 and was determined to be unaffordable.

Continued, increased investment in RQ–4 was not warranted given a significant reduction in the Department's budget and an alternative system, the U–2, is still operationally viable at considerably lower total cost over the Future Years Defense Plan (FYDP). Although $3.8 billion was saved with the decision to divest Global Hawk Block 30, $1.3 billion (vice $1.1 billion) was needed to continue to operate and sustain the U–2 throughout the FYDP. The net savings to the taxpayer is $2.5 billion.

When the U–2 is employed at its normal operational distance, U–2 operating costs are comparable to RQ–4 costs. The latest actual costs per flying hour data shows that both platforms are operating at $32,000 per hour.

Question. The Global Hawk is a multi-imagery aircraft that carries Electro Optical/Infra-red (EO/IR), and radar system at all times. However, the U–2 is a single imagery aircraft that cannot carry both EO/IR and radar sensors at the same time. This seems in conflict with your statement regarding the Air Force decision to favor retention of multirole platforms over those with more narrowly focused capabilities.

Do you think the specialized U–2 is the answer to meet our Intelligence, Surveillance, and Reconnaissance requirements for the next 3½ decades?

If you do, how much additional money is required to upgrade and sustain these aircraft? How much confidence do you have that an aircraft first introduced in 1955 and previously scheduled for retirement in 2015 will be able to outperform the Global Hawk?

Answer. Although an imagery intelligence (IMINT) and signals intelligence (SIGINT) sensor cannot be carried simultaneously on a single aircraft, the U–2 system is able to perform both missions and is considered multirole. In fact, the U–2 is able to currently outperform the Block 30 Enhanced Integrated Sensor Suite in image quality at range.

It is true that the U–2 was first introduced in 1955, but the "newest" U–2s were brought into service in 1989 and $1.7 billion of investments have been made to modernize the system. The U–2 fleet in its current state has been certified to 75,000 flight hours (2040 and beyond at current utilization rates). In addition to the new engines in 1994–1998, the entire fleet has completed new power distribution (wiring), 21st century glass cockpit, and modern avionics processor upgrades. The U–2s are currently on a 4,000-hour programmed depot maintenance cycle included in the budgeted operating costs.

The divesture of Global Hawk Block 30 saved $3.8 billion across the FYDP. Of that savings, $1.3 billion was put back into the U–2 program to enable continuation of operations throughout the FYDP. The net savings to the taxpayer is $2.5 billion from the divesture of Global Hawk Block 30 and addition of sustainment costs for the U–2.

Question. Given the Air Force is recommending terminating the Global Hawk program what confidence do you have that the Block 40 will not be canceled next?

Answer. There is no plan to cancel the Block 40 program. The fiscal year 2013 President's budget request funds the Block 40/MP–RTIP program ($161.9 million research, development, testing, and evaluation (RDT&E) and $20.9 million Procurement). The Air Force purchased a total of 11 Block 40 aircraft through fiscal year 2011 with delivery of the last two aircraft in fiscal year 2014.

Question. The Congress appropriated $322 million for three Block 30 Global Hawks in fiscal year 2012. What are your intentions with this funding? When the fiscal year 2012 Department of Defense appropriations bill was signed into law, did you anticipate you would not need these aircraft?

Answer. Pending congressional direction for fiscal year 2013, the Air Force does not plan to spend the fiscal year 2012 funding for three additional Block 30 aircraft. The Air Force will continue to work closely with the committees to determine the best way forward and will take no presumptive actions until given direction. When the Consolidated Appropriations Act for 2012 (to include the Department of Defense)

was signed into law on December 23, 2011, the decision on whether the fiscal year 2012 funded aircraft were required was being reconsidered at lower management levels, but a final decision had not been reached.

Question. What is your assessment of the performance of the Global Hawk in combat operations in Libya, Afghanistan, and Iraq and humanitarian missions in Japan and Haiti?

Answer. In Libya, the Global Hawk provided EO/IR and synthetic aperture radar and was used in an ISR role with dynamic responsiveness due to its enhanced duration/dwell time and the ability to fill gaps between other ISR collects. Overall, the Global Hawk was successful in Operation Odyssey Dawn. Assessment details can be made available at a higher security classification.

In the U.S. Central Command theater, the Global Hawk continues to support the combatant command with both theater and tactical ISR. To date, RQ–4 has flown more than 50,000 combat hours, in support of U.S. Central Command operations.

In humanitarian/disaster relief missions, the Global Hawk leveraged its range and endurance as an ISR first-responder. Following the Haiti earthquake, the Global Hawk executed a response mission in 12 hours, effectively providing initial situational awareness, highlighting earthquake damage, status of critical infrastructure, and food/aid drop zones and indicators of mass population migrations. Eight missions were flown, satisfying 2,621 targets.

In Japan, the Global Hawk capitalized on its range and endurance to be overhead in 21 hours. Imagery products were provided to the Secretary of State within 40 minutes of request. In addition to infrastructure damage assessment, supply route analysis, and real-time monitoring of evacuation support, the Global Hawk collection focused on the Fukushima nuclear power plant. Because it is a remotely piloted aircraft, Japan allowed U.S. Pacific Command to use the Global Hawk within the 20 kilometer nuclear engagement zone. Infrared imagery taken directly over the top of the reactors allowed engineers to frequently monitor core temperature levels. In 21 missions and 300 on-station hours, the Global Hawk collected more than 3,000 images.

Question. Secretary Donley and General Schwartz, in your testimony you state that "There is a compelling need to invest in next-generation, high-impact systems so that the Air Force can continue to provide the capabilities on which our Nation relies. The failure to make the proper investments now will imperil the effectiveness of the future force and our ability to execute the new strategic guidance for decades to come".

Secretary Donley, can you tell me how many times you forward deployed the U–2 in the past 6 years? How much effort was involved?

Answer. The U–2 has been forward deployed in support of operations in Southwest Asia for the past 22 years, and in the Pacific theater for more than 40 years. With the exception of a brief deployment in support of disaster relief operations in Haiti, there have been no additional forward deployments within the past 6 years. The mechanics of establishing our forward deployed location in Southwest Asia proved routine as it was similar to other forward deployed operations around the world prior to our involvement in that theater, though the initial scale of operations dwarfed that of any previous U–2 deployment.

Question. If the U–2 is to be continued in lieu of the Global Hawk Block 30, how will the U–2, locked down on the Korean Peninsula, contribute to future operations?

Answer. The U–2 is not locked down on the Korean Peninsula. We are developing a plan to move the U–2 to an alternate location which would allow the same collection for U.S. Forces Korea and pick up additional missions in the area of responsibility.

The Air Force retains the ability to deploy U–2 detachments to crisis areas as it has done since the aircraft's inception.

Question. Secretary Donley, given the new defense strategy doesn't it seem prudent that we work with STRATCOM, and the Joint Functional Component Command for ISR (JFCC–ISR) to develop an ISR architecture to determine the appropriate ISR force sizing as it pertains to that specific mission set (primarily anti-access/area denial) before we start making decisions on where to invest our ISR capabilities or investing in extending the life of the U–2?

Answer. The Joint Requirements Oversight Counsel decision to reduce the high-altitude ISR Global Hawk-equivalent orbit requirement was informed by Joint Staff analysis in the context of the entire ISR portfolio and the emerging Defense Strategic Guidance. Internal Air Force deliberations included reviews of JFCC–ISR assessments of U–2 and Global Hawk employment in anti-access/anti-denial scenarios, and ongoing analysis efforts have validated the course of action taken. In sum, multiple independent analytical efforts at various levels within the Department of De-

fense have examined the ISR force structure from a broad portfolio view in light of emerging strategic guidance and ultimately supported the divestiture decision.

MC–12

Question. Last year, Senator Barbara Boxer and I wrote letters to Secretary Leon E. Panetta and the Chair and Ranking Members of the Senate and House Armed Services Committee opposing a provision in the Senate Fiscal Year 2012 Defense Authorization bill which would have transferred the MC–12 Liberty reconnaissance aircraft from the Air Force to the Army. This past December, Senator Boxer and I received a response from the Under Secretary of Defense for Intelligence Michael Vickers that stated that after a thorough review of current and future ISR requirements and recent discussions with the Secretaries of the Air Force and Army, Secretary Panetta concluded that the Air Force would retain the MC–12 Liberty aircraft. However, only 3 months later, in its fiscal year 2013 budget request, the Air Force announced it plans to move the MC–12 aircraft to the Air National Guard (ANG) and disperse them to four different bases.

What is the justification for moving these aircraft to the ANG? When was this decision made? Was it made after the letter from Under Secretary Vickers?

Answer. The President's and Department of Defense's (DOD) 2012 Strategic Guidance states the military will defend U.S. territory from direct attack by state and non-state actors and come to the assistance of domestic civil authorities in the event such defense fails or in case of natural disasters, in addition to title 10 overseas military operations. This guidance provided the framework the Air Force used to conduct an extensive review of the manned medium-altitude ISR requirements, to include defense support to civil authorities. Due to investment costs to upgrade the RC–26 fleet (11 aircraft), originally fielded in the ANG for domestic operations and then adapted for use in title 10 operations, the ANG and Air Force collectively determined to divest the RC–26 fleet and transfer the MC–12W Liberty to the ANG to maintain flexibility across the range of manned, medium-altitude ISR requirements.

The decision to transition the MC–12W to the ANG was captured in the fiscal year 2013–2017 Alternate Program Objective Memorandum signed by Secretary Donley and General Schwartz and released to the Secretary of Defense on August 3, 2011. We are not aware of any specific letter from Under Secretary Vickers in regard to the MC–12W. However, Deputy Secretary of Defense Carter released a letter to the Chairman and Ranking Members of the Armed Services and Appropriation Committees on November 21, 2011, and references a discussion Under Secretary Vickers and Admiral James A. Winnefeld had with Senate Armed Services Committee (SASC) staffers. These officials told the SASC staffers that the Secretaries of the Air Force and Army believed that the Air Force was the right place for the MC–12Ws to reside.

Question. Given we have already established the aircraft, support equipment, and personnel at Beale this past year would you agree that it is fiscally more responsible to retain this capability at Beale and not incur the additional costs associated with relocating these aircraft and equipment to other various bases?

Answer. Once the MC–12W transitions, the aircraft returning from overseas will be reassigned to four ANG units, but the current MC–12W training unit will remain at Beale AFB, California. Since the ANG is the DOD's primary provider of domestic operations capabilities, retaining all of the MC–12W aircraft at Beale would not provide the ANG the ability to quickly respond to civil authorities' requests throughout the continental United States.

QUESTIONS SUBMITTED BY SENATOR HERB KOHL

Question. What is the definition used by the Air Force for a "retired member" as it appears in title 10 of the United States Code?

Answer. To our knowledge, the term "retired member" is not per se defined in title 10, United States Code or any Air Force instruction. The term has specific meaning depending on the context within which it is used. Generally speaking, when the Air Force refers to a "retired member," it is referring to either a regular commissioned officer or enlisted member who is retired for years of service (10 U.S.C. 8911, 8914) or mandatory age (example: 10 U.S.C. 1251), or to a member in one of the categories that make up the Air Force Retired Reserve. Air Force Instruction 36–3209 defines members whose transfer to the Retired Reserve is automatic as:

—Reserve officers who are retired for service under 10 U.S.C. 8911, 20 years or more: Regular or Reserve commissioned officers;

—Members retired for disability under title 10, chapter 61, Retirement or Separation for Disability; and
—Reserve enlisted members who are retired for service under 10 U.S.C. 8914, 20 to 30 years: enlisted members.

Other members who will be transferred to the Retired Reserve upon completion of an AF Form 131 (Application for Transfer to the Retired Reserve) include:

—Reserve members who meet eligibility requirements of 10 U.S.C. 12731 except for attainment of age 60;
—Reserve members who have completed a total of 20 years of honorable service in the Armed Forces;
—Reserve members who have completed 10 or more years of active Federal commissioned service in the Armed Forces;
—Reserve members on Extended Active Duty (EAD) who have been found physically disqualified and placed on the Temporary Disability Retirement List (TDRL) or Permanent Disability Retired List (PDRL) as a result of a service connected disability; and
—Reserve members not on EAD who have been found physically disqualified are discharged, retained or transferred to the Retired Reserve if they apply and meet the requirements outlined in 10 U.S.C. 12731.

Question. How many members of the Air Force Retired Reserve have been recalled by the Air Force to Active Duty under 10 U.S.C. 688a?

Answer. Eighty-two Retired Reserve officers were recalled and voluntarily returned to Active Duty under 10 U.S.C. 688a via the Retired Rated Officer Recall Program. Sixty-two of these officers are still on active duty serving out their recall contract as of March 29, 2012. Twenty have completed their contracts and returned to retired status.

Question. Of those recalled to Active Duty under 10 U.S.C. 688a, how many are currently on the Inactive Status List established by 10 U.S.C. 12735?

Answer. There are currently three members who have completed their Active-Duty tours under 688a and are now assigned to the Retired Reserve awaiting pay at age 60 under 10 U.S.C. 12735. Additionally, two other members recalled to active duty are in the process of transferring back to the Retired Reserve. Once those two members have been processed, it will bring the total to five.

Question. Does the Air Force have a policy to activate members of the Air Force Retired Reserve in a manner that allows the member to be eligible for early retirement credit authorized by section 647 of Public Law 110–181?

Answer. The Air Force has a policy to activate members of an Air Force Reserve component, with the consent of the member, in a manner that allows the member to be eligible for early retirement credit authorized by section 647 of Public Law 110–181. The Voluntary Limited Period Call to Extended Active Duty activates members of the Reserve components for extended active duty under title 10, U.S.C., section 12301(d) which is qualifying active-duty service authorized by section 647 of Public Law 110–181.

QUESTIONS SUBMITTED BY SENATOR TIM JOHNSON

Question. Secretary Donley, several years ago the Air Force created the Alternative Fuels Certification Office (AFCO) to certify alternative fuels for use in military aircraft. To date, that office has tested and certified fuels that convert coal, natural gas, or biomass into jet fuel. AFCO followed up that work by testing and certifying hydrotreated renewable jet fuel, which is derived from bio-oils and fats. These tests confirmed that these alternative fuels had performance characteristics virtually identical to JP–8 petroleum fuel and these fuels were certified across all your aircraft platforms.

The third variety of fuels AFCO has begun to investigate is alcohol-to-jet (ATJ) fuels. ATJ fuels hold tremendous promise. They can promote our national and energy security, be produced in Rural America, and they are almost always cleaner than traditional fuels. The Air Force should develop its capability to use these fuels to the fullest extent possible, and I urge you to continue this work and fully test these promising ATJ fuels. What are the Air Force's intentions to complete ATJ fuels testing?

Answer. The Air Force is focused on increasing and diversifying its energy supplies to improve our energy security. Part of this includes the testing and certification of alternative aviation fuels, such as a 50/50 blend of traditional JP–8 and ATJ fuel. The Air Force established a two-phase approach for ATJ evaluation. During the first phase, which is currently underway, the Air Force purchased test quantities of ATJ fuel, and conducted feasibility demonstrations and initial evaluations.

Phase 2 is fleet-wide certification to fly unrestricted operations using an ATJ fuel blend. Based on the results of phase 1, as well as funding availability, the Air Force will determine whether to move forward with phase 2.

Question. I'm pleased that this year's budget request maintains the current B–1 fleet. Having recently completed its 10,000th combat mission, there's no question that this is a valuable aircraft and essential to the Air Force's mission. Can you discuss the Air Force's plans across the future years defense plan (FYDP) and beyond to keep the B–1 fleet relevant and strong even in a time of tighter budgets?

Answer. There are currently five ongoing efforts to address obsolescence and diminishing manufacturing sources (DMS) issues for the B–1. The Radar Reliability and Maintainability Improvement Program (RMIP) replaces two high-failure rate line replaceable units within the B–1 radar subsystem and is expected to yield a 60-percent improvement in system reliability. The Inertial Navigation System Replacement (INSR) upgrades the B–1's primary navigation system to improve maintainability, supportability, and navigation performance. The Gyro Stabilization System Replacement (GSSR) replaces high-maintenance, high-cost, and high-failure rate components within the B–1's secondary navigation system for improved reliability and maintainability. The Vertical Situation Display Upgrade (VSDU) is a safety-critical modification that addresses DMS issues by replacing obsolete primary flight instruments with multifunction displays and adds a second display at each pilot station for enhanced situational awareness. Central Integrated Test System (CITS) upgrades the current on-board fault diagnostic and isolation system through increased memory and improved user interface to address maintainability and capacity limitations.

Additionally, one major capability program is ongoing to ensure that the B–1 remains relevant into the future. The Fully Integrated Data Link (FIDL) provides both Link 16 line-of-sight and Joint Range Extension beyond-line-of-sight data link capability to improve combat situation awareness and command and control connectivity, replaces rear cockpit legacy displays with multi-function displays, and provides the Ethernet backbone necessary to integrate FIDL, VSDU, and CITS throughout the cockpit. FIDL, VSDU, and CITS are all part of an Integrated Battle Station production contract enabling concurrent procurement and installation of all three upgrades to reduce installation costs, aircraft downtime, and keep fielded aircraft configurations to a minimum for aircrew training, maintenance, and operational deployment efficiencies.

In addition to the aforementioned ongoing modernization efforts, the fiscal year 2013 President's budget request includes funding for two additional efforts that address further aircraft and simulator obsolescence concerns. The Self Contained Standby Attitude Indicator will replace the current standby attitude indicator, which is experiencing a significant spike in maintenance actions and reduced mean time between failures, with the new standby instrument providing attitude, airspeed, and altitude indications. The Simulator Digital Control Loading will replace the current analog control loading system responsible for matching simulator stick forces to the aircraft with a digital system, improving sustainability and keeping B–1 aircrew training devices operational.

B–1 modernization funding includes $47.4 million for research, development, testing, and evaluation (RDT&E) and $704.4 million for procurement across the FYDP. The Air Force estimates an additional $256.6 million is required to fully fund the current programs of record beyond fiscal year 2017 to completion. It is premature at this time to speculate on further B–1 modernization beyond the previously described upgrades, all of which continue through the fielding of the 60th Integrated Battle Station aircraft in 2020. However, the Air Force will consider additional B–1 program investments, beyond those already programmed within the FYDP, as part of the complete Air Force portfolio, within total obligation authority limits, to ensure that the B–1 fleet remains viable to support combatant commander requirements into the future.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

LIGHT ATTACK SUPPORT PROCUREMENT

Question. Secretary Donley, please provide the subcommittee with an update on the Light Attack Support (LAS) procurement. What specific issues have you found? When will a final report be available?

Answer. The LAS contract was originally awarded on December 22, 2011, to Sierra Nevada Corporation (SNC), but was terminated by the Air Force on March 2, 2012, as part of the Air Force's corrective action in response to the suit filed by

Hawker Beechcraft Defense Corporation (HBDC) in the U.S. Court of Federal Claims. The Air Force Service Acquisition Executive was not satisfied with the documentation supporting the original LAS source selection, prompting termination of the contract with the SNC. Additionally, the Commander of Air Force Materiel Command ordered a Commander-Directed Investigation (CDI) into the LAS contract process on February 27, 2012. Part 1 of the CDI is complete focusing solely on the execution of the source selection processes and procedures in the original LAS contract. However, release of the CDI report would compromise the integrity of the ongoing source selection process due to the source selection sensitive information contained in the report.

After studying the circumstances prompting the corrective action and facts from the subsequent CDI, the Air Force decided to issue an amendment to the LAS request for proposal (RFP) to both offerors. Air Force officials met with both original offerors, SNC and HBDC, individually, to review the amended RFP changes line-by-line on April 17, 2012. Both were provided the opportunity to submit comments on the draft RFP amendment, after which the Air Force released the final amended RFP on May 4, 2012. While the decision process will be event-driven, the Air Force targets a source selection decision in early calendar year 2013. This would allow first aircraft delivery to Afghanistan in the third quarter of 2014.

Question. Secretary Donley, is it Air Force's intention that LAS aircraft comply with U.S. weapons, communications, and anthropometric standards in order for U.S. Military Personnel and partners to work seamlessly?

Answer. The LAS program is funded by Afghan Security Forces funds and provides a light attack capability for Afghanistan. This program is specifically for Afghanistan and no plan currently exists to extend the platform beyond Afghanistan. There is a requirement within the Afghan LAS program for U.S. forces to partner with the Afghan Air Force to train and advise them on the system. Although there are advantages to U.S. forces being familiar with the LAS platform, this is not an absolute requirement. The Air Force will leverage experienced Air Force instructor pilots, maintainers and logisticians capable of quickly learning the LAS system and then training and advising their Afghan counterparts.

Question. Secretary Donley, can you please describe what interaction, if any, has occurred between the U.S. Air Force and the U.S. State Department on the LAS procurement? While I understand you can only speak on behalf of the Air Force, can you please assure this subcommittee that the LAS procurement and the Brazilian FX–2 fighter competition are being handled as completely separate matters?

Answer. The Air Force has maintained the appropriate level of coordination with Department of State on this matter. The Air Force Foreign Policy Advisor's office has responded to all DOS inquiries and provided coordination with the DOS Political-Military Bureau. Additionally, following termination of the LAS contract, the Air Force Public Affairs (PA) office coordinated with the DOS PA office to assist in answering questions from the Government of Brazil.

As for the Brazilian FX–2 fighter competition, there is no connection between the U.S. Government's advocacy for the F/A–18 sale and the LAS contract. The programs are not associated in any manner.

C–27J VERSUS C–130 OPERATIONAL COSTS

Question. General Schwartz, the Air Force plans to terminate the C–27 program and put already purchased aircraft in storage or find another home for them. As an alternative, the Air Force plans to use C–130 cargo aircraft to provide direct support to Army units. It's my understanding the C–27 is already operating cargo missions for our ground forces in Afghanistan and that these missions reduce stress on Chinook helicopters which are much more expensive to operate per hour than either a C–27 or C–130. In addition, these C–27 missions may reduce the need for ground convoys which are not only dangerous but costly. Considering the flying hour cost of operating a C–130 can be more than double the cost of a C–27, what is the total cost of the Air Force's proposal and what assurances can you give us that the Department has conducted the proper business case analysis that takes these costs and risks into account?

Answer. The Air Force's decision to terminate the C–27J program and divest the current fleet of 21 aircraft is based on a number of factors—not simply the cost to operate one platform versus another. The predominant consideration in our analysis was the reduction in overall intra-theater airlift demand and resulting force structure requirements attendant to the Department's January 2012 revised strategic planning guidance. While our analysis did include a life-cycle cost comparison between the C–27J and various C–130 variants, the operating costs of these platforms were not dominant elements in our decision calculus. We elected to divest the C–

27J fleet in favor of keeping more operationally capable C–130 aircraft that can support the full realm of intra-theater airlift requirements, including Army time sensitive/mission critical direct support, rather than keeping a relatively small fleet of "niche" C–27J aircraft that are suited for the Army direct support role, and not the full spectrum of conflict.

QUESTIONS SUBMITTED BY SENATOR LAMAR ALEXANDER

Question. The greatest threat facing the Arnold Engineering Development Center is that the facilities at the base are 50 years old and they are reaching the breaking point.

Although facilities are funded through Military Construction, which is not this subcommittee's jurisdiction, the fiscal year 2013 budget request for Air Force military construction is only $388 million, down from more than $1.2 billion in fiscal year 2012. The Air Force must develop a long-term plan to ensure critical testing facilities, like Arnold Engineering Development Center in Tennessee, can continue to operate. The fiscal year 2013 budget request is inadequate to meet infrastructure needs at many facilities, including Arnold.

Secretary Donley, what specific plan does the Air Force have to ensure that Arnold can continue to provide the Air Force with testing facilities capable of developing new cutting-edge technologies to support future missions without adequate funding?

Answer. Each year, the Air Force prioritizes their most urgent military construction requirements for inclusion in the Air Force's military construction portion of the President's Budget. With budget constraints, we can only fund the most urgent projects; however, the Air Force is committed to sustaining, maintaining, and modernizing our physical plants to include facilities at Arnold Engineering Development Center. The Air Force did include two military construction projects for $26.8 million at Arnold Engineering Development Center in the Future Years Defense Program with the fiscal year 2013 President's budget submission. Although the Air Force did reduce our military construction budget request for fiscal year 2013, our goal is to return to historical military construction program funding levels in fiscal year 2014 to support the National Military Strategy.

[Dollars in millions]

Title	Cost
Power distribution modernization	13.2
ADAL test cell delivery bay	13.6
Total	26.8

The two projects noted in the table above are in the fiscal year 2013 President's budget FYDP.

In addition, we have provided fiscal year 2012 funds for the following projects:

—AEDC Propulsion Wind Tunnel #1 Transformer—$2.1 million;

—AEDC (National Full-Scale Aerodynamics Complex) 40X Crane Refurbishment—$875,000;

—AEDC Cooling Tower—$400,000; and

—AEDC Critical Steam System Supplies—$466,000.

Question. The USAF has stated publicly that given the downsizing of its fleet, it will be required more than ever to utilize technology to maintain fleet readiness. Fuel leaks on aircraft are known to severely impact the mission capability of aircraft operations. When an aircraft does go out of service for fuel leaks, the downtime is an unknown, until it is finally successfully repaired (days, weeks, sometimes months). The USAF has investigated, evaluated, and approved technologies and systems that will reduce the cost and downtime of aircraft fuel leak repairs.

Given these thorough evaluations, does the Air Force have a plan for implementing such systems across the Air Force maintenance enterprise? And, if not, can you please describe what impediments you face for leveraging such a cost saving approach?

Answer. Our program offices address sustainment challenges in many ways. A significant effort required for supporting each weapon system is the life-cycle management plan (LCMP). The LCMP fulfills the Federal Acquisition Regulation (FAR), Defense FAR Supplement, and Air Force FAR Supplement requirements of the acquisition plan and Department of Defense Instruction 5000.02 requirements for the acquisition strategy. The plans address long-range capability and sustainment ef-

forts. Sustainment efforts often consider pacing "not mission capable" maintenance and "not mission capable" supply issues. Recently recurring fuel leaks in KC–135 aircraft drove root cause analysis that identified the existing aircraft fuel bladders had outlived the repair processes. New bladders were ordered and the fuel leaks were reduced.

Weapon systems are reviewed at recurring intervals during which operators, depot managers, and program managers identify and analyze system indicators affecting aircraft availability. High maintenance and supply drivers are identified and plans are developed to correct or prevent recurrence. Often new technology solutions provide the best and fastest resolution. Our prime vendors identify numerous new product and tooling solutions, but our repair centers, program offices, and flying units often discover new technology through vendor demonstration. Of course, we follow strict acquisition governance, contracting law, and technical validation to ensure the safety of our systems. This is especially critical for technology that may apply to multiple weapons systems.

Additionally, the Air Force Research Laboratory is involved with new technology identification and validation. Successful programs and products are shared across our major commands to improve repair capabilities.

Question. C–17s provide the most advanced strategic airlift capability, and it makes sense to locate these aircraft in Memphis which has the best cargo facilities and aviation infrastructure in the world.

General Schwartz, the Air Force announced plans to relocate C–17s to Memphis. Since Memphis already has all of the facilities in place to support the C–17 mission, what is the exact timeline for getting C–17s to Memphis?

Answer. During the development of the fiscal year 2013 President's budget submission, the Air Force determined the Tennessee Air National Guard's 164th Airlift Wing at Memphis would convert from C–5As to C–17As, completing an action initiated in fiscal year 2012. Under the current plan, Memphis would receive the first four C–17A aircraft in fiscal year 2013, with the remaining four aircraft arriving in fiscal year 2014. The schedule was planned around the transition between missions, accounting for C–5A retirements to make room for the C–17As, as well as allow for retraining of aircrew and maintenance personnel. Memphis C–5A retirement is planned to complete by the end of fiscal year 2014.

Air Mobility Command will work closely with the Air National Guard to ensure the most effective plan is implemented, adjusting the arrival plan accordingly based on the specific details of the C–5A retirement schedule and progress of C–17A training for Memphis personnel.

QUESTIONS SUBMITTED BY SENATOR LISA MURKOWSKI

Question. General Schwartz, you have repeatedly told me that the relocation of the 18th Aggressor Squadron to Joint Base Elmendorf-Richardson (JBER) should not be interpreted as the first step in a process that will lead to closure of the base. Would you state for the record:

—whether this remains the case; and

—what the Air Force's intentions are for the future of Eielson Air Force Base (AFB)?

Answer. Relocating the 18th Aggressor Squadron to JBER is not a precursor to closing Eielson AFB. Eielson remains a valuable strategic asset for both homeland defense as well as for power projection into the Pacific theater. As such, it will remain the 168th Air Refueling Wing's Air National Guard (ANG) home in Alaska and the Red Flag-Alaska exercises will remain at Eielson AFB, Alaska. If the Congress authorizes the requested base realignment and closure (BRAC) rounds in 2013 and 2015, the Air Force's proposed force structure changes do not pre-suppose what will happen to a particular installation during the BRAC analysis. The Department of Defense (DOD) will consider all installations equally with military value as the primary consideration.

Question. Secretary Donley and General Schwartz, would you state for the record how you expect that Eielson AFB will contribute to Air Force operational objectives and U.S. national security in the coming years, with particular emphasis on how the continued operation of Eielson AFB supports the United States presence in the Asia/Pacific region?

Answer. Eielson AFB will continue to support key national and Air Force priorities in the years ahead, to include Operation Noble Eagle, North American Aerospace Defense Command contingency plans, support to U.S. Pacific Command, and exercise support in the Joint Pacific Alaska Range Complex. The new strategic guid-

ance puts increased emphasis on the Pacific Command area of responsibility, including our training and exercise efforts.

Question. It is counterintuitive to believe that the Air Force will achieve cost savings or efficiencies by maintaining Eielson AFB in a warm status given the relatively high cost of maintaining a warm base in a cold place, as was demonstrated to the 2005 BRAC Commission. Intuitively it would seem to make more sense to spread the fixed costs of operating Eielson AFB among a higher level of year-round activities. Is there a flaw in this logic? Has the Air Force considered the alternative of achieving efficiencies by relocating activities presently conducted in the lower 48 or abroad to Eielson AFB?

Answer. During the development of the fiscal year 2013 Air Force budget request, we were required to make a number of difficult decisions to adjust to both our new strategic priorities and to fiscal realities. The transfer of the 18th Aggressor Squadron from Eielson AFB to JBER in fiscal year 2013 garners manpower and efficiency savings by consolidating operations/maintenance supervision overhead and base support functions.

To assign new units to an installation in the future, we will utilize the Air Force Strategic Basing process, which uses criteria-based analysis, and the application of military judgment, linking mission, and combatant commander requirements to installation attributes to identify locations that are best suited to support any given mission. The results of this analysis will be used to inform the basing decisions made by the Secretary and Chief of Staff of the Air Force. Eielson AFB will be considered in future basing actions as defined by the respective basing criteria.

Question. The Air Force has a plan to relocate the 18th Aggressor Squadron in 2013 and reduce the scale of year-round operations at Eielson AFB in subsequent years while maintaining year-round operations of the 168th Refueling Squadron and other tenants, including the Joint Mobility Center. Would you estimate with specificity how much money the Air Force intends to save if this plan is implemented and how these savings will be achieved, e.g., how much would be saved by reduction of personnel, reduction of utility costs, closure and/or demolition of base facilities, deferred maintenance, et cetera?

WHAT ARE THE ESTIMATED COST SAVINGS IN FISCAL YEARS 2013, 2014, 2015, 2016, AND 2017?

[Dollars in millions]

	Amount
Fiscal year:	
2013	3.5
2014	6.9
2015	34.3
2016	61.8
2017	63

The chart above was provided to Senator Mark Begich and shared with his colleagues on the Alaska congressional delegation and depicts the savings that the Air Force expects to realize through implementation of its plan for Eielson AFB. It does not, however, explain specifically how these numbers will be achieved or what data sources the Air Force relied upon in making this prediction.

Answer. The transfer of the 18th Aggressor Squadron from Eielson AFB to JBER in fiscal year 2013 garners manpower and efficiency savings by consolidating operations/maintenance supervision overhead and base support functions. Estimated cost savings are $3.5 million for fiscal year 2013 and $169.5 million across the future years defense program. The estimates are based primarily on eliminating manpower authorizations the U.S. Pacific Air Forces Command analysis determined were no longer needed at Eielson AFB once the 18th Aggressor Squadron relocates. However, sufficient capability will remain in-place at Eielson AFB to support the 168th Air Refueling Wing, exercises, and our Joint partners at Fort Wainwright. Headquarters U.S. Pacific Air Forces Command's Eielson/Joint Base Elmendorf-Richardson Site Activation Task Force will determine other savings from the proposed relocation. The Air Staff is currently validating the results from the Site Activation Task Force Report dated May 31, 2012.

Question. As you know the 2005 BRAC Commission evaluated a scenario under which all aircraft other than the KC–135 tankers assigned to the 168th Refueling Squadron would be removed from Eielson AFB and questioned the Air Force's conclusion that significant cost savings and efficiencies will be achieved from attempting to maintain a warm base in a cold place. Have you satisfied yourself that the 2005 BRAC Commission's economic analysis was wrong? Have you taken steps to

independently ensure that the Air Force staff assumptions are valid and have not been biased by a desire to refight and win a battle that was lost before the 2005 BRAC Commission?

Answer. The Air Force stands by its original BRAC recommendation to move the Aggressors, but agrees with the Commission's recommendation to ensure access to adequate range space. Our current proposal recognizes the value of retaining an Aggressor training capability in Alaska to support F–22 Raptor training, Red Flag-Alaska, and to leverage the Joint Pacific Alaska Range Complex. In addition, the F–16 Aggressor move to JBER will co-locate them with the F–22 Raptors, one of the Aggressors' training partners and capitalizes on the benefit of 3rd Wing facilities that once supported F–15 Eagles.

Overall, BRAC 2005 fell short of the Air Force's goal to reduce overhead and operational costs by reducing excess installation capacity. Today, 7 years later and 500 aircraft fewer, the Air Force continues to maintain large amounts of excess infrastructure. These are dollars we need in other areas.

We are aware there are other savings opportunities and we will rely on the Site Activation Task Force to determine those additional savings. We have taken steps to ensure independent review of our assumptions underlying the Air Force's proposed force structure changes by having the Office of Secretary of Defense's Directorate of Cost Assessment and Program Evaluation review and vet our plan.

Question. Please describe in detail the process by which the recommendations pertaining to Eielson AFB were formulated, including timeframes and participants, and the key recommendation and decision documents through which these recommendations were performed and approved. In answering this question, please describe in detail how the "tabletop" exercise was carried out. Did the tabletop participants rely to any extent on the data that the Air Force utilized to justify its decision to place Eielson AFB on the 2005 BRAC list? What other data was considered and how recently was it compiled?

Answer. The Air Force has taken a deliberate approach to streamlining operations at Eielson AFB. From approximately September 2010 to February 2011, Headquarters Pacific Air Forces studied the feasibility of the proposal to move the 18th Aggressors Squadron to JBER, Alaska.

In early 2012, Headquarters Air Force conducted an analysis of potential courses of action to determine if a reduction in personnel at Eielson AFB was a feasible method of achieving efficiencies in a resource-constrained environment while preserving valuable missions. Although the majority of facilities will remain open and functional to provide rapid operational capability to operational plans and tenant units, the analysis demonstrated the Air Force can reduce manpower substantially while maintaining support to tenant units and future exercises.

Once the Secretary of the Air Force and Chief of Staff of the Air Force approved the relocation of the 18th Aggressor Squadron to JBER as part of the fiscal year 2013 President's budget request, Pacific Air Forces formed survey teams that are aggressively moving forward to finalize all manpower and facility needs to maintain support to the 168th Air Refueling Wing and other operational requirements.

The Air Force believes it fully complied with the BRAC statutes (title 10, section 2687) for realigning the 18th Aggressor Squadron to JBER. Actions occurring at Eielson AFB, are force structure changes and do not portend base closure.

Question. Would the Air Force have any objection to opening its files pertaining to the future of Eielson AFB so that the Alaska congressional delegation and experts engaged by the State of Alaska and the Fairbanks North Star Borough could fully understand and analyze the Air Force's analysis and assumptions? If the Air Force is prohibited by law from doing so, please state which laws so provide. If the Air Force believes that it is imprudent to do so in order to protect its deliberative processes or other considerations please explain why transparency considerations should not override these concerns.

Answer. The Air Force is not precluded by law from sharing its analysis or assumptions associated with force structure changes at Eielson AFB. We shared our plans, including our analysis and assumptions, for Eielson AFB in our April 25, 2012, briefing to the Alaska delegation. We would like to reiterate that our action does not close Eielson AFB and the Air Force remains committed to supporting the base with DOD's strategic shift to the U.S. Pacific Command (PACOM). We intend to maintain Eielson AFB for its strategic importance as an enroute/staging base for PACOM requirements.

As mission demands evolve and resource constraints emerge, the Air Force will continue to stay engaged with our congressional partners to provide the most effective and efficient air, space, and cyberspace power for the Nation. We look forward to working with you during this challenging fiscal environment.

Question. I remain unclear about whether the Air Force has any justification to relocate the 18th Aggressor Squadron to JBER separate and apart from its long-term plans to reduce the level of year-round operations at Eielson AFB.

What is the justification for relocating the 18th Aggressor Squadron in fiscal year 2013, as opposed to fiscal year 2014 or fiscal year 2015?

Answer. As we looked out at the entire Air Force, it was clear that we needed to take an enterprise-wide approach to cut back on overhead expenses. Eielson AFB hosts the only wing that has a single operational squadron in the active-duty Air Force. Maintaining an entire wing overhead structure over a single active-duty squadron was an inefficient use of very tight resources. In addition, having the 18th Aggressor Squadron collocate with its primary customer, the 3rd Wing's F–22s stationed at JBER, is the most efficient operational laydown.

With this background, the Air Force plans to move the 18th Aggressor Squadron, relocating its aircraft and 542 military personnel to JBER in fiscal year 2013. This will save the personnel costs associated with the 81 Military positions in wing overhead and improve its operational interactions with its customers. The fiscal year 2013 President's budget request also adds 43 Base Operations Support (BOS) military positions required to support the aggressors at JBER. With the lone active-duty flying operation removed, the Air Force plans to right size active-duty personnel for the enduring missions at Eielson AFB, significantly reducing manpower costs over the future years defense plan (FYDP). In order to ensure sufficient timing for planning, the Air Force plans to hold off right-sizing the manpower footprint until fiscal year 2015. We project manpower savings alone, starting in fiscal year 2013, building to approximately $62 million per year beyond fiscal year 2016 for a total savings of $169.5 million over the FYDP. We expect further savings to be detailed as we refine the BOS portion of the plan.

To finalize the exact detailed planning associated with moving the 18th Aggressor Squadron, the Air Force is currently conducting a focused Site Activation Task Force (SATAF). This SATAF will specifically detail actions needed to move the Aggressors in fiscal year 2013. They will complete all necessary detailed planning and capture any incidental costs associated with bedding down the Aggressors at JBER. They will also determine the JBER unit assignment and timeline for the additional BOS personnel associated with moving the Aggressors to JBER. Although detailed direct and indirect costs and savings with relocating the 18th Aggressors to JBER across the FYDP are not available at this time, we believe that the personnel costs savings of the entire program will exceed other costs. If we project that savings will not be realized, or result in affordability, feasibility and executability issues, the Air Force is committed to re-evaluate the proposal. Assessing the local economic impact of the movement of the 18th Aggressor Squadron is outside the purview of the SATAF. The SATAF plans for public release of report for moving the 18th Aggressor Squadron on or about May 31, 2012.

The Air Force plan to remove active-duty BOS personnel at Eielson AFB in fiscal year 2015 does not affect the BOS for the ANG facilities or the remaining active-duty activities at Eielson AFB. In spring 2014, the Air Force will conduct an additional SATAF to get the precise detail associated with the reduction of Eielson BOS personnel. The Air Force will ensure adequate BOS manning for both exercise and ANG's 168th Air Refueling Wing requirements. The Air Force has planned sufficient Air Traffic Control Tower manning at Eielson AFB to provide flexible support throughout the week to meet operational mission requirements. Base maintenance and support will be accomplished through a combination of contract (local hire) and in-house military workforce. The 354th Logistic Readiness Squadron will continue to operate and maintain the Joint Mobility Center. Eielson AFB will also maintain an increment of War Reserve Material to support PACOM's operational plans. This SATAF will help determine how best to beddown the remaining personnel on Eielson in the most efficient manner, utilizing common use infrastructure, dormitories, and Red Flag facilities.

Question. The Air Force has provided a powerpoint presentation detailing the role of the "site survey" or "Site Activation Task Force" team. The powerpoint would lead me to conclude that the role of the SATAF team is to determine how to carry out the relocation of the 18th Aggressor Squadron and other decisions that have already been made about Eielson AFB rather than determine whether the assumptions made about Eielson AFB in the tabletop exercise are valid. I was led to believe in Air Force briefings that the Site Survey team would generate information that might address the question of "whether" given the limitations of the tabletop exercise not just the question of "how." Which is the case? Is it within the realm of possibility that the Air Force will reconsider its plans for Eielson AFB following submission the Site Survey team's report? Does the Air Force intend to brief the Alaska congressional delegation on the outcome of the Site Survey and provide copies of the

team's report for review? If not, why not? Who has or will the site survey team consult with in Alaska and within other services and DOD? Please detail specifically how the Air Force has coordinated with NORTHCOM in recommending these moves, given Eielson's role in homeland defense and homeland security.

Answer. The SATAF is focusing on finalizing the movement of the 18th Aggressor Squadron to JBER. The SATAF team will out brief the Pacific Air Forces' Commander who can provide an out brief to other parties, as required.

Combatant commanders (COCOM) are afforded the opportunity to review the Services' Program Objective Memorandums (POM) after the Services submit their POM positions to the Office of the Secretary of Defense. The 18th Aggressor Squadron's aircraft are training-coded and doctrinally, it is the responsibility of the Air Force to align its forces in the best possible manner to ensure adequately trained forces to fulfill COCOM requirements. During the Fall Program Budget Review, U.S. Northern Command reviewed the Air Force's POM position and did not express any concerns with the Air Force's Eielson AFB position for these training-coded aircraft.

The proposal to retain the 168th Air Refueling Wing at Eielson AFB and maintain the base and runway operating capability while moving the training-coded F–16s to JBER is directly tied to the strategic importance of this base and this location. The robust training capability for Red Flag-Alaska exercises will remain at Eielson AFB and is a testament to the quality and capacity for world-class training and readiness emphasis which is of particular importance to the Pacific theater. While the training-coded Aggressor F–16s are slated to relocate to JBER, they will still participate in, and support, these large force, Joint and combined exercises the same way the combat-coded units at Elmendorf AFB have done for years. The current training and readiness focus of effort will remain under the current proposal.

Question. It has been suggested for some time that the 168th Air Refueling Wing would be able to meet a greater percentage of mission requirements if additional tankers were assigned and an active association were created. Is the Air Force considering this proposal and what are the prospects for its approval?

Answer. Pacific Air Force and the ANG have conducted several meetings on the stand-up of a classic association at Eielson AFB. The results determined that there was insufficient tanker aircraft and manpower to stand-up an association, but more importantly, the commands determined that there was sufficient resources in-place to meet combatant commander operational and training requirements. However, associations are a valuable Total Force tool the Air Force uses to meet national security needs. Proposals for new Total Force Integration (TFI) associations can be submitted by the National Guard Bureau and all the Air Force Major Commands. Once submitted, each proposal undergoes a set of reviews before being presented for decision. Each proposal is reviewed for legal sufficiency, strength of business case and resourcing/funding availability before being presented for final Air Force decision. Additionally, this TFI review process is integrated with the Air Force Strategic Basing process to ensure all location-related aspects are consistent with that process. Throughout both the TFI and Strategic Basing processes, there is full Active component and Reserve component engagement.

Question. Given JBER's role in the Pacific I was surprised to learn that its C–130 lift capacity would be reduced. What is the justification for reducing the C–130 lift at JBER and how does this relate to the strategic emphasis on Asia and the Pacific? Was this reduction coordinated with Alaska's Adjutant General?

Answer. Defense Strategic Guidance reduced the overall requirement for intra-theater airlift. Using scenarios consistent with the revised Defense Strategic Guidance, Air Force analysis determined that excess capacity exists in the Air Force intra-theater airlift fleet. The Air Force's C–130 retirements allow taxpayers to avoid an additional $533 million in aircraft sustainment bills while still being able to meet Pacific Theater requirements.

The Air Force retains a fleet of 318 C–130 aircraft (134 C–130J, 184 C–130H) to meet the new strategy within fiscal constraints, and the service is maintaining an 8 Primary Aircraft Assigned (PAA) unit at JBER to meet worldwide requirements including Asia and the Pacific. The Air Force decision to reduce Elmendorf by 4 PAA standardizes the unit's aircraft numbers with most other ANG C–130 locations across the country, which affords a higher level of uniformity/predictability in training, manpower needs, and mission execution.

The National Guard Bureau represents ANG/State/adjutant general interests during Air Force budget deliberations, and they participated throughout the development of the fiscal year 2013 President's budget request. Although ANG aircraft are being divested, the Alaska ANG is not losing any manpower due to this reduction in C–130 aircraft.

Question. How will the Air Force ensure Eielson AFB remains a fully functioning base that allows the 168th Air Refueling Wing to fully conduct its 24-hour-per-day, 7-day-per-week, 365-day-per-year, no-fail refueling mission in support of the administration's Asia-Pacific focus?

Answer. Headquarters Pacific Air Forces (PACAF) addressed the 168th Air Refueling Wing continuous operations requirement by developing a manpower baseline for base support that included the 168th Air Refueling Wing operations, Red Flag support, Distant Frontier and Northern Edge exercises, and potential diverts off the range into Eielson AFB. This manpower baseline provides Eielson AFB the flexibility to meet requirements beyond 8 a.m.–5 p.m. local as needed. PACAF's preliminary plan is for Eielson AFB base support units, including base operations and air traffic control, to be a detachment of JBER which relies on them for support as needed.

Question. The movement of the Aggressor Squadron would include the relocation of a significant number of airmen and their families, but about 400 soldiers at JBER are already in temporary barracks. You have indicated the Air Force's plan for housing new airmen at JBER, its cost, and when it would be funded is not yet known. You've similarly indicated that whether JBER has the infrastructure necessary to house and maintain the F–16s and support functions, its cost and when it would be funded is not yet known. Please provide me with this information as soon as it is available.

Answer. Because of the Air Force's Force Structure realignment, U.S. Pacific Air Forces Command conducted a SATAF at Eielson AFB from April 11th to April 13th and at JBER from April 16th to April 18th. This SATAF will determine the requirements, such as dormitories and F–16 support functions, to adequately bed down the relocated Aggressor Squadron. Once the housing and infrastructure requirements are refined as a part of the SATAF process, and the costs determined, we will forward that information to you, along with a timeline.

Question. You have said the assumption is that neither an Environmental Impact Statement (EIS) nor an Environmental Assessment (EA) will be needed to move the F–16s to JBER. Since the move would involve more planes at a base that already flies multiple types of aircraft in a crowded more personnel being stationed at JBER, please provide me with the Air Force's final opinion on this matter as soon as it is available, as well as an estimate on how much any EA or EIS would cost and the timeline for such a review.

Answer. The most recent National Environmental Policy Act (NEPA) document prepared for JBER does not cover adding an additional fighter squadron from Eielson AFB. A new NEPA analysis will be required to support Air Force proposal to add an additional fighter squadron to Eielson AFB and any related alternatives culminating in final decision.

Headquarters PACAF is working to define the scope of work, schedule, and rough cost estimate for an environmental analysis. PACAF will also conduct a SATAF survey in April 2012. No aircraft movements will take place until the SATAF findings are properly documented, all NEPA requirements are completed, and the Congress completes action on the fiscal year 2013 President's budget. The Air Force goal is to complete environmental assessments within 6 months of study initiation and environmental impact statements within 12 months of initiation.

Question. Hundreds of military personnel from around the globe visit Alaska every summer for training. Those troops are housed at Eielson AFB, JBER, university campuses, and even in Kodiak. Where would they be housed if Eielson AFB became an 8–5 base? What will foreign militaries that train in Alaska do if the Aggressor Squadron is moved and Eielson AFB becomes an 8–5 base? Please also detail the Air Force's plans to support Clear Air Force Station if Eielson AFB becomes an 8/5, Monday through Friday base.

Answer. The Air Force addressed continuous operation at Eielson AFB by developing a manpower baseline for base support that includes 168th Air Refueling Wing operations, Red Flag support, and Distant Frontier and Northern Edge exercises. This manpower baseline provides Eielson AFB the flexibility to meet requirements necessary to support the full range of assigned missions. The housing of participants for various exercises continues as in the past utilizing Eielson AFB, JBER and surrounding areas to accommodate the participants. The Aggressor squadron is moving from Eielson AFB to JBER to gain efficiencies and cost savings, but the Aggressors will still support exercises at Joint Pacific Alaska Range Complex.

QUESTIONS SUBMITTED BY SENATOR LINDSEY GRAHAM

Question. Secretary Donley, as you know, the Common Vertical Lift Support Platform (CVLSP) program was terminated in the President's fiscal year 2013 budget. This platform was to be the replacement for the Air Force UH–1N "Hueys" that suffer from shortfalls in lift capability, speed survivability, maintainability, night/adverse weather capability, and avionics/human factors. The Air Force has stated repeatedly that an urgent operational need has existed since 1996 and that, as late as last year, was considering invoking the Economy Act of 1932 to justify a sole source buy to replace the Hueys. Please explain to me the rationale and justification for terminating the CVLSP. Further, please explain what it's going to cost the taxpayer to continue to fly and maintain 40-year-old helicopters that no longer satisfy the current operational requirements for this mission.

Without the acquisition resources available to satisfy this "urgent and compelling" need, has the Air Force considered any more affordable alternatives such as leasing aircraft to accomplish this mission?

Answer. The Air Force is taking an acquisition pause to explore more cost effective strategies to meet the nuclear security and continuity of government missions. We are considering all alternatives to address these mission requirements, and no decisions have been made at this time.

Question. Does the Air Force still believe that it needs the same size and similarly equipped aircraft to do such dissimilar missions as nuclear weapon convoy escort and intercontinental ballistic missiles (ICBM) emergency security response in adverse weather conditions and the much more benign mission of passenger transport in the National Capital Region provided by the 1st Helicopter Squadron at Andrews Air Force Base, Maryland?

Answer. Yes. The Air Force still believes one common helicopter to support the nuclear security and National Capital Region missions is the best option. Though the missions are different, the resultant payload, survivability, situational requirements, and capabilities required to accomplish those missions are very similar and allow us to use a common platform. In addition, a common helicopter between the two missions results in long-term savings and flexibility from an operational and sustainment perspective.

Question. The fiscal year 2012 Department of Defense (DOD) budget included $52.8 million in funding for CVLSP, and no money in fiscal year 2013. We now understand CVLSP will not go forward, and the USAF has instead decided to take used United States Marine Corps (USMC) UH–1N's destined for the boneyard and use the CVLSP funding to recondition these aircraft which are just as unable to meet the requirements as the current United States Air Force (USAF) UN–1N's. Isn't that strategy throwing good money after bad, and wouldn't it be a better use of the $52.8 million CVLSP funding to introduce an aircraft that CAN meet the requirements of the mission, even if it is in limited quantities for now?

Answer. The Air Force and DOD have not finalized any plans for using the $52.8 million of fiscal year 2012 CVLSP aircraft procurement funding. There are no plans to use any of the fiscal year 2012 CVLSP funding to recondition the Marine Corps UH–1Ns. Regardless of what the Air Force and DOD decide, the Congress would have to approve the reprogramming of funds.

The Air Force still has a requirement to address mission capability gaps and replace the UH–1N fleet. We are looking at more cost-effective strategies to meet the nuclear security and continuity of government missions. In the near term, taking ownership of up to 22 Marine Corps UH–1Ns aircraft is a low-cost option to mitigate some mission capability gaps, and provide attrition reserve aircraft and spares for our current UH–1N fleet. Air Force Global Strike Command and Air Force Materiel Command are developing a UH–1N roadmap to determine the best options for the use of these aircraft. Any expenses required to ready the aircraft for Air Force use will be addressed in future budgets.

Question. General Schwartz, the Air Force announced plans to cut 86 active-duty airmen from the McEntire Joint National Guard Base in South Carolina. At the same time, the Air Force is creating two associations by adding 164 active-duty airmen each to two Air Force Reserve F–16 wings, one in Texas and the other in Florida. My understanding, however, is that these Reserve units are less tasked than McEntire (e.g., neither maintain an air alert commitment). Further, the McEntire active association has proven highly efficient, cost effective, and is about to deploy 18 F–16s to Afghanistan. Why would the Air Force weaken the McEntire active association but at the same time spend additional active-duty resources for less capability at reserve air wings? Does this move make fiscal sense at a time when the Air Force's budget, like that of the other services, is shrinking?

Answer. Active duty manpower movements at McIntire Air National Guard Base, as well as at Air Force Reserve Command locations in Florida and Texas, were part of a larger reallocation of Active Duty F–16 operation and maintenance manpower across the Total Force. This reallocation was initiated at the request of the Air National Guard (ANG) resulting in the addition of four new F–16 Guard locations with an increase of 37 assigned active-duty billets. Because resources are reallocated within existing active-duty end strength, no additional cost is incurred. In addition, this action also enables the Air Force to convert backup aircraft inventory aircraft at six ANG locations into primary aircraft inventory, with the net result being an increase of 18 primary aircraft inventory at ANG locations. Finally, the reallocation of F–16 active associations increases the number of locations at which inexperienced Active Duty F–16 pilots and maintainers can be seasoned while working with more experienced ANG counterparts. From a Total Force perspective, this reallocation of Active Duty F–16 manpower improves overall capabilities at no additional cost.

Question. On March 5, 2012, Defense News reported that the Air Force plans to reduce the number of F–35 bases from 40 to the low 30s. Since 1991, the ANG has proven its efficiency in utilizing F–16s and F–15s for Air Expeditionary Forces in Iraq and Afghanistan. The ANG currently fulfills 100 percent of the CONUS Air Sovereignty Alert mission at substantially lesser costs than the Active component. I believe the same would hold true were the ANG equipped with F–35s. The Air Force's projected cuts to the ANG in fiscal year 2013 concern me, and I remain equally as concerned that the planned reductions in F–35 bases will disproportionately impact the ANG. What assurances can you give me that the reduction in F–35 bases will not disproportionately impact ANG units?

Answer. The Air Force uses an iterative, continually informed process for fielding weapon systems intended to optimize mission sets and requirements of the total force to meet combatant commander requirements. The Air Force is committed to fielding the F–35A Lightning II aircraft in the Reserve component, as evidenced by the designation of Burlington Air Guard Station, Vermont as the preferred alternative for the first operational unit in the Reserve component, and fully supports further Reserve component fielding in the future. The combination of a collaborative and fully operational total force enterprise process, an open and transparent strategic basing process, and effective linkages with the planning, programming, budgeting, and execution process will provide avenues to balance the Active component and Reserve component while prioritizing combatant commander requirements. The Air Force is dedicated to using these processes, with full Reserve component participation, to refine concepts of concurrent and proportional, or balanced, fielding and to ensure fielding of the F–35A in the most effective and efficient manner.

Question. What criteria do you plan to use to determine which bases will lose F–35s?

Answer. There are currently no plans to remove F–35s from any existing beddown locations. The Air Force will use its strategic basing process to identify which bases receive the F–35A aircraft. Currently, the Air Force has only identified the preferred and reasonable alternatives for the Formal Training Unit, one Active component operational unit, and one Reserve component operational unit. Criteria used to determine which bases will receive F–35A aircraft included mission, capacity, environmental, and cost categories. Mission included weather and airspace components; capacity included facilities, runway, and ramp components; environmental considered air quality and encroachment; and cost included the area construction cost factor.

QUESTIONS SUBMITTED BY SENATOR DANIEL COATS

Question. General Schwartz, I am concerned about the Air Force's failure to fulfill its obligation to acquire the F117 Engine technical data, and the impact this will have as the Air Force pursues Supply Chain Management services.

What is the Air Force justification for not acquiring the technical data rights to the F117 engine, particularly when it is paying an approximately 50-percent premium to the commercial variant, which includes tech data? Does the Air Force have a plan to acquire such data rights?

Answer. Yes, the Air Force is currently working on acquiring technical data rights to the F117 engine. Under the procurement or sustainment contracts, the Air Force has never purchased data rights for the F117 engine because:

—under the C–17 contract, Boeing acquired the engines from Pratt & Whitney (P&W) as a commercial item; and

—under the Air Force contract to acquire engines, the Air Force used a commercial contract.

P&W paid for the development of these engines. Also, the C–17 sustainment program included Contractor Logistics Support for life; therefore, there was no need to acquire data rights. Since then, the Air Force has decided to break out the engine technical overhaul, supply chain management and systems engineering from the C–17 support. As a result, the Air Force is currently working two separate contract actions to acquire licensed use of P&W's technical manual, and to acquire the data rights for the System Engineering and Supply Chain Management processes for the F117 engine. In December 2011, P&W agreed to a General Terms Agreement release of their technical manual for basic F117 repairs, and the Air Force will further pursue Government Purpose Rights for historical supply chain management and systems engineering to enhance future competition.

Question. General Schwartz, options exist to lower aircraft sustainment costs. For example, the commercial industry has embraced FAA-approved Parts Manufacturing Approval (PMA) parts and Designated Engineering Representative (DER) repairs, but the military has been slow to follow.

Why doesn't the Air Force embrace such commercial best practices? Is the Air Force considering using these practices as it contracts for Supply Chain Management services for the C–17s F117 engines?

Answer. The Air Force has embraced commercial best practices. The Air Force has recently increased the ability of commercial and competitive practices to reduce future F117 engine costs for supply chain management (SCM) services. Through discussions with P&W (the original equipment manufacturer (OEM) for the F117), in December 2011 the Air Force secured access to the OEM repair manuals via license agreement. This repair manual license agreement can be used for SCM competition and for non OEM parts approval.

The OEM does not have to approve repaired parts; any approved repair facility with access to the OEM's repair manuals can overhaul and repair F117 engines without subsequent approval through the OEM. This will continue to increase competition and decrease the reliance on OEM parts which can be used on the F117. This aligns with the commercial industry repair practices.

The Air Force has released a draft performance work statement for a new competitive contract that takes advantage of commercial repairs and non OEM parts approvals. The Air Force's goal is to leverage Federal Aviation Administration's (FAA) PMA and DER approval results as much possible. This may accelerate the approval of non-OEM parts. However, FAA PMA approval is not sufficient for the F117 due to the F117's unique military mission. The FAA approves parts and repairs for only commercial application; therefore, the military must retain configuration control of the F117 engine.

SUBCOMMITTEE RECESS

Chairman INOUYE. The Defense Subcommittee will reconvene on Wednesday, March 21, 2012, at 10:30 a.m., to hear from the United States Army.

The subcommittee stands in recess.

[Whereupon, at 11:33 a.m., Wednesday, March 14, the subcommittee was recessed, to reconvene at 10:30 a.m., Wednesday, March 21.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2013

WEDNESDAY, MARCH 21, 2012

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:32 a.m., in room SD–192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Murray, Cochran, Shelby, Hutchison, Murkowski, Graham, and Coats.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE ARMY

OFFICE OF THE SECRETARY

STATEMENT OF HON. JOHN M. McHUGH, SECRETARY

OPENING STATEMENT OF CHAIRMAN DANIEL K. INOUYE

Chairman INOUYE. This morning, the subcommittee convenes to review the Department of the Army's fiscal year 2013 budget request. And so we welcome the Honorable John M. McHugh, Secretary of the Army. We also welcome for the first time before this subcommittee, General Raymond T. Odierno, the Army Chief of Staff. Thank you for being with us today.

The Department of the Army's fiscal year 2013 base budget request is $135 billion, the same level as last year's enacted base budget. The Army is also requesting $50 billion for overseas contingency operations (OCO) for fiscal year 2013, which is a decrease of $18 billion from last year's enacted amount.

Due to the country's fiscal restraints, the Army's response to budget reductions was based on the determination of the right balance between three areas: personnel, modernization, and readiness.

Over the next 5 years, the Army is planning to reduce the size of the Active Army by 490,000 soldiers and will remove at least eight brigade combat teams (BCTs) from its existing structure. The subcommittee hopes to learn more from you on these reductions and your plans to achieve them without sacrificing the lessons we have learned after a decade of war. As far as modernization is concerned, the fiscal year 2013 request prioritizes the Army network and infantry-fighting vehicle that can accommodate the entire infantry squad and the joint light tactical vehicle (JLTV).

Finally, the Army must ensure its forces are maintained, trained, and equipped at the highest levels of readiness in order to meet its operational demands and to fulfill its obligation in the Middle East and the Pacific in order to meet the new defense strategy.

PREPARED STATEMENT

The subcommittee sincerely appreciates your service to our Nation and the dedication of the sacrifices made daily by the men and women in our Army. We could not be more grateful for what those who wear our Nation's uniform do for our country each and every day. And so I look forward to working with you to make certain that the fiscal year 2013 appropriations bill reflects the current and future needs of the U.S. Army.

[The statement follows:]

PREPARED STATEMENT OF CHAIRMAN DANIEL K. INOUYE

Today, the subcommittee convenes to review the fiscal year 2013 Department of Defense budget request. We welcome the Honorable John McHugh, Secretary of the Army. And beside him we welcome for the first time before the subcommittee, General Raymond T. Odierno, the Army Chief of Staff. Gentlemen, thank you for being here with us today.

The Department of the Army's fiscal year 2013 base budget request is $135 billion, the same level as last year's enacted base budget. The Army is also requesting $50 billion for overseas contingency operations for fiscal year 2013, which is a decrease of $18 billion from last year's enacted amount.

Due to the country's fiscal restraints, the Army's response to budget reductions was based on determining the right balance between three areas: personnel, modernization, and readiness.

Over the next 5 years, the Army is planning to reduce the size of the Active Army to 490,000 soldiers and will remove at least eight brigade combat teams from its existing structure. I hope to learn more from you on these reductions and your plans to achieve them without sacrificing the lessons learned after a decade of war.

As far as modernization, the fiscal year 2013 request prioritizes the Army Network, an infantry fighting vehicle that can accommodate an entire infantry squad and the joint light tactical vehicle.

Finally, the Army must ensure its forces are maintained, trained, and equipped at the highest levels of readiness in order to meet its operational demands and to fulfill its obligations in the Middle East and the Pacific to meet the new defense strategy.

We sincerely appreciate your service to our Nation and the dedication and sacrifices made daily by the men and women in our Army. We could not be more grateful for what those who wear our Nation's uniform do for our country each and every day. I look forward to working with you to ensure that the fiscal year 2013 appropriations bill reflects the current and future needs of the United States Army.

Chairman INOUYE. As you gentlemen are aware, there is a vote scheduled for 10:40 this morning. So, the Vice Chairman and I will alternate voting to continue the hearing as planned. And may I assure you that your full statement will be made part of the record. And now I call upon the Vice Chairman.

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, thank you very much for scheduling this hearing and inviting witnesses to appear and discuss the budget request for the next fiscal year for the United States Army, our soldiers, and others who are working to help protect the security interests of our great country. It's a dangerous mission these days. Men and women are deployed around the world to help protect our security interests and help maintain the access to the freedoms and liberties we enjoy as Americans.

The testimony comes at an important time. We face a lot of challenges, and we appreciate your cooperation with our subcommittee in identifying the priorities to be sure we get it right and that we serve the best interests of our country and peace in the world.

Thank you.

Chairman INOUYE. Thank you very much, Mr. Vice Chairman. May I call upon Senator Graham.

Senator GRAHAM. Thanks for having me.

Chairman INOUYE. Well, it is now my pleasure to call upon the Secretary, Mr. McHugh.

SUMMARY STATEMENT OF HON. JOHN M. MCHUGH

Mr. MCHUGH. Mr. Chairman, distinguished Vice Chairman, Senator Cochran, and Senator Graham, I don't know as I can equal Senator Graham's brevity. But, given the time constraints, I will try to be somewhat brief.

Mr. Chairman, let me first of all join you in expressing my gratitude, and frankly, as the Secretary, relief to have this great leader on my left, the 38th Chief of Staff of the Army, Ray Odierno. And I want to thank this subcommittee and this Senate for acting swiftly to nominate him. As you know, gentlemen, this is a great leader who in a relatively short time has really made his mark as the current Chief, and also former leader. And I feel very honored and blessed to have him as my partner in these very challenging times.

I also want to take a brief opportunity to thank this subcommittee for the great support that all of you have provided our 1.1 million soldiers, our 270,000 civilians, and our families. Collectively, as you know, they make up this great Army, and they, too, deeply appreciate all that you do for them.

Today, more than ever, I would argue today's demanding fiscal environment requires that we maintain an even stronger partnership with you and this great Congress, this great house, to ensure that we have the sufficient resources to defeat our enemies, support our allies, and protect our homeland responsively, decisively, and yes, affordably.

Our budget supports these goals, we believe, by laying the foundation for a gradual reduction of our military and civilian end-strength, while at the same time supporting, as you noted, Mr. Chairman, the vital modernization, training, soldier, and family programs that are so necessary to sustain this Army and ensure that while smaller, it remains the strongest and most capable land force in the world.

As we implement what I think can be fairly described as a bold new security strategy, I want to be very clear. The Army's combat experience, adaptability, and strategic reach will be more vital to our Nation than ever before. Over the last year, I think that's been demonstrated. The Army has continued to be the decisive hand of American foreign policy and the helping hand of Americans facing the devastation of natural disasters.

With soldiers deployed on 6 of the 7 continents, and in more than 150 nations around the world, your Army has become the face of American concern and the fist of American military might.

In the Pacific, we continued our long-term presence in the region with some 75,000 military and civilian personnel participating in

more than 160 exercises, engagements, and operations in support of our allies in that vital region.

In Korea, our soldiers provided a strong deterrent to North Korean aggression. In Japan and the Philippines, we maintained our decades-old security relationships, training, and supporting with those great allies. In Europe, our soldiers fulfilled vital training stability and peacekeeping roles in Bosnia and Kosovo. While in Africa, your Army supported counterterrorism operations throughout the Horn and beyond.

But foreign threats and operations were not all this Army faced. In 2011, this Nation experienced some of the worse natural disasters in our history. From responding to wildfires and floods to hurricanes and tornadoes, our soldiers and civilians from all components were there to help, protect, rescue, or rebuild. To put it very simply, our soldiers, civilians, and their families have once again proven why the United States Army is the most capable, versatile, and successful land force on Earth. And it is this ability to adapt to a myriad of unpredictable threats, both at home and abroad, that we will maintain as we move forward in this new security and fiscal environment.

This year's budget, we believe, portrays an army fully embracing change by making the hard decisions now to lay the right foundations for the future.

First, we are implementing a sweeping new defense strategy, which emphasizes even greater engagement in the Asia-Pacific region in the development of smaller, more agile land forces. Under this new framework, which was developed collaboratively with top military and civilian officials in our department, the Army clearly remains the decisive arm of U.S. combat power.

Second, we are implementing this new paradigm under the significant cuts directed by the Budget Control Act of 2011. In so doing, we made some very tough decisions, but we are always guided by the following key principles. First, we'll fully support the current fight by providing operational commanders in Afghanistan and other theaters with the best trained and ready land forces in the world. That is and it will remain our top priority.

Third, we will not sacrifice readiness for force structure. We must responsibly reduce our end-strength in a manner that fully supports the new strategy but also provides sufficient time to properly balance our training, equipment, infrastructure, and soldier and family support programs with our mission requirements.

Fourth, we will be able to build force structure and capabilities to handle unforeseen changes to global security. The Army must be able to hedge risk through an efficient and effective force generation process and access to a strong operationalized Reserve component.

Fifth, we will maintain and enhance the Army's extensive commitments in the Pacific.

And last, we will not let the Budget Control Act be taken on the backs of our soldiers or their families. Although, we have, and we will continue to examine and, where appropriate, realign our programs, we will fully fund and support those systems that work, with special emphasis on wounded warrior, suicide prevention, behavioral health, and sexual assault programs.

Based on these principles, our budget minimizes end-strength reductions in the near years to support the current fight, emphasizes continued investments in vital modernization programs, such as the network, the ground combat vehicle (GCV), and the joint light tactical vehicle (JLTV), and delays or implements programs which, in our judgment, no longer meet urgent needs in support of our new strategy or transforming force, and we deferred certain military construction programs.

The Army, at its core, is not programs and systems. It's people. And each time I have the honor of appearing before you, I come not only as the Secretary but humbly as the representatives of our soldiers, civilians, and their families. As this subcommittee knows so well, these brave men and women who have endured so much over the past decade depend upon a variety of programs, policies, and facilities to cope with the stress, the injuries, and family separations caused by war.

Sadly, our suicide and substance abuse rates remain unacceptably high, and we are aggressively pursuing multiple avenues to provide our personnel with the best medical and behavioral support that is available. We must never forget that our success in both Iraq and Afghanistan has come at a heavy price for our Army family. Providing the means and resources for whatever challenges they now face is, in my opinion, the very least, the very most, and what we must do.

PREPARED STATEMENT

As a final note regarding our Army family, I would again be remiss if I didn't thank you so much for the great support this subcommittee, and ultimately, the Committee as a whole has provided to those soldiers and families. They appreciate it. We all are so grateful for your leadership, and we look forward to working with you in the future.

Thank you, Mr. Chairman.

[The statement follows:]

PREPARED STATEMENT OF THE HONORABLE JOHN M. MCHUGH AND GENERAL RAYMOND T. ODIERNO

THE STRATEGIC CONTEXT

Our Nation has weathered difficult circumstances since the attacks on 9/11, yet we have met every challenge. The mission in Iraq has ended responsibly, continued progress in Afghanistan is enabling a transition to Afghan security responsibility, and targeted counterterrorism efforts have significantly weakened al Qaeda and degraded its leadership. In all these endeavors, the Army has played a leading role.

As President Barack Obama stated in introducing his new national defense priorities, the country is at a turning point after a decade of war and considerable increases in defense spending. Even as large-scale military campaigns recede, the Nation will still face a growing array of security challenges. These new priorities focus on the continuing threat of violent extremism, the proliferation of lethal weapons and materials, the destabilizing behavior of Iran and North Korea, the rise of new powers across Asia, and an era of uncertainty in the Middle East.

On top of that, our Nation confronts a serious deficit and debt problem (in itself a national security risk) that will squeeze future Army budgets. However, declining defense budgets do not nullify our obligation to provide enough capacity and maintain a highly ready force that is sufficiently modernized to provide a leaner, adaptive, flexible, and integrated force that offers the President a significant number of options along the spectrum of conflict.

Today, the U.S. Army is the best-trained, best-equipped, and best-led combat-tested force in the world. Today's soldiers have achieved a level of professionalism, com-

bat experience, and civil and military expertise that is an invaluable national asset. Our warriors have accomplished every assigned task they have been given. But all we have accomplished in building this magnificent force can be squandered if we are not careful. We are an Army in transition, and we look to the Congress to assist us in the difficult work to build the Army of 2020.

AMERICA'S ARMY—THE NATION'S FORCE OF DECISIVE ACTION

Every day, America's Army is making a positive difference in the world during one of the most challenging times in our history. Although stressed and stretched, the United States Army remains the most agile, adaptable, and capable force in the world. Ours is an army that reflects America's diversity and represents the time-honored values that built our Nation:

—hard work;
—duty;
—selflessness;
—determination;
—honor; and
—compassion.

Today, less than one-half of 1 percent of Americans serve in the Army. As members of one of our Nation's oldest and most enduring institutions, these volunteers play an indispensable role in guarding U.S. national interests at home and abroad. Young men and women who want to make a difference in this world want to be part of our Army, which is why even after a decade of conflict, we continue to fill our ranks with the best the Nation has to offer. They have earned the gratitude, trust, and admiration of an appreciative people for their extraordinary accomplishments.

2011—THE ARMY IN TRANSITION

Over the past year, the Army has concluded its mission in Iraq and commenced the drawdown of surge forces in Afghanistan while transferring responsibility to Afghan forces. We are beginning reductions in end-strength to face budgetary realities. We are also undertaking efforts to rebalance force structure and make investment decisions that will shape the Army of 2020—all during a time of war. These transformational efforts are both significant and unprecedented. As the President's new national defense priorities are implemented, the Army will continue its transition to a smaller yet capable force fully prepared to conduct the full range of operations worldwide.

Operation Enduring Freedom

A decade into the war in Afghanistan, the Army continues to play a leading role in defending our national security interests in this vital theater. At the start of the war, following the attacks on 9/11, elements of Army Special Operations Forces led efforts on the ground to bring al Qaeda members to justice and remove the Taliban from power, thereby denying a safe haven to terrorists. With more than 70,000 soldiers in Afghanistan at peak strength in 2011, the Army's brigade combat teams conducted operations ranging from stability to counterinsurgency.

Today, more than 63,000 Army soldiers in both general purpose and special operations units continue to conduct a wide range of missions across Afghanistan country to help Afghan citizens lay the foundation for lasting security. Simultaneously, the Army provided essential logistics capabilities to sustain the land-locked Afghan theater. In fact, only America's Army could provide the necessary theater logistics, transportation, medical, and communications infrastructure capable of supporting joint and combined forces for an operation of this size and complexity.

Since the beginning of combat operations in Afghanistan, soldiers have earned 5,437 valor awards, including 241 Silver Stars and 8 Distinguished Service Crosses. Four soldiers have been awarded the Medal of Honor for their heroic actions:

—SFC Jared C. Monti;
—SSG Salvatore A. Giunta;
—SSG Robert J. Miller; and
—SSG Leroy A. Petry.

They exemplify the courage, commitment, and sacrifice of all the men and women who have served in this conflict.

Operation New Dawn

In December 2011, the Army concluded more than 8 years of combat and stability operations in Iraq. Initially, powerful and agile forces liberated Iraq and then adapted to the new demand of suppressing the postinvasion insurgencies. Indeed, when the Nation needed a sustained effort to achieve its strategic objectives, the Army answered the call, adjusting its deployment tours from 12 to 15 months to enable

a decisive surge in forces. Army units trained and equipped Iraq security forces, and when the mission changed, the Army executed the extremely difficult tasks of redeploying people and retrograding equipment to ensure future readiness.

More than 1 million soldiers and Department of the Army civilians served courageously in Iraq. They were essential to freeing more than 25 million Iraqi people from the tyranny of a brutal dictator, putting Iraq's future in the hands of its people, and removing a national security threat to the United States.

Success came at a great cost in blood and treasure. But even during the most dire times, our soldiers never wavered. Their heroic actions earned 8,238 awards for valor, including 408 Silver Stars and 16 Distinguished Service Crosses. Two Medals of Honor were awarded posthumously to SFC Paul R. Smith and PFC Ross A. McGinnis.

Other Global Commitments

In addition to the Army's unprecedented contributions in Afghanistan and Iraq, we have continued to conduct operations across the globe to prevent conflict, shape the environment, and win decisively. Nearly 20,000 soldiers remain stationed on the Korean peninsula, providing a credible deterrent and investing in our partnership with the Republic of Korea army. Simultaneously, Army special operations soldiers in the Pacific region continue to provide advice and support to the Philippine Armed Forces, enhancing our robust alliance. Both are examples of strategic investments in a region that is home to 7 of the world's 10 largest armies. (In fact, in most countries around the world, the army is the dominant defense force.) And United States soldiers continue to serve in places such as the Sinai, Guantánamo Bay, Bosnia, Kosovo, and the Horn of Africa, developing and maintaining relationships on 6 of the world's 7 continents.

Defense Support of Civil Authorities

Over the past year, the Army has continued to provide instrumental support to civil authorities. The Army's Reserve component proved to be one of our great strengths for these missions, giving the force depth and flexibility. The National Guard provides a distinctive capability for the Nation. When floods, wildfires, and tornados struck from the Midwest to the South over the span of a few days in the spring of 2011, more than 900 National Guard soldiers supplied a coordinated response to address citizens' needs across the affected region. Similarly, when Hurricane Irene knocked out power and flooded towns across the Northeast in the summer of 2011, nearly 10,000 National Guard soldiers and airmen across 13 States delivered critical services to sustain the region through the crisis.

In addition to ongoing counterdrug operations, approximately 1,200 National Guard soldiers and airmen supported the Department of Homeland Security in four States along the Southwest border by providing entry identification and analysis to disrupt criminal networks and activities.

Army Special Operations Forces

To conduct unified land operations, the U.S. Army fields a suite of special operations capabilities that range from the world's finest precision strike and special warfare forces to the world's most lethal combined arms maneuver formations. The Army draws from across its broad set of capabilities to provide the joint commander the blend of Army assets required to ensure mission accomplishment. True in Afghanistan today, Army Special Operations Forces are also providing assistance in the Philippines, Yemen, the Arabian gulf, Lebanon, Colombia, the African Trans-Sahel, and across the Caribbean and Central America. As Army regular forces become available, they will increasingly integrate with Army Special Operations Forces to promote trust and interoperability with allies and build partner nation capacity where mutual interests are at risk from internal or external enemies.

FISCAL ENVIRONMENT

Challenges of Reduced Budget

Today's global fiscal environment is driving defense budgets down for our partners and allies, as well as our Nation. Historically, defense spending has been cyclic with significant reductions following the end of major conflicts. The Army understands it cannot be immune to these fiscal realities and must be part of the solution. Our focus areas for the fiscal year 2013 budget demonstrate our concerted effort to establish clear priorities that give the Nation a ready and capable Army while being good stewards of all our resources.

Challenges of Continuing Resolutions

Timely and predictable funding enables the Army to plan, resource, and manage the programs that produce a trained and ready force. The Army very much appreciates that the Congress approved the fiscal year 2012 budget earlier than had been the case in recent years when we were forced to operate for long stretches under continuing resolutions. Long-term continuing resolutions force the Army to slow its spending, freeze production rates, and delay the start of new programs. Such delays pose a risk to the Army's operational readiness and investment strategy. We stand ready to help the Congress once again pass defense bills in a timely manner.

SECURITY ENVIRONMENT

A series of powerful global trends continue to shape the current and future strategic environment:

—increased demand for dwindling resources;
—persistent regional conflict;
—empowered non-state actors;
—the continuing proliferation of weapons of mass destruction; and
—failed states.

We anticipate a myriad of hybrid threats that incorporate regular and irregular warfare, terrorism, and criminality. We also face cyber-threats to an increasingly critical and vulnerable information technology infrastructure and the destabilizing effect of global economic downturns. Together, these trends create a complex and unpredictable environment in all of the Army's operational domains:

—land;
—sea;
—air;
—space; and
—cyberspace.

IMPLICATIONS FOR AMERICA'S ARMY

Role of the Army: Prevent, Shape, Win

In the uncertain environment our country faces, the Army remains central to our Nation's defense as part of the joint force. No major conflict has been won without boots on the ground. Listed below are the three essential roles the Army must play.

First, our Army must prevent conflict just as we did during the cold war. Prevention is most effective when adversaries are convinced that conflict with your force would be imprudent. The Army's ability to win any fight across the full range of operations as part of a joint force must never be open to challenge. It must be clear that we will fight and win, which requires a force with sufficient capacity, readiness, and modernization. That means quality soldiers; agile, adaptive leaders; versatile units; realistic training; and modern equipment. Prevention is achieved through credible readiness, sometimes requiring decisive action. Our Army must continue to be a credible force around the globe to prevent miscalculations by those who would test us.

Second, our Army must help shape the international environment to enable our combatant commanders to assure our friends and contain our enemies. We do that by engaging with our partners, fostering mutual understanding through military-to-military contacts, and helping them build the capacity to defend themselves. These actions are an investment in the future that the Nation cannot afford to forego. We must cultivate positive relationships before they are needed and be a reliable, consistent, and respectful partner to others.

Finally, the Army must be ready to win decisively and dominantly. Nothing else approaches what is achieved by winning, and the consequences of losing at war are usually catastrophic. With so much at stake, the American people will expect what they have always expected of us—decisive victory. The Army must never enter into a terrible endeavor such as war unprepared. Although we may still win, it will be more expensive, cost more lives, and require more time.

In addition to being trained, sized, and equipped to win decisively in the more traditional operational domains, the Army also will require robust capability in cyberspace. As the past decade of conflict has demonstrated, the information environment has changed the way we fight. Military and cyberspace operations have converged, and protecting information in cyberspace is more essential than ever to how our Army fights. The advantage will go to those able to maintain the freedom to operate and able to gain, protect, and exploit information in the contested cyberspace domain. The Army must be dominant in both the land and cyberspace domains.

Smaller But Reversible

As our new national defense priorities drive us to a smaller Army, we must avoid the historical pattern of drawing down too fast or risk losing leadership and capabilities, making it much harder to expand again when needed. It is critical that the Army be able to rapidly expand to meet large unexpected contingencies, and four components are key to that ability. First, the Army must maintain a strong cadre of noncommissioned and mid-grade officers to form the core of new formations when needed. Second, we will make significant investments in Army Special Operations Forces to increase their capabilities and provide the President with more options. Third, it will require ready and accessible Army National Guard (ARNG) and Army Reserve forces. The Army's Reserve component has proven essential in contingency operations around the world. From Kosovo, the Sinai and Horn of Africa to Afghanistan and Iraq, homeland defense along America's Southwest border, humanitarian assistance and disaster relief at home and abroad, the ARNG and Army Reserve have evolved into indispensable parts of our operational force and we will continue to rely on them to provide depth and versatility to meet the complex demands of the future. The fourth critical component of the Army's ability to expand is the Nation's industrial base. We rely on the industrial base to perform research and development and to design, produce, and maintain our weapons systems, components, and parts. It must be capable of rapidly expanding to meet a large demand. Reversibility is the sine qua non to ensuring that the Army can rapidly grow when our Nation calls.

THE ARMY'S FOCUS AREAS

Support to Operations in Afghanistan

Our immediate focus remains on providing the best-trained and most-ready land forces in the world to win the current fight while maintaining responsiveness for unforeseen contingencies. The support of the American people is paramount to our success. We must fulfill our responsibilities to them without draining their goodwill and treasure.

Despite continued challenges and tough conditions, our forces are making measureable progress against an adaptive enemy. Army security force assistance teams continue to train both Afghan National Army Forces (now almost 180,000 strong) and Afghan national police forces (made up of nearly 144,000 men and women in uniform). The increased capability of Afghan security forces is allowing security of the region to be turned back over to the Government of Afghanistan district by district. During the coming year we must continue to provide trained and ready forces equipped to support operations. We remain focused on doing everything we can to ensure that we meet our national objectives and provide what our brave men and women in the field need to succeed.

In Afghanistan, the commitment and performance of our soldiers and civilians continues to be nothing short of extraordinary. Not only have they taken the fight to our enemies, but they have proven equally effective as emissaries. Our investment in leader development prepared them to operate in this demanding environment.

In the coming year we will continue to increase the Afghan lead of security responsibilities, target key insurgent leaders, retain and expand secure areas, and help Afghan National Security Forces earn the support of the people through improved security capacity and capability. Because of its geography, distance, infrastructure, and harsh environment, the difficulty and complexity of the drawdown in Afghanistan will exceed that in Iraq. The United States Army is the only organization in the world with the capability to plan and execute a logistical operation this complex and difficult.

The Army places great emphasis on properly maintaining its equipment to restore readiness to the force and ensure it is prepared to meet combatant commander requirements. The Army reset program reverses the effects of combat stress and restores equipment to a high level of combat capability to conduct future operations. Reset is a lengthy process, and even after the drawdown from Afghanistan is complete, the Army will require funding for 2 to 3 years to reset our equipment from the harsh demands of war.

RESPONSIBLE STEWARDSHIP

Institutional Army Transformation

The drive to reform the Institutional Army is about doing things better, smarter, and faster while taking advantage of available technology, knowledge, and experience. Our Institutional Army—the part of the Army that trains, educates, and sup-

ports Army forces worldwide—will become more flexible by improving our ability to quickly adapt to changing environments, missions, and priorities. The Institutional Army is also working to rapidly address the demands placed on the organization by the current and future operational environments. It performed magnificently to produce trained and ready forces, even while seeking to adapt institutional business processes.

Further, the Army is working to provide "readiness at best value" to help us live within the constraints imposed by the national and global economic situation. In short, the need to reform the Army's institutional management processes and develop an integrated management system has never been more urgent. To enhance organizational adaptive capacity while shepherding our resources, the Army initiated a number of efforts, such as the Army financial improvement plan, which will enable the Army to achieve full auditability by fiscal year 2017.

Acquisition Reform

As a result of uncertain funding, insufficient contract oversight and an ineffective requirement determination process, the Army has initiated a significant reform of the way we develop and acquire our products and weapons. As part of this initiative, we have taken steps toward improvement through a series of capability portfolio reviews. These platforms serve to revalidate, modify, or terminate programs based on the Army's need and the affordability of the program. We have also started to fix an inefficient procurement system that too often wastes precious resources and fails to provide needed systems in a timely manner. For example, the Army commissioned a comprehensive review of our acquisition system that, based on the findings and recommendations, produced a blueprint for acquisition reform. These changes fall into four broad areas:

—realignment of acquisition requirements combined with a sharper focus on the needed competencies of acquisition professionals;
—expansion of stakeholder (acquisition professional and soldier end-user) participation in developing requirements, planning, and acquisition solicitation;
—reappraisal and streamlining of acquisition strategies and the attendant risk in such streamlining; and
—improvement in the selection, development, and accountability of the people involved in the acquisition process.

We are implementing these recommendations as part of our broader effort to reform the Institutional Army.

Army Energy Security

Supplying energy to our Army around the world is increasingly challenging, expensive, and dangerous. The Army must consider energy in all activities to reduce demand, increase efficiency, obtain alternative sources, and create a culture of energy accountability. Energy security is an imperative that can be described in two categories—operational and garrison.

Operational energy is the energy and associated systems, information and processes required to train, move, and sustain forces, and systems for military operations. The Army is developing new doctrine, policies, plans, and technologies that will improve the management and use of operational energy to better support soldiers' needs. Less energy-efficient systems in an operational environment require more fuel, increasing the number of fuel convoys and thus risking more lives and limiting our flexibility.

Garrison energy is the energy required to power Army bases and conduct soldier training. Dependence on fossil fuels and a vulnerable electric power grid jeopardize the security of Army operating bases and mission capabilities. The impact of increasing energy prices is a decrease in the quantity and quality of training the Army can conduct.

Initiatives such as cool roofs, solar power, stormwater management, and water efficiency are positive steps toward addressing the challenges of energy security in the operational and garrison environments. Innovative and adaptive leaders, seeking ways to increase energy efficiency and implement renewable and alternate sources of energy, are key to saving lives and increasing the Army's flexibility by reducing costs.

A LEANER ARMY

The Army is committed to providing combatant commanders with the capabilities, capacity, and diversity needed to be successful across a wide range of operations. With a leaner Army, we have to prioritize and also remain capable of meeting a wide range of security requirements. We will reduce in a manner that preserves our

readiness and avoids any hollowing of the force. To satisfy this enduring requirement, we have three rheostats that must be continuously assessed and adjusted:

—end strength/force structure;

—readiness; and

—modernization.

We will balance these three foundational imperatives throughout the next several years to provide combatant commanders trained and ready forces in support of Joint Force 2020.

Force Structure and Force Design

The Army will maintain a versatile mix of tailorable and networked organizations, operating on a rotational cycle, to continue providing a sustained flow of trained and ready forces for the full range of military operations. This will give combatant commanders a hedge against unexpected contingencies and enable a sustainable tempo for our All-Volunteer Force. Over the next 5 years, the Army will decrease its end-strength from a peak authorized strength of about 570,000 to 490,000 Active Army, 358,000 to 353,500 ARNG, and 206,000 to 205,000 Army Reserve soldiers as directed. Reducing our end-strength over a deliberate ramp through the end of fiscal year 2017 allows the Army to take care of soldiers, families, and civilians; to continue meeting our commitments in Afghanistan; and to facilitate reversibility in an uncertain strategic environment.

An unpredictable and dynamic global security environment requires the Army, as a force in transition, to adjust and reduce its size while remaining flexible, capable, and ready to meet the Nation's requirements and maintaining an ability to reverse course to readily expand if necessary. In accordance with the new defense priorities, the Army of 2020 must have a versatile mix of capabilities, formations, and equipment that is lethal, agile, adaptable, and responsive. As the Army transitions from the current force to a leaner force, it will do so while remaining engaged in the current conflicts. The Army will prioritize force structure and committed assets in the Pacific region and the Middle East, and will shape the future force to support the Army's requirements as part of the joint force to fulfill the Nation's strategic and operational commitments. The Army will optimize force structure to maintain reversibility, and achieve maximum operational strategic flexibility. Today we plan on reducing at least eight Active component brigade combat teams (BCT); however, we continue to assess the design and mix of these modular formations based upon the lessons from the last 10 years of combat. This analysis may lead to a decision to reorganize BCTs into more capable and robust formations, requiring further BCT reductions in order to increase overall versatility and agility for tomorrow's security challenges.

As the Army's Active component reduces in size, the composition of combat support and combat service support enablers in the Active and Reserve components will be adjusted to give the Army the ability to conduct sustained operations and to mitigate risk. The Army will continue to rely on the Reserve components to provide key enablers and operational depth. An operational Reserve comprised of a discrete set of capabilities with an enhanced level of readiness will be essential. This force will consist of three elements:

—select combat formations prepared to respond to crisis;

—combat support and combat service support enablers employed early in support of operational plans; and

—forces aligned to support steady-state combatant commander requirements.

Ensured access to the Reserve component is essential to providing the operational depth and flexibility combatant commanders require. During the transition, we must manage our people carefully to neither compromise readiness nor break faith with those who have served the Nation so well.

Readiness

Army unit readiness is measured by the level of its manning, training, and equipping. The current Army Force Generation (ARFORGEN) model has served us well in meeting the requirements for Iraq and Afghanistan; however, we will adapt it to ensure we meet future combatant commander requirements in the uncertain, complex strategic environment. We envision a progressive readiness model for most Active and Reserve component early deploying units which will align forces for combatant commanders. Because of their unique capabilities, our low-density, high-demand units do not lend themselves to a rotational pool like ARFORGEN. These units must be sustained in a constant readiness model.

The Strength of Our Army is Our Soldiers

Soldiers and families form the foundation of unit readiness. People are the Army, and our enduring priority is to preserve the high-quality, All-Volunteer Force—the

essential element of our strength. The Army has gained the trust of the American public more than at any other time in recent history while developing a force that is very different from what it was a few short years ago. Our Army must maintain the public's trust while our Nation fulfills its responsibilities toward soldiers and their families. The United States Army is unique from other professions because our core attributes are derived from American values, the Constitution, and law. Today's Army is building on a successful foundation with the trust, respect, and support of the American people. This foundation, and our enduring commitment to strengthening our Army profession, will improve our force as it adapts to meet the Nation's evolving needs.

The Army is the Nation's pre-eminent leadership experience. The All-Volunteer Force is our greatest strategic asset, providing depth, versatility, and unmatched experience to the joint force. We must continue to train, develop, and retain adaptive leaders and maintain this combat-seasoned, All-Volunteer Force of professionals. We will continue to adjust in order to prepare our leaders for more dynamic and complex future environments. Our leader development model is an adaptive, continuous, and progressive process grounded in Army values. We grow soldiers and Army civilians into competent and confident leaders capable of decisive action. We must give our leaders broadening opportunities to better prepare them for the myriad challenges they will encounter. In addition, we must reinvigorate unit training, training management skills, and leader development to build versatile units. By providing our leaders with the professional challenges they expect, we will retain them and nurture their adaptive spirit.

Our challenge in the coming years is not just about attracting and selecting the best available candidates to be Army professionals. We must also engage and develop our quality, combat-experienced leaders so that we keep them, and they, in turn, train the next generation of Army professionals. During the last decade of war, we have given our young leaders unprecedented flexibility and authority to operate effectively on the battlefield. We will prepare for tomorrow by building on that investment and ensuring that opportunities for creativity, leadership, and advancement exist throughout the Army.

We must draw down wisely to avoid stifling the health of the force or breaking faith with our soldiers, civilians, and families. Excessive cuts would create high risk in our ability to sustain readiness. We must avoid our historical pattern of drawing down too much or too fast and risk losing the leadership, technical skills, and combat experience that cannot be easily reclaimed. We must identify and safeguard key programs in education, leader development, healthcare, quality of life, and retirement—programs critical to retaining our soldiers.

The Strength of Our Soldiers is Our Families

In order to ensure a relevant and ready All-Volunteer Force, the Army will continue to invest heavily in our soldier and family programs. The Army Family Covenant expresses the Army's commitment to care for soldiers and their families by providing a strong, supportive environment that enhances their strength and resilience and helps them to thrive. The Covenant focuses on programs, services, and initiatives essential to preserving an All-Volunteer Force and institutionalizes the Army's commitment to provide soldiers and their families a quality-of-life commensurate with their service to the Nation. Through the Covenant, the Army is improving the delivery of soldier and family programs and services, sustaining accessibility to quality healthcare, and promoting education and employment opportunities for family members. We are sustaining high-quality housing; ensuring excellence in school support, youth services, and child care; and maintaining quality recreation services for soldiers and family members as they serve on the Nation's behalf around the world. We will not walk away from our commitment to our families; however, a different fiscal reality requires us to review our investments and eliminate redundant and poor-performing programs while sustaining those that are high-performing and most beneficial to our families.

Honoring Service

We must fulfill our moral obligation to the health, welfare, and care of our soldiers, civilians, and families. The effects of more than 10 years of war and inadequate dwell-time at home has resulted in a cumulative stress on soldiers, families, and communities that has significant implications for the Army and our Nation. We have implemented an unprecedented number of personnel-focused programs, including comprehensive soldier fitness; wounded warrior program; and health promotion, risk reduction, and suicide prevention, to ensure the continued care, support, and services that sustain the high quality of our force.

Sexual harassment and sexual assault are inconsistent with the Army's values and our profession. It is imperative that we foster a climate where such misconduct is not tolerated and the dignity of our soldiers, civilians, and family members is respected and protected. Army leaders are focused on the urgency of this issue and the level of commitment required to affect cultural change and combat this crime. We are aggressively implementing and expanding the Army's comprehensive Sexual Harassment/Assault Response and Prevention (SHARP) program. The SHARP program is aimed at command prevention efforts at all levels, educating all members of our Army family, training our first responder professionals, and supporting victims while reducing the stigma of reporting. One incident of this type of unwarranted and abusive behavior is one too many. The Army is committed to ensuring leadership at all levels is engaged in preventing sexual assault and harassment and appropriately holding offenders accountable.

The Army continues to invest heavily in better understanding traumatic brain injury and post-traumatic stress, the invisible signature wounds of our recent wars. We have developed and implemented new prevention and treatment protocols, and we are in the third year of our 5-year partnership with the National Institute of Mental Health to identify the factors that help protect a soldier's mental health and those that put it at risk.

We have also started to reduce the length of deployments to 9 months for many of our units at the division level and below, which we believe will alleviate significant pressure on our soldiers and their families. We are doubling our efforts to ensure that each of our more than 18,000 soldiers currently enrolled in the Integrated Disability Evaluation System (IDES) is carefully examined to determine whether he or she should return to civilian life or continue military service. A recent initiative between the Department of Defense (DOD) and Department of Veterans Affairs, the IDES integrates formerly separate programs resulting in a streamlined, more efficient process for servicemembers, which will reduce the backlog of soldiers awaiting benefits.

As we draw down the Army, we must honor our veterans with the very best support, care, and services they deserve as they make the transition from military service to civilian life. We are committed to our soldiers and their families, who are the strength of the Army. At the same time, the Army is focused on wisely managing our resources in the healthcare arena. The Army supports DOD proposals to further reduce the rate of growth in healthcare costs—proposals that are aligned with our priorities. TRICARE is a superb health benefit, one of the best in the country and appropriately so. Just as in all areas of the Defense budget, we need to make decisions that preserve a strong benefit yet reflect the fiscal realities of the times. The proposals take care to exempt populations who have made the greatest sacrifices—those who are medically retired and those families who have lost their loved one while serving on Active Duty. The changes proposed are also adjusted to reflect lower adjustments for those retirees with lower retirement pay. And, most importantly, the Department continues to provide resources that improve the overall health system for our soldiers and their families.

The Army is using the health promotion and risk reduction fiscal year 2011 Campaign Plan to holistically promote health and reduce risk. The Campaign Plan incorporates findings and recommendations from DOD and Army reports regarding health promotion, risk reduction, and suicide prevention. Health promotion and risk reduction activities are essential to sustain the force under the current operational tempo and reset our Army.

Modernization

The Army has global responsibilities requiring large technological advantages to prevail decisively in combat. Just as pilots and sailors seek supremacy in the air and on the seas, soldiers must dominate their enemies on land. Modernizing, especially as end-strength is reduced, is the key to ensuring that our dominance continues.

The Army is setting priorities and making prudent choices to provide the best possible force for the Nation within the resources available. We are developing and fielding a versatile and affordable mix of equipment to enable us to succeed in the full range of missions and maintain a decisive advantage over our enemies. To meet the challenges of an evolving strategic and fiscal environment, our strategy is based on three tenets:

—integrated capability portfolios;
—incremental modernization; and
—leveraging the ARFORGEN cycle;
  —integrated capability portfolios (align stakeholders to identify capability gaps and eliminate unnecessary redundancies);

—incremental modernization (enables us to deliver new and improved capabilities by leveraging mature technologies, shortening development times, planning growth potential, and acquiring in quantities that give us the greatest advantage while hedging against uncertainty); and

—ARFORGEN (processes synchronize the distribution of equipment to units providing increased readiness over time and delivering a steady and predictable supply of trained and ready modular forces. The Army has consolidated its materiel management process under a single command and designated U.S. Army Materiel Command as the Army's Lead Materiel Integrator. Additionally, we consolidated all of our materiel data into a single authoritative repository called the Logistics Information Warehouse).

These emerging systems and processes represent a powerful new approach for implementing the Army's equipping priorities, policies, and programs to the meet new security demands of the 21st century. The equipment requested in the President's fiscal year 2013 budget strikes a balance between current and future needs, provides the basis for an affordable equipping strategy over time, and takes into account Army requirements and priorities. In developing this request, the Army made difficult decisions to shift funds previously programmed for future capabilities to current needs. The decisions came at the expense of promising and needed technologies with capabilities that did not fit within resource limitations. The Army's top four modernization priorities are the Network, ground combat vehicle (GCV), joint light tactical vehicle (JLTV), and soldier systems.

Network

Also known as LandWarNet, the network remains the Army's top investment priority. With expectations of tighter budgets and a still very active threat environment, the Army will have to produce a force that is smaller yet more capable. The Network is the core of that smaller, capable Army.

The Army is conducting a series of semiannual field exercises known as the Network Integration Evaluation to evaluate, integrate, and mature the Army's tactical network. The exercises will assess network and non-network capabilities to determine implications across doctrine, organization, training, materiel, leadership and education, personnel, and facilities. The process aligns several key Army network programs and advances the fusion of radio waveforms to form an integrated network baseline to which industry can build.

The foundation of the modernized network is a joint, secure, and common architecture that will provide information from the cloud to enable leaders, units, and the Institutional Army to function more effectively. The Army will extend this critical capability to its installations around the world. This capability will increase force effectiveness, facilitate transition for units, and individuals from one phase of the ARFORGEN cycle to another and greatly improve network security.

The major programs that form the backbone of the tactical network are:

—the Warfighter Information Network-Tactical, which provides a real-time common operating picture down to the company level by extending satellite and line-of-sight communications, including telephone, data, and video;

—the Joint Tactical Radio System, an advanced software-defined family of radios that will carry data and voice for dismounted troops and airborne and maritime platforms;

—the Distributed Common Ground System–Army, which provides intelligence, surveillance, and reconnaissance data, as well as access to the entire Defense Intelligence Information Enterprise, to commanders from the company to Army service component command level;

—the Joint Battle Command Platform, which provides situational awareness data enhancing mission command to Army and Marine Corps tactical operations centers and combat vehicles; and

—Nett Warrior, which gives dismounted leaders integrated situational awareness and information sharing, helping them to avoid fratricide and increase combat effectiveness.

The Army network must be dynamic to give soldiers, civilians, and partners information and services when and where needed. Investment must be steady and wisely applied, while maintaining a strong partnership with industry.

Ground Combat Vehicle

The infantry fighting vehicle is reaching the limit of its capacity to receive technology upgrades proven critical for soldiers in combat operations. GCV is the Army's replacement program for the infantry fighting vehicle and the centerpiece of the Army's overall combat vehicle investment strategy. It will be designed to deliver a full nine-man squad with improved survivability, mobility, and network integration,

considered crucial to our ability to conduct fire and maneuver in close quarters fighting in complex terrain. The vehicle will also provide the growth potential necessary to accommodate advances in protection, networking and space, weight, power, and cooling technologies while reducing sustainment demands. No current vehicle can sufficiently meet all these requirements.

GCV acquisition strategy implements affordability measures designed to ensure the long-term success of the program as the Army faces constrained resources in the future. To develop this acquisition strategy, the Army and the Office of the Secretary of Defense conducted a comprehensive review to make sure the program is both achievable and affordable within a 7-year timeframe. The model adopted for the GCV program incentivizes industry to use the best of mature technologies that are both affordable and support the 7-year timeframe. The Army has also paid close attention to risk reduction within the program by requiring industry to identify potential cost schedule and performance tradeoffs; provide cost targets throughout the GCV's lifecycle; and maximize competition to support innovation, cost containment, and schedule requirements.

Joint Light Tactical Vehicle

As a Joint Service program between the Army and Marine Corps, the JLTV will replace approximately one-third of the Army's oldest unarmored high mobility multipurpose wheeled vehicles (HMMWV). The JLTV incorporates the strengths of the mine-resistant, ambush-protected (MRAP) vehicles that the HMMWV family of vehicles does not provide. The HMMWV was not designed to be used as an armored combat vehicle, but it was often employed as one during the wars in Afghanistan and Iraq. In contrast, the JLTV will be designed for this role from the outset. It will be capable of operating across the range of military operations and physical environments providing improved mobility and protection for soldiers. The JLTV balances protection, payload, performance, and improved fuel efficiency in one affordable and sustainable vehicle. It will also be fully integrated into the Network to enhance the effectiveness of ground forces.

Soldier Systems

The squad is the foundation of the decisive force; it is the cornerstone of all units. To ensure the success of combat operations in the future, the Army will invest in systems that consider the squad as a team rather than a collection of individuals. This approach will guarantee that the squad will not be in a fair fight but will have overmatch. The Army will continue to invest in soldier systems that enable the lethality, protection, situational awareness, and mobility of the individual soldier in his or her squad. These systems include small arms, night vision, soldier sensors, body armor, and individual clothing and equipment.

SUMMARY AND CONCLUSION

The Army has been, and will continue to be, a critical part of the joint force because land power remains the politically decisive form of warfare and is essential to America's national security strategy. No major conflict has ever been won without "boots on the ground." By being tasked to seize, occupy, and defend land areas, as well as to defeat enemy land forces, the Army is unique because it must not only deploy and defeat an adversary but must be prepared to remain in the region until the Nation's long-term strategic objectives are secured. Indeed, the insertion of ground troops is the most tangible and durable measure of America's commitment to defend our interests, protect our friends, and defeat our enemies.

With global trends pointing to further instability, our Army remains a key guardian of our national security. In the wake of the cold war, it was said that we had reached the "end of history," and that liberal democracy had won the ideological competition. However, events since then make it clear that potential adversaries with competing ideologies still exist and are extremely dangerous.

As a result, we find ourselves in an increasingly uncertain world, with threats ranging from terrorist and cyberattacks to regional instability to the proliferation of weapons of mass destruction. For our Army that means we will likely have to deal with near peer competitors in niche areas and hybrid threats that mix regular, irregular, and criminal activity—all while still facing the possibility of a conventional force-on-force conflict.

The danger extends from the homeland to the theater where combat operations might occur. Conflict is the norm; a stable peace the exception. In such a world, our adversaries will adapt to gain advantage, especially in the land domain. And it is on land that our challenges will be the most complex because of dynamic human relationships and terrain variables.

While the Army's new end-strength numbers allow it to support current defense priorities, it is imperative that the Army draw down end-strength levels in a smart and responsible manner. We believe that our new end-strength provides us with the flexibility to retain the hard-won expertise it has gained over the last decade. To be sure, the Army has faced similar challenges before. After every major conflict since the Revolutionary War, the Army has faced pressure to decrease its end-strength. As recently as 2001 (pre-9/11), many believed a strategic shift was needed and that the future of modern warfare would be about missile defense, satellites, and high-tech weaponry because no adversary would dare challenge America's conventional forces. But whenever we have rushed to radically diminish the position of the Army, the result has always been the same: an excessive decline in effectiveness at a cost of blood and treasure.

Decreases after World War I directly contributed to failures at Kasserine Pass. Decreases after World War II led to Task Force Smith's failure in Korea. More recently, the end of the cold war demonstrated our Nation's need for agile, adaptable, and decisive ground forces to conduct a wide range of operations. These numerous missions include Operation Provide Comfort in Iraq, Joint Task Force Andrew in Florida, Operation Restore Hope in Somalia, Operation Uphold Democracy in Haiti, Operation Joint Endeavor in Bosnia-Herzegovina, and Operation Joint Guardian in Kosovo. What they have in common is that they were unforeseen, thus emphasizing our need to avoid the historical pattern of drawing down too fast.

America's leaders face difficult choices as they chart the way ahead for our Nation. Familiar external threats persist and complex new challenges will emerge. Concurrently, fiscal limitations create internal challenges for our leaders. America's Army is prepared to fulfill its role in keeping the Nation secure. The Army will prevent conflict by remaining a credible force with sufficient capacity to dissuade adversaries from challenging American interests. The Army will shape the environment, building positive relationships and capabilities that enable nations to effectively protect and govern their citizenry. Finally, when called, the Army will fight for the Nation and win decisively. We understand these responsibilities and resolve not to reduce the size of the Army in a manner that does not permit us to reverse the process should demand for forces increase dramatically.

As we look ahead, the Army is focusing on three areas. Our first priority remains supporting operations in Afghanistan. We will guard against becoming distracted by the future at the risk of our men and women who remain in harm's way.

Second, we will be the very best stewards we can because America's resources are too precious to waste. Transforming the Institutional Army, reforming our acquisition process and ensuring energy security are essential for us to protect the resources provided by the Congress and the American people.

Third, we will fight to incorporate principles and processes that preserve readiness and capability while reducing the size of the Army. We are adjusting our formations to build the right number of units with the right capability to meet the needs of the Joint Force. The past 10 years have taught us that an operational reserve force is essential to accomplish our missions and expand rapidly when required. We will invest deliberately and wisely in our soldiers, civilians, and families to make sure they are prepared and supported. We will treat those who have served in our ranks with respect and honor. Our wounded soldiers will receive the very best care the Nation can provide, and our soldiers who return to civilian life will be well-prepared to do so.

Future threats will demand enhanced capabilities for our soldiers, so we will modernize our equipment. The Army has identified four programs to highlight. The Network gives sight, sound, and awareness to our soldiers, civilians, and leaders to defeat our adversaries. The GCV and JLTV will incorporate hard-won lessons in Iraq and Afghanistan to provide the mobility and protection our soldiers require. Investments in soldier systems improve our soldiers' ability to move, fight, and survive on the battlefield.

The Army has chosen its focus areas carefully and deliberately because they will enable us to provide what Nation needs. We owe it to America and to the American soldier, the Nation's servant and warrior—the strength of the Nation.

2012 Reserve Component Addendum to the Army Posture Statement

Sections 517 and 519 of the National Defense Authorization Act of 1994 (NDAA) require the information in this addendum. Section 517 requires a report relating to implementation of the pilot program for Active component support of the Reserves under section 414 of the NDAA of 1992 and 1993. Section 519 requires a detailed presentation concerning the Army National Guard (ARNG), including information

relating to implementation of the ARNG Combat Readiness Reform Act (ANGCRRA) of 1992 (title XI of Public Law 102–484, referred to in this addendum as ANGCRRA). Section 704 of the NDAA amended section 519 reporting. Included is the U.S. Army Reserve information using section 519 reporting criteria. The data included in the report is information that was available September 30, 2011.

Section 517(b)(2)(A)

The promotion rate for officers considered for promotion from within the promotion zone who are serving as Active component advisors to units of the Selected Reserve of the Ready Reserve (in accordance with that program) compared with the promotion rate for other officers considered for promotion from within the promotion zone in the same pay grade and the same competitive category, shown for all officers of the Army.

	Fiscal year 2010			Fiscal year 2011		
	Active component in Reserve component	Percentage [1]	Army average percentage [2]	Active component in Reserve component	Percentage [1]	Army average percentage [2]
Major	57 of 67	85.1	92.1	73 of 86	84.9	93.3
Lieutenant Colonel	10 of 12	83.3	88.7	6 of 11	54.5	86.8

[1] Active component officers serving in Reserve component assignments at time of consideration.
[2] Active component officers not serving in Reserve component assignments at the time of consideration.

Section 517(b)(2)(B)

The promotion rate for officers considered for promotion from below the promotion zone who are serving as Active component advisors to units of the Selected Reserve of the Ready Reserve (in accordance with that program) compared in the same manner as specified in subparagraph (A) (the paragraph above).

	Fiscal year 2010			Fiscal year 2011		
	Active component in Reserve component	Percentage [1]	Army average percentage [2]	Active component in Reserve component	Percentage [1]	Army average percentage [2]
Major	6 of 123	4.9	5.7	3 of 57	5.3	8.7
Lieutenant Colonel	0 of 7		10.7	0 of 10		3.5

[1] Below-the-zone Active component officers serving in Reserve component assignments at time of consideration.
[2] Below-the-zone Active component officers not serving in Reserve component assignments at time of consideration.

Section 519(b)

1. The number and percentage of officers with at least 2 years of Active Duty before becoming a member of the ARNG or the U.S. Army Reserve Selected Reserve units.

Army National Guard Officers.—21,425 or 49.2 percent of which 1,429 were fiscal year 2011 accessions.

Army Reserve Officers.—9,888 or 33 percent of which 389 were fiscal year 2011 accessions.

2. The number and percentage of enlisted personnel with at least 2 years of Active Duty before becoming a member of the ARNG or the U.S. Army Reserve Selected Reserve units.

Army National Guard Enlisted.—95,375 or 30 percent of which 7,243 were fiscal year 2011 accessions.

Army Reserve Enlisted.—35,796 or 21 percent of which 3,524 were fiscal year 2011 accessions.

3. The number of officers who are graduates of one of the service academies and were released from Active Duty before the completion of their Active-Duty service obligation and, of those officers:

a. The number who are serving the remaining period of their Active-Duty service obligation as a member of the Selected Reserve pursuant to section 1112(a)(1) of ANGCRRA:

In fiscal year 2011, there was one Service Academy graduate released from Active Duty before completing their obligation to serve in the Army Reserve.

b. The number for whom waivers were granted by the Secretary of the Army under section 1112(a)(2) of ANGCRRA, together with the reason for each waiver:

In fiscal year 2011, under section 1112(a)(2) of ANGCRRA the Secretary of the Army granted no waivers to the Army National Guard.

In fiscal year 2011, under section 1112(a)(2) of ANGCRRA the Secretary of the Army granted one waiver to the Army Reserve. The waiver provided the soldier an opportunity to play a professional sport and complete service obligation.

4. The number of officers who were commissioned as distinguished Reserve Officers' Training Corps (ROTC) graduates and were released from active duty before the completion of their Active-Duty service obligation and, of those officers:

a. The number who are serving the remaining period of their Active-Duty service obligation as a member of the Selected Reserve pursuant to section 1112(a)(1) of ANGCRRA:

In fiscal year 2011, there were no distinguished ROTC graduates serving the remaining period of their Active-Duty service obligation as a member of the Selected Reserve.

b. The number for whom waivers were granted by the Secretary of the Army under section 1112(a)(2) of ANGCRRA, together with the reason for each waiver:

In fiscal year 2011, the Secretary of the Army granted no waivers.

5. The number of officers who are graduates of the ROTC program and who are performing their minimum period of obligated service in accordance with section 1112(b) of ANGCRRA by a combination of 2 years of Active Duty and such additional period of service as is necessary to complete the remainder of such obligation served in the National Guard and, of those officers, the number for whom permission to perform their minimum period of obligated service in accordance with that section was granted during the preceding fiscal year:

In fiscal year 2011, there were no graduates released early from an Active-Duty obligation.

6. The number of officers for whom recommendations were made during the preceding fiscal year for a unit vacancy promotion to a grade above First Lieutenant, and of those recommendations, the number and percentage that were concurred in by an Active-Duty officer under section 1113(a) of ANGCRRA, shown separately for each of the three categories of officers set forth in section 1113(b) of ANGCRRA (with Army Reserve data also reported).

There are no longer Active and Reserve component associations affiliated with ARNG vacancy promotion due to operational mission requirements and deployment tempo. Active component officers no longer concur or nonconcur with unit vacancy promotion recommendations for officers in associated units according to section 1113(a). However, unit vacancy promotion boards have Active component representation.

In fiscal year 2011, the ARNG recommended 4,286 officers for a position-vacancy promotion and promoted 2,318.

In fiscal year 2011, the Army Reserve recommended 85 officers for a position-vacancy promotion and promoted 85.

7. The number of waivers during the preceding fiscal year under section 1114(a) of ANGCRRA of any standard prescribed by the Secretary establishing a military education requirement for noncommissioned officers and the reason for each such waiver.

In fiscal year 2011, the ARNG had a total of 44 soldiers that received a military education waiver. The waivers were granted based on noncompletion of the Warrior Leader Course (WLC) due to assignment to a Warrior Transition Unit (WTU) ("medical hold" or "medical hold-over" units); and noncompletion of the Advanced Leader Course (ALC) or Senior Leader Course (SLC) due to deployment or training schedule constraints.

In fiscal year 2011, the Army Reserve had a total of 257 soldiers who received a military education waiver. Of these, 89 were sergeants (SGTs) in need of a waiver for WLC as a result of being deployed or assigned to WTUs (medical hold or medical hold-over units) because of a medical condition incurred in direct support of Contingency Operations while otherwise eligible for promotion, if recommended. Furthermore, 155 waivers for ALC and 13 waivers for SLC were granted to soldiers otherwise eligible for consideration but lacking the prerequisite level of Noncommissioned Officer Education System (NCOES) schooling as a direct result of operational deployment conflicts or inability of the Army to schedule the course.

The Secretary of the Army has delegated the authority for the waivers referred to in section 114(a) of ANGCRRA to the Director, ARNG and to the Commander, U.S. Army Reserve Command (USARC). The National Guard Bureau (NGB), and the USARC maintain details for each waiver.

8. The number and distribution by grade, shown for each State, of personnel in the initial entry training and nondeployability personnel accounting category established under section 1115 of ANGCRRA for members of the ARNG who have not completed the minimum training required for deployment or who are otherwise not

available for deployment. (Included is a narrative summary of information pertaining to the Army Reserve.)

In fiscal year 2011, the ARNG had 49,454 soldiers considered nondeployable for reasons outlined in Army Regulation (AR) 220–1, Unit Status Reporting (e.g., initial entry training; medical issues; medical nonavailability; pending administrative or legal discharge; separation; officer transition; nonparticipation or restrictions on the use or possession of weapons and ammunition under the Lautenberg amendment). NGB maintains the detailed information.

In fiscal year 2011, the Army Reserve had 34,180 soldiers considered nondeployable for reasons outlined in AR 220–1, Unit Status Reporting (e.g., initial entry training; medical issues; medical nonavailability; pending administrative or legal discharge; separation; officer transition; nonparticipation or restrictions on the use or possession of weapons and ammunition under the Lautenberg amendment). USARC maintains the detailed information.

9. The number of members of the ARNG, shown for each State, that were discharged during the previous fiscal year pursuant to section 1115(c)(1) of ANGCRRA for not completing the minimum training required for deployment within 24 months after entering the National Guard. (Army Reserve data also reported.)

A total of 445 ARNG soldiers, with at least 24-months time in ARNG, were losses in fiscal year 2011 due to lack of minimum required military education. The breakdown is 265 enlisted and 180 officers.

The number of Army Reserve soldiers discharged during fiscal year 2011 for not completing the minimum training required for deployment within 24 months after entering the Army Reserve is 24 officers and 5 enlisted soldiers. Under AR 135–175, Separation of Officers, separation actions are necessary for officers who have not completed a basic branch course within 36 months after commissioning. Under AR 135–178, Separation of Enlisted Personnel, separation actions are necessary for soldiers who have not completed the required initial-entry training within the first 24 months.

10. The number of waivers, shown for each State, that were granted by the Secretary of the Army during the previous fiscal year under section 1115(c)(2) of ANGCRRA of the requirement in section 1115(c)(1) of ANGCRRA described in paragraph (9), together with the reason for each waiver.

In fiscal year 2011, there were no waivers granted Secretary of the Army to the ARNG under section 1115(c)(2) of ANGCRRA of the requirement in section 1115(c)(1) of ANGCRRA described in paragraph (9).

In fiscal year 2011, there were 210 waivers granted by the Chief, Army Reserve. The Army Reserve was delegated the authority to grant waivers for personnel who did not complete the minimum training required for deployment within 24 months after entering the Army Reserve. The reasons for waivers were categorized as Hardship, Medical, or Administrative (i.e. failed height/weight standards, failed to obtain driver license, accepted ROTC scholarship, temporary disqualified, and failed to complete high school).

11. The number of ARNG members, shown for each State, (and the number of Army Reserve members), who were screened during the preceding fiscal year to determine whether they meet minimum physical profile standards required for deployment and, of those members:

—the number and percentage who did not meet minimum physical profile standards for deployment; and

—the number and percentage who were transferred pursuant to section 1116 of ANGCRRA to the personnel accounting category described in paragraph (8).

a. The number and percentage who did not meet minimum physical profile standards required for deployment:

In fiscal year 2011, 256,696 ARNG soldiers underwent a Periodic Health Assessment (PHA). There were 14,305 (3.9 percent of the soldiers who underwent PHA) personnel identified for review due to a profile-limiting condition or failure to meet retention standards.

In fiscal year 2011, 124,785 Army Reserve soldiers underwent a PHA. There were 14,948 (12 percent of the soldiers who underwent PHA) personnel identified for review due to a profile limiting condition or failure to meet retention standards.

b. The number and percentage that transferred pursuant to section 1116 of ANGCRRA to the personnel accounting category described in paragraph (8).

In fiscal year 2011, the ARNG transferred all 14,305 soldiers to a medically nondeployable status who were identified for a review due to a profile limiting condition or failure to meet retention standards.

In fiscal year 2011, the Army Reserve transferred 15,826 soldiers to a medically nondeployable status who were identified for a review due to a profile limiting condition or failure to meet retention standards.

On August 23, 2010, Department of the Army implemented medical readiness categories (MRC) per AR 40–501 which replaced fully medically ready (FMR) as the metric for measuring individual medical readiness (IMR) in the Army. This new way of measuring medical readiness by classifying soldiers into MRC reduced the number of soldiers considered medically not ready in the ARNG in fiscal year 2011. Soldiers previously listed as not "fully medically ready" because they didn't have current immunizations, medical warning tags, DNA, and a current HIV test on file are now considered "medically ready" and identified as MRC 2 (which is correctable within 72 hours). The data is generated from MEDPROS, the medical readiness database of record for the Army.

12. The number of members and the percentage total membership of the ARNG shown for each State who underwent a medical screening during the previous fiscal year as provided in section 1117 of ANGCRRA.

Public Law 104–106 (NDAA 1996), division A, title VII, section 704(b), February 10, 1996, repealed section 1117 of ANGCRRA.

13. The number of members and the percentage of the total membership of the ARNG shown for each State who underwent a dental screening during the previous fiscal year as provided in section 1117 of ANGCRRA.

Public Law 104–106 (NDAA 1996), division A, title VII, section 704(b), February 10, 1996, repealed section 1117 of ANGCRRA.

14. The number of members and the percentage of the total membership of the ARNG shown for each State, older than the age of 40 who underwent a full physical examination during the previous fiscal year for purposes of section 1117 of ANGCRRA.

Public Law 104–106 (NDAA 1996), division A, title VII, section 704(b), February 10, 1996, repealed section 1117 of ANGCRRA.

15. The number of units of the ARNG that are scheduled for early deployment in the event of a mobilization, and of those units, the number that are dentally ready for deployment in accordance with section 1118 of ANGCRRA.

Public Law 104–106 (NDAA 1996), division A, title VII, section 704(b), February 10, 1996, repealed section 1118 of ANGCRRA.

16. The estimated postmobilization training time for each ARNG combat unit (and Army Reserve unit), and a description, displayed in broad categories and by State of what training would need to be accomplished for ARNG combat units (and Army Reserve units) in a postmobilization period for purposes of section 1119 of ANGCRRA.

The January 19, 2007 Secretary of Defense Memorandum, "Utilization of the Total Force," limited Reserve component unit mobilizations to 400-day periods, including 30-days postmobilization leave, and 5 days out-processing. The most significant impact of this policy change to the ARNG is the inclusion of postmobilization training time during the 400-day mobilization period.

Timely alert for mobilizations—at least 1 year prior—is crucial to the ARNG's mission success. Under the ARFORGEN model, many training tasks previously conducted during the postmobilization phase now occur in local training areas before mobilization. First Army (1A), in the continental United States (CONUS), manages and directs postmobilization training for Reserve component conventional forces. 1A, in theater, conducts the theater-specified training required and confirms the readiness of mobilized units waiting to deploy.

ARNG training and Army Reserve training complies with the ARFORGEN model of progressive training over multiyear cycles and reflects the Army Training Strategy. Units move through the ARFORGEN cycle in three force pools (reset, train/ready, and available). Training progresses through these force pools with the initial focus on individual and leader training, migrating to low-level unit and battle staff, and finally culminating in multi-echelon, combined-arms exercises in the ready year.

All ARNG units are "Combat Units." Forces Command Pre-Deployment Training, in support of combatant commands' guidance, identifies four categories of deploying units:

—Category (CAT) 1 includes units that would rarely, if ever, travel off a Contingency Operating Base/Forward Operating Base (COB/FOB);

—CAT 2 includes units that will, or potentially will, travel off a COB/FOB for short durations;

—CAT 3 includes units that travel and conduct the majority of their missions off a COB/FOB; and

—CAT 4 consists of maneuver units with an area of operations (such as brigade combat teams).

The premobilization tasks increase by category, up to CAT 4. A unit's postmobilization training time depends on the number of the premobilization tasks completed during premobilization. Army goals for postmobilization training for Reserve component headquarters and combat support/combat service support units range from 15 to 45 days, depending on the type and category of the unit (NOTE: This time does not include administrative and travel days). Any premobilization tasks not completed during the premobilization phase must be completed at a mobilization station. ARNG typically sends units to a mobilization station with a premobilization task completion rate of 90–95 percent. Smaller ARNG units typically arrive at mobilization station 100-percent complete.

Postmobilization training conducted by First Army (1A) typically consists of:

—theater orientation;

—rules of engagement and escalation-of-force training;

—counterinsurgency operations;

—counter-improvised-explosive-device training;

—convoy live-fire exercises; and

—completion of any theater-specified training not completed during the premobilization period.

Postmobilization training days for a CAT 4 unit range from 50–65 days training at mobilization station. This training supports a Combat Training Center culminating training event during postmobilization that a CAT 4 unit is required to perform in order to be validated and deployed (National Training Center or Joint Readiness Training Center; 30-day training exercises).

Below is an outline depicting postmobilization training day goals for various units.

FIRST ARMY-APPROVED POSTMOBILIZATION TRAINING PLANS

	Postmobilization training days		
	Current	Goal	Delta
I/H/S Brigade Combat Team	63	45	+18
Combat Aviation Brigade	33	60	−27
Military Police (Internment/resettlement)	27	40	−13
Engineer Battalion (Route clearance)	37	40	−3
Military Police Company	30	40	−10
Quartermaster Company	23	15	+8
Engineer Company (Construction)	29	40	−11
Transportation Company (Heavy equipment transportation)	37	40	−3

The Army Reserve (AR) Command in conjunction with 1A, Forces Command (FORSCOM) and Headquarters Department of the Army (HQDA) are in the process of transitioning the business rules for pre- and postmobilization training for Army Reserve formations deploying in support of overseas contingency operations (OCO). This is motivated in order to meet the intent behind FRAGO 4 to HQDA EXORD 150–08 (RC Deployment Expeditionary Force (DEF) Pre and Postmobilization Training Strategy), the January 19, 2007 SECDEF Memorandum, "Utilization of the Total Force" and the August 4, 2011 Secretary of the Army Memorandum, "Army Deployment Period Policy."

Both the current and projected models are listed below, but both exclude all individual skills training, to include PME, MOSQ and functional training. The bulk of individual skills training will remain a premobilization requirement and would consist of 24 days of Inactive Duty Training, 15–29 days of Annual Training for Collective Training, and, under the current model, 21 additional days of Active Duty Training individual training (Army Warrior Tasks (AWTs), Theater Specific Required Training (TSRT)). Under the projected model, the 21 additional days would be eliminated. Some formations, under the current model, used up to 74 days premobilization to obtain a T2 rating prior to mobilization and up to 60 days postmobilization to achieve a T1 rating. Below is an average of current pre- and postmobilization training models which will expire September 30, 2012. To reduce the demand on soldiers in a premobilization status, 1A will assume the training responsibility for many of the AWTs and TSRT on October 1, 2012. AR units will mobilize at no less than a T3 rating. The shift

in training strategy is for DEF units only and will increase current postmobilization days by a projected 10 days.

Category [1]	Average premobilization	Average postmobilization training	Average total postmobilization
Current model:			
1	65 days	17 days	30 days
2	60 days	22 days	34 days
3	56 days	33 days	46 days
Projected model:			
1	39–45	27 days	40 days [2]
2	39–45	32 days	44 days [2]
3	39–45	43 days	56 days [2]

[1] No CAT 4 formations in the AR.
[2] Some formations may require up to 70 days post-MOB to achieve T1 and satisfy COCOM requirements.

17. A description of the measures taken during the preceding fiscal year to comply with the requirement in section 1120 of ANGCRRA to expand the use of simulations, simulators, and advanced training devices and technologies for members and units of ARNG (and the Army Reserve).

During fiscal year 2011, the ARNG continued to synchronize the use of existing and ongoing live, virtual, and constructive training aids, devices, simulations, and simulators (TADSS) programs with the training requirements of the ARFORGEN training model. By synchronizing the use of TADSS with ARFORGEN, ARNG continues to improve unit training proficiency prior to mobilization.

To support the training requirements of M1A1 Abrams and M2A2 Bradley equipped brigade combat teams (BCTs) the ARNG is continuing to field and train using the Conduct of Fire Trainer-Situation Awareness (COFT–SA) and the Mobile-Conduct of Fire Trainer Situation Awareness (M–COFT–SA). Due to the geographical dispersion of units, ARNG has developed the M–COFT–SA trainer as a mobile solution to fulfill training gaps. ARNG continued fielding Tabletop Full-Fidelity Trainers and is fielding the Bradley Advanced Training System (BATS) for the M2A2 units. When fully fielded, these devices, in addition to the Conduct of Fire Trainer Advanced Gunnery Trainer System (CAGTS) will be the primary simulation trainers to meet the virtual gunnery requirements of M1A1 and M2A2/A3 crews.

In order to train all ARNG units on the tactics, techniques, and procedures (TTPs) of convoy operations and meet unstabilized gunnery requirements, ARNG has fielded the Virtual Convoy Operations Trainer (VCOT). The VCOT, through the use of software databases, provides commanders with a unique and critical mission rehearsal tool. In addition, ARNG has added an Individual Gunnery Trainer (IGT) to train individual and crew drills for .50 caliber and MK19 unstabilized gunnery tasks listed in the HBCT gunnery manual. Currently, all 54 States and territories have received the VCOT capability. The IGT is an initiative that is currently being fielded; to date 140 IGT systems have been fielded to ARNG units.

ARNG is currently fielding the Operation Driver Simulator that trains transportation tasks in a family of vehicles, at both the unit and institutional levels.

ARNG has just completed the Army Training Support Command directed upgrades to the Call For Fire Trainer II (CFFT II). The CFFT II trains Artillery Soldiers and observers of indirect fires on critical skills prior to live fire requirements.

To meet basic and advanced rifle marksmanship requirements, ARNG is continuing to field the Engagement Skills Trainer (EST 2000). This system is the Army's approved marksmanship training device. ARNG is also continuing the use of its previously procured Fire Arms Training System (FATS) until EST 2000 fielding is completed. EST 2000 and FATS also provides static unit collective gunnery and tactical training, and shoot/don't shoot training. The Army is currently rewriting the strategy for the EST 2000 to include ARNG initiative of the mobile EST to accommodate the geographical troop dispersion of ARNG. These systems also support units conducting vital homeland defense missions.

ARNG supplements its marksmanship-training strategy with the Laser Marksmanship Training System (LMTS). The use of LMTS helps to develop and maintain basic marksmanship skills, diagnose and correct problems, and assess basic and advanced skills. ARNG has more than 900 systems fielded down to the company level. LMTS is a laser-based training device that replicates the firing of the soldier's weapon without live ammunition.

The Improvised Explosive Device Effects Simulator (IEDES) supports the training requirements for the detection, reaction, classification, prevention, and reporting of Improvised Explosive Devices. The IEDES kits consist of pyrotechnic and/or nonpyrotechnic training devices to achieve scalable signature effects. ARNG is currently fielded 258 total IEDES kits, of which, 194 are nonpyrotechnic kits (A-kits) and 64 are pyrotechnic kits (B-kits). This distribution includes 53 ARNG training sites across 39 States and territories. They have received fielding, New Equipment Training (NET) and life-cycle sustainment as of third-quarter fiscal year 2012. ARNG–TRS is continuing the effort to identify and fill requirements based on the recently completed (first quarter, 2012) TADSS Mission Essential Requirements (MER) review. The latest IEDES innovation is the fielding of the IEDES Transit Cases to support less than company size training scenarios.

ARNG continues to develop its battle command training capability through the Mission Command Training Support Program (MCTSP). This program provides live, virtual, constructive, and gaming (LVC&G) training support at unit home stations via mobile training teams. Units can also train at Mission Training Complexes (MTC). The MCTSP consists of three MTCs at Camp Dodge, Iowa; Fort Indiantown Gap, Pennsylvania; and Fort Leavenworth, Kansas, and a regional Distributed Mission Support Team (DMST). The Army Campaign Plan 2011 requires the ARNG to train 172 units (Brigade equivalents and above). The MCTSP synchronizes ARNG mission command training capabilities to help units plan, prepare, and execute battle staff training. The objective is to develop proficient battle command staffs and trained operators during premobilization training.

In order to provide the critical culminating training event for the U.S. Army Forces Command (FORSCOM) ARFORGEN cycle, the ARNG has implemented the Exportable Combat Training Capability (XCTC) Program. The ARNG XCTC program provides Battalion Battle Staff training to the level organized, coupled with a theater immersed, mission-focused training event to certify company level proficiency prior to entering the ARFORGEN Available Force Pool defined as Certified Company Proficiency with demonstrated Battalion Battle Staff proficiency, competent leaders, and trained soldiers prepared for success on the battlefield.

The Army Reserve continues to develop its ability to integrate live, virtual, constructive and gaming training aids, devices, simulations, and simulators (TADSS) programs with the Army Reserve Training Strategy in order to meet established aim points in our ARFORGEN training model. TADSS play an essential role in our collective training exercises on our installations which help support our transition from a strategic to an operational Army Reserve and meet our ARFORGEN aim point of providing units at T2 readiness in the available year. Just as critical, TADSS also support our individual soldier training at home station, local training areas, and institutions. By synchronizing the use of TADSS with ARFORGEN, the Army Reserve continues to improve unit training proficiency and ensures we meet our requirement to provide the combatant commanders with trained units and proficient battle staffs.

The Warrior and Combat Support Training Exercises are the Army Reserve's major collective training exercises conducted on Army Reserve installations. These exercises integrate live and constructive environments to train senior battle staffs while lower echelon units conduct company and platoon lanes. The Army Reserve has made sizable investments in improving the facility infrastructure at Fort Hunter Liggett and Fort McCoy to support the use of TADSS in these and future exercises. The 75th Mission Command Training Division is utilizing the Entity-level Resolution Federation to provide a high-resolution (e.g., individual soldier-level fidelity aggregated to unit resolutions) joint constructive battle staff training simulation.

The Army Reserve also utilizes TADSS to assist individual soldiers in maintaining their technical and tactical proficiency. These TADSS assist soldiers in training on individual pieces of equipment and in sharpening their battlefield skills.

Low-density simulators continue to be employed to reduce expensive "live" time for unique combat service support equipment. For example, Army Reserve watercraft units train on the Maritime Integrated Training System (MITS), a bridge simulator that not only trains vessel captains but the entire crew of Army watercraft. Other simulators include locomotive simulators used by Army Reserve railroad units and a barge derrick simulator for transportation terminal units.

Use of the Laser Marksmanship Training System (LMTS) and Engagement Skills Trainer 2000 (EST 2000) remain essential elements of the Army Reserve marksmanship training strategy. During fiscal year 2011, the Army Reserve fielded more than 529 LMTS to 396 Army Reserve facilities to support home station basic marksmanship training for individual and crew served weapons. The system allows the soldier to use their assigned weapon, as well as crew served weapons, in a simulation/training mode. In fiscal year 2011, the Army Reserve also fielded the EST 2000 to 21 Army Reserve facilities. The EST 2000 provides initial and sustainment marksmanship training, static unit collective gunnery and tactical training, and shoot/don't shoot training.

18. Summary tables of unit readiness, shown for each State, (and for the Army Reserve), and drawn from the unit readiness rating system as required by section 1121 of ANGCRRA, including the personnel readiness rating information and the equipment readiness assessment information required by that section, together with:

a. Explanations of the information:

Readiness tables are classified and can be provided upon request. The Department of the Army, G–3, maintains this information. The States do not capture this data. The information is maintained in the Defense Readiness Reporting System—Army.

b. Based on the information shown in the tables, the Secretary's overall assessment of the deployability of units of ARNG (and Army Reserve), including a discussion of personnel deficiencies and equipment shortfalls in accordance with section 1121:

Summary tables and overall assessments are classified and can be provided upon request. The Department of the Army, G–3, maintains this information. The information is maintained in the Defense Readiness Reporting System—Army.

19. Summary tables, shown for each State (and Army Reserve), of the results of inspections of units of ARNG (and Army Reserve) by Inspectors General or other commissioned officers of the regular Army under the provisions of section 105 of title 32, together with explanations of the information shown in the tables, and including display of:

a. The number of such inspections;

b. Identification of the entity conducting each inspection;

c. The number of units inspected; and

d. The overall results of such inspections, including the inspector's determination for each inspected unit of whether the unit met deployability standards and, for those units not meeting deployability standards, the reasons for such failure and the status of corrective actions.

During fiscal year 2011, Inspectors General and other commissioned officers of the regular Army conducted 1,219 inspections of the ARNG. Regular Army officers assigned to the respective States and territories as Inspectors General executed the bulk of these inspections (959). Of the remaining 126 inspections, the U.S. Army Forces Command (FORSCOM), Communications-Electronics Command (CECOM), and other external inspection agencies conducted 104. Because the inspections conducted by Inspectors General focused on findings and recommendations, the units involved in these inspections were not provided with a pass/fail rating. Results of these inspections may be requested for release through the Inspector General of the Army.

The Army Reserve Office of the Inspector General conducted two assessments within the last 12 months. The first was entitled Property Accountability within the Army Reserve (Directed by the Chief, Army Reserve (CAR)) on January 25, 2011 and final report approved on August 11, 2011). The second assessment entitled Special Assessment of Personnel Transition within the Army Reserve was directed by the CAR on August 11, 2011 and is ongoing (expected final report approval in March 2012). The Army Reserve Office of the Inspector General conducted both assessments. The Army Reserve Inspection General assessed 30 units for Property Accountability. As of December 13, 2011, 33 units have been assessed as part of the Personnel Transitions Assessment. The overall goal of both assessments was not to evaluate the unit's deployability status. However, out of the total 66 units assessed nothing was found that would cause a unit to be listed as nondeployable. Results of these inspections may be requested for release through the Inspector General of the Army.

20. A listing, for each ARNG combat unit (and U.S. Army Reserve FSP units) of the Active-Duty combat units (and other units) associated with that ARNG (and U.S. Army Reserve) unit in accordance with section 1131(a) of ANGCRRA, shown by state, for each such ARNG unit (and for the U.S. Army Reserve) by:

—the assessment of the commander of that associated Active-Duty unit of the manpower, equipment, and training resource requirements of that National Guard (and Army Reserve) unit in accordance with section 1131(b)(3) of the ANGCRRA; and

—the results of the validation by the commander of that associated Active-Duty unit of the compatibility of that National Guard (or U.S. Army Reserve) unit with Active Duty Forces in accordance with section 1131(b)(4) of ANGCRRA.

While the methods employed by the Army to manage the Active component (AC) support to Reserve component (RC) readiness have changed during the last 10 years of persistent conflict, we have met the intent of the Congress as outlined in title XI of the National Defense Authorization Act of 1993, as amended. Every RC unit that deployed during fiscal year 2011 was properly manned, equipped, trained, and certified to meet combatant commander (CCDR) requirements prior to employment overseas and CONUS by supporting processes associated with the ARFORGEN process.

The Army began its transformation from large, fixed organizations (divisions and corps) to a modular, brigade-centric organization in 2004. At the same time, and while engaged in persistent conflict, it began transforming the way it executes the training and readiness of modular units—both AC and RC—to meet CCDR requirements. As such, modular force transformation and the implementation of the ARFORGEN process precludes a response in the format directed by title 10, U.S.C. 10542.

The formal training relationships previously established by the AC/RC Association Program outlined in U.S. Army Forces Command (FORSCOM) Regulation 350–4, "Active Component/Reserve Component Partnerships," were modified as the requirements of ongoing OCO kept AC units in frequent deployments and RC units in frequent mobilization. The deployment tempo problem was solved within the Army's Training Support XXI program by using designated, fully functional, AC-led multicomponent organizations to provide the necessary contact with mobilizing RC units. Since FORSCOM Regulation 350–4 no longer reflected the way the AC partnered with RC units, FORSCOM discontinued its use on July 21, 2010. The legislated roles and responsibilities formerly given to the commanders of associated AC units listed in appendices B and C of that regulation are now executed by the commanders of 1A (FORSCOM's executive agent for Active Army support for the training, readiness, and mobilization of conventional RC units in the continental United States); the 196th Infantry Brigade (U.S. Army Pacific's executive agent for the training and readiness of conventional RC units located in the Pacific Command's area of responsibility); and the U.S. Army Europe (USAREUR) for the training and readiness of conventional RC units located in the European Command's area of responsibility.

In 2011, the Army published Army Regulation (AR) 525–29, ARFORGEN, which institutes the structured progression of unit readiness over time to produce trained, ready, and cohesive units prepared for operational deployment in support of CCDR and other Army requirements. This regulation was a collaborative effort between FORSCOM, U.S. Army Training and Doctrine Command, the ARNG, and the U.S. Army Reserve Command to meet the progressive readiness demands of an Army engaged in persistent conflict. Within ARFORGEN, all rotational Active Army, ARNG, and Army Reserve units cycle through three ARFORGEN force pools—Reset, Train/Ready, and Available—and are designated either for deployment to a validated CCDR operational requirement as a Deployment Expeditionary Force (DEF) or for the execution of a contingency mission, operational plan, or other validated Army requirement as a Contingency Expeditionary Force (CEF).

For the RC, this pertains to all modular division headquarters, brigade combat teams, multifunctional and functional support brigades (headquarters only), as well as modular units at the battalion to detachment level that comprise the critical enablers for operational missions. Assessments of the manpower, equipment, and training resource requirements of these RC units and validation of their compatibility with AC forces (as required by sections 1131(b)(3) and 1131(b)(4) of the ARNGCRRA of 1992) are executed and maintained by 1A, the 196th Infantry Brigade, and USAREUR as the RC unit progresses through the ARFORGEN process into the deployment window.

Fiscal year 2011 also found the Army at an inflection point in which strategic conditions have signaled a future change in demand across the range of military operations (DEF to CEF). RC will figure prominently in the Army's response to these changes. ARFORGEN is the process that will produce trained and ready RC units that are organized, manned, trained, and equipped, as integral members of the total force, compatible with their AC counterparts, to provide pre-

dictable, recurring and sustainable capabilities for the Nation's security requirements. The Army does not foresee a return to the legacy construct of associated units.

21. A specification of the Active-Duty personnel assigned to units of the Selected Reserve pursuant to section 414(c) of the National Defense Authorization Act for fiscal years 1992 and 1993 (10 U.S.C. 261 note), shown by State for the ARNG (and for the U.S. Army Reserve); by rank of officers, warrant officers, and enlisted members assigned; and by unit or other organizational entity of assignment.

	Title XI (fiscal year 2011) authorizations				Title XI (fiscal year 2011) assigned			
	Officers	Enlisted	Warrant officers	Total	Officers	Enlisted	Warrant officers	Total
U.S. Army Reserve	97	110	8	215	12	18	.....	30
TRADOC	50	3	.....	53	36	3	.....	39
FORSCOM	1,033	2,165	101	3,299	696	1,925	102	2,723
USARPAC	30	49	1	80	30	41	9	80
Total	1,210	2,327	110	3,647	774	1,987	111	2,872

As of September 30, 2011, the Army had 2,872 Active component soldiers assigned to title XI positions. In fiscal year 2006, the Army began reducing authorizations in accordance with the National Defense Authorization Act of 2005 (Public Laws 108–767, section 515). Army G–1 and U.S. Army Human Resources Command carefully manages the authorizations and fill of title XI positions. The data is not managed or captured by state—the previous table above provides the best representation of how title XI positions are dispersed and utilized.

Chairman INOUYE. Mr. Secretary, thank you very much for your very generous remarks. May I now call upon General Odierno?

STATEMENT OF GENERAL RAYMOND T. ODIERNO, CHIEF OF STAFF

General ODIERNO. Thank you, Chairman, Vice Chairman Cochran, and the rest of the members of the subcommittee. Thank you very much for allowing me to be here.

I want to start out by also thanking you for your steadfast support of our soldiers and their families, especially during these last 10 years, as we've been involved in a significant amount of combat operation. Without your support, we would not be able to do the things we're doing, and we would not be able to take care of our soldiers and families. So, thank you so much for your support.

I also appreciate the vote of confidence from Secretary McHugh. I believe in the Army we have a great civilian-military team, led by Secretary McHugh. His experience and wisdom has helped me as I've come onboard as the Chief of Staff of the Army, and I know together we will walk forward to work many of these issues that face the Army in the future. And I am confident that in the end, the Army will remain the best land force in the world, and I look forward to continue to work with him as we move forward.

It's an honor to sit here today representing our 1.1 million soldiers, our nearly 300,000 Army civilians, as well as the 1.4 million family members. I'm extremely proud of their commitment, their professionalism, and resiliency of our soldiers and their sacrifice and accomplishments.

Today, we remain in more than 150 countries around the world. We are truly a globally engaged army, with 95,000 soldiers deployed, and another 96,000 soldiers forward station, conducting a broad range of missions around the world.

ARMY GLOBAL STRATEGY

But our Army's primary mission is steadfast and resolute to fight and win our Nation's wars. And as the Army continues to transition, we will ensure the President's 2012 defense strategic priorities are implemented, by first meeting our current commitments in Afghanistan and elsewhere by ensuring a highly trained, properly equipped, and well-manned force. Now that operations in Iraq are complete, and we continue surge recovery in Afghanistan, we will help shape the regional environs in support of the combatant commanders, as well as the strategic environment.

In the Asia-Pacific, which is home of 7 of the 10 largest land armies in the world, we are provided an array of tools through rotational forces, multilateral exercises, and other innovative engagements with our allies and new partners. We currently have some 66,000 soldiers and almost 10,000 civilians in this region today.

During a time of great uncertainty in the Middle East, we remain committed and prepared to ensuring security and stability across the spectrum of conflict through our rotational presence and all available means necessary. And in Europe, as we inactivate two brigade combat teams (BCTs), one in 2013 and one in 2014, we will compensate through a series of engagement tools to build and sustain relationships with our European and North Atlantic Treaty Organization (NATO) allies and partners. I believe this will serve as a model how I see us doing things in the future, a combination of forward station and rotational forces, using a tailorable approach by regionally aligned forces and prepositioned stocks.

ARMY FOCUS AREAS

As we move forward, we will build on the competency and experience that has been gained during the past 10 years by our National Guard and Army Reserves in Iraq and Afghanistan, through the resourcing of a progressive readiness model in the future.

As we look forward, and the Secretary already touched on this a bit, there will be several focus areas that will help guide us for the way ahead. Foremost, we'll remain committed to our 67,000 war fighters currently in Afghanistan. They continue to provide trained, equipped, and ready soldiers to win the current fight.

Next, as the Army becomes leaner, we must continue to build on the key characteristics of the future force: Adaptability, innovation, flexibility, agility, versatility, and lethality. We have to prioritize our efforts as we integrate and synchronize our activities as part of the larger joint interagency and multinational effort of the future.

By the end of fiscal year 2017, we will decrease our end-strength from 570,000 to 490,000 in the Active Army, from 358,000 to 353,500 in the National Guard, and from 206,000 to 205,000 in the Army Reserves. It is imperative for us to sustain a gradual ramp during these next 5 years that allow us to take care of our soldiers, continue to provide forces for Afghanistan, and facilitate reversibility over the next couple years, if necessary.

End-strength above 490,000 is funded strictly through overseas contingency operations (OCO) during the next 5 years, and must be sustained to help mitigate risk as we continue current operations in Afghanistan and simultaneously reset our Army for the future.

We will also reduce our end-strength by a minimum of eight BCTs. We are also conducting additional assessments to look at reorganizing our brigades to make most efficient use out of our combat structure. And we will come back to the subcommittee after we can finish our research and our analysis, both the Secretary and I will come back and have further conversations on this.

Finally, we will be responsible government stewards through energy-cost savings and institutional and acquisition reform. We are now taking a fundamentally different approach to how we do business with our acquisition reform. I credit Secretary McHugh for his diligent efforts with this. We have really made some tremendous progress here, in my view.

For a new affordable and incremental equipping strategy, we are making better business deals and better contracts, emphasizing competition, and saving even more money as government stewards.

Our expansion of multiyear contracts, firm-fixed-price contracts, and cost-plus-incentive-fee contracts have proven substantive cost savings already.

By more closely linking the development of requirements with the acquisition cycle, we are building the flexibility to integrate new technologies incrementally. Additionally, we are looking to develop more efficient testing and evaluating strategies by eliminating redundancies. We will continue our equipment reset program to restore unit equipment to a level of capability that is commensurate with their future missions. There have been more than 1.8 million pieces of equipment reset to date, which equates to approximately 31 brigade equivalents annually.

MODERNIZATION

Much of what the Army needs to do and much of what we hope to be able to do will be reliant upon sustained OCO funding for our withdrawal in Afghanistan and for 2 to 3 years afterwards. As we continue to transform our modernization practices through a holistic bottom-up approach, we have several priorities.

First is the Network. It is critical to our ability to manage information and command our forces at all levels both home and abroad, in a multinational and joint context. We made significant progress on this critical program through the series of network integration evaluation exercises that field tested equipment, which are integrated in a system, using our soldiers as the testers.

Second, the ground combat vehicle (GCV), a replacement for our infantry fighting vehicle that can accommodate an infantry squad, balance mobility and survivability, and provide unmatched lethality on the battlefield against current and future threats. We've paid close attention to risk reduction in this development program by maximizing competition to stimulate innovation, support cost containment, and schedule requirements, ensuring industry identifies potential pricing schedule versus performance tradeoffs, and requiring industry to provide cost targets throughout the GCV's lifecycle.

Our third modernization priority is the more mobile survivable network-integrated joint light tactical vehicle (JLTV). With both myself and General Amos, we agree it's necessary, given the last 10 years of fighting and what future operations may entail. We carefully revised our acquisition strategy, reduced the schedule for the next developmental phase from 48 to 33 months, while reducing the projected cost of the program by $400 million.

Next is lightening the soldier's load, with a focus on the squad. There must be continued efforts to give our squads superiority on the battlefield, with advanced soldier systems, and weapons communications, and protection. There has been tremendous progress in the advancement to help lighten the load of our individual soldiers. So now we must turn to look at how the squad can carry the load smarter. We will continue to look at decreasing the weight of our body armor, while increasing protection, but we can make more progress by studying how to better distribute the load across the squad.

The budget request for aviation modernization will continue to ensure our lift-and-close combat capabilities remain effective. These

aircraft provide critical support to our joint ground forces, special operations community, and our international partners.

Finally, I'd like to point out that in order to achieve these priorities within our modernization strategy we'll need the help of this subcommittee to ensure timely appropriations to reduce production and scheduling delays. The Secretary and I will continue to assess and make adjustments to our strategy, while addressing any potential risk incurred, as we adjust our future force posture.

I'd like to leave you with one last thought. Sequestration is not in the best interest of our national security. The Army's share of the cut could be almost $134 billion through 2017. The impact to the Army could cause up to 100,000 additional cuts to our end-strength, on top of the 86,000 we currently plan to reduce. This would result in severe reductions in the National Guard, our Army Reserves, in addition to continued reductions in the Active component. It will significantly decrease what the Army can do for the joint force. In my estimation, sequestration will require us to fundamentally relook how we provide national security for our Nation.

Mr. Chairman, members of the subcommittee, thank you again for the opportunity to speak here today. This subcommittee enables our All-Volunteer Army to be the most decisive land force in the world, and we could not do without the support that you give us. It's an honor to serve this great Nation and stand beside the dedicated professionals of our Army. The strength of our Nation is our Army. The strength of our Army is our soldiers. And the strength of our soldiers is our families, and that's what makes this Army strong.

Thank you very much, and I look forward to your questions, Senator.

Chairman INOUYE. All right. Thank you very much, gentlemen. Before we proceed, I'd like to announce that there's a vote pending at this moment.

Senator HUTCHISON. Mr. Chairman, I'm going to go vote. I know Senator Cochran's coming back, and then you'll go vote. I do want to have a chance to ask questions, so I'm going to come back, but I am going to leave now, so that we can vote and get back. We'll be doing a little round-robin here.

Chairman INOUYE. I can assure you that.

Last January, the Secretary of Defense announced the budget plan and said that the Active Army will be reduced by 72,000 in the next 5 years. Many of us have privately expressed concerns, primarily on the risks that may be involved.

Can you share with us your thoughts on this matter?

END-STRENGTH REDUCTION RISK MITIGATION

General ODIERNO. I think one way to mitigate the risk is that fact we're going to do this over a 5-year period, and I think that helps us to mitigate some of the risks that we have. My concerns are, first, we want to be able to take care of our soldiers and families. Doing it over a 5-year period helps us to reduce the risk to our soldiers and their families, first off, because we will be able to do a majority of the reductions through national attrition, although, there will be some requirements above that.

Second, it will help us, if we do this over a 5-year period, to ensure that we have the forces necessary to continue to rotate in Afghanistan, as we continue that commitment.

And third, if we have to, if we get it wrong, and we have to reverse, we can do that easily during the next 2 to 4 years, as we execute this strategy.

The assumptions in the strategy are that we will no longer be engaged in large-scale, long-term operations that would be over a 5- to 10-year period. That's the risk to this reduction. We increased the size of the Army in the 2000s in order to meet the requirements of both Iraq and Afghanistan, and because of the high operational tempo (OPTEMPO) it was putting on our soldiers and our families. Now that we are reducing the size of the Army, as long as we are not involved in large-scale contingencies over a long period of time, I think we can mitigate that risk.

I do believe we have the capability to conduct two simultaneous operations at 490,000, as long as they are not over a long duration time period, and that's where the risk comes in, Senator.

Mr. MCHUGH. Mr. Chairman, may I add a few on that?

Chairman INOUYE. Please do.

Mr. MCHUGH. As the Chief noted, the primary consideration was that we had sufficient end-strength to meet the new security strategy and its expected requirements. And as you heard him say, I think we all agree we do.

But the other thing really goes back to your opening comment. You know, the Army is people. And currently, we spend about 48 cents of every $1 on our people. And so when we're mandated to find, as we went through the Budget Control Act for the department, $487 billion over 10 years, we have to find reductions in our personnel costs. There's just no other way to do it.

And what we wanted to ensure is that we didn't have artificially high end-strength, that our budget was resourcing modernization and proper equipping, and the other things that are so important, family, medical programs, so that we didn't take that path to becoming hollow that we've had so much discussion about over the years, and other postconflict periods.

So, we think we're balanced in a way that resist the temptation to pump up end-strength at a very high cost of not giving the soldiers what they need to complete their mission.

Thank you, Mr. Chairman.

Chairman INOUYE. Gentlemen, I will have to leave to vote, but in the meantime, I'll call upon the Vice Chairman to continue the hearing. I'll be back.

Senator COCHRAN [presiding]. Thank you, Mr. Chairman. Let me ask you a question about the C–27 Joint Cargo Aircraft program. There's indication in our briefing paper here that the Air Force is suggesting that even though the C–27 was developed to provide a unique capability to support Army needs, that that could have been managed by the use of C–130 aircraft. I don't know whether this is a consensus, or what your reaction to it is, but is there a difference of opinion between the Army and the Air Force on the C–27 and C–130? We don't need to overdo things and buy things we don't need in this time of fiscal constraint and pressure on the

budget. So, I was just curious to know what your reaction to that would be.

INTRA-THEATER LIFT

General ODIERNO. Thank you, Senator. The Army has a stated requirement for intra-theater lift, which we need in places like Iraq, Afghanistan, and we've discussed this over time. The Army has a C–23 Sherpa program, which, frankly, is getting old and, frankly, will no longer be capable of doing the mission we need it to in the future. So, we've defined this requirement.

The Air Force has come back and said we can meet all of your intra-theater lift requirements with the C–130. So, we have worked with them to develop concepts that will put C–130s in direct support of Army units in order to meet these requirements.

So, I would just answer your question by saying we've identified the requirement for intra-theater lift. C–27 was one solution. The Air Force has come back and said we can solve this problem using the C–130. So, we are working with them to come up with the procedures in order for us to solve this problem using the C–130.

Senator COCHRAN. One issue that always is of interest to me as we begin this annual review of the budget request for the different services is how well we're doing with recruiting and retention of the quality of person and candidate for service in the U.S. Army. Do we need to consider going back to compulsory military service or is the all-volunteer concept alive and well and working to suit our national defense needs?

ALL-VOLUNTEER ARMY

Mr. MCHUGH. Very important question, Senator. I think the easy answer to your last point is that the last 10 years pretty well proved that the Volunteer Army, in our case, Voluntary Military, for this Nation, can meet just about any challenge over any duration of time you may put them up against. Having said that, we're always concerned about what tomorrow may look like, and we track our recruiting, our retention numbers, and track the caliber of our recruits as well.

On the retention side, our problem is, frankly, too many people want to stay, and we're going to have to manage that as we draw down our end-strength in ways that ensure that we keep the very best of the best. And that will be a challenge, because we will have to request, as the Chief alluded to, some soldiers who meet our minimum standards and requirements, and who, in many cases, I'm sure, will have served honorably, but ask them to take on new challenges in their lives.

Our recruiting numbers are better than the nearly 20 years I've been in this town. Our numbers of waivers are at historic lows. We don't provide major felony waivers any more, contrary to the times in the not-so-distant past, when they were not normal, but they weren't unheard of. Our high school graduation rates are more than 90 percent, higher than the average that is maintained here amongst the civilian population. And as they have proven time and time again, even our youngest soldiers are up to the greatest challenges.

So, we're always concerned about what a brightening economy will mean on our ability to compete with the private sector, but to this point, I think things are going very, very well.

Chief.

General ODIERNO. If I could add, Senator, to include our ability to recruit officers as well. The numbers at West Point are way up. Applicants are way up. The competition is way up. The competition at Officer Candidate School (OCS) is at its highest level I've ever seen it. Our Reserve Officers Training Corps (ROTC) programs are, although we are doing some consolidation, are doing very well. So, right now we are in good shape. But it's something that we have to constantly manage. And as we all know, some of this could be based on some of the economic issues and unemployment rates. We have to watch this very carefully. There is a lot of interest in serving. So, we feel we are doing very, very well in those areas.

In terms of retention, there will be some people who want to stay who probably will not be allowed to stay, as the Secretary just talked about, during the next 3 or 4 years. But we want to set up programs that allow the best to stay. We want to keep the best talent that we have, and we're trying to decentralize that decision-making process down to the commanders in the field, so they can make the decisions on who are the best, most qualified to continue to stay and lead our Army into the future as we face many of these complex challenges that you've outlined.

Senator COCHRAN. That is very welcome news and good to hear, and also, a reason to compliment the leadership of our United States Army and other forces who are providing the example and serving in capacities of a very important responsibility for our country. I'm sure the soldiers are looking up to those they are serving with, or they wouldn't be interested in re-enlisting or staying in for a career, as many of them are now voluntarily doing. I think it's a tribute to our leadership of our military. So, I congratulate you on those successes that we've had.

It was a pleasure for me to serve on the Board of Visitors at West Point for a time, and as a matter of fact, I think it was one of the best collateral duties I've ever had in the Congress, serving on both the Board of Visitors at West Point and the board out in Colorado for the Air Force, and the Naval Academy board. I really got a great opportunity to meet and get to know those who were in charge of our training academies, and who were the professors and instructors getting the job done, training, and educating the officers of tomorrow, and the leaders of tomorrow, the next Secretary of the Army and the Joint Chief chairman, and so we appreciate the success we've had. And we know that it doesn't just happen by itself, but there are a lot of dedicated men and women throughout the Army who are helping make this a very important success story.

UNITED STATES MILITARY ACADEMY AT WEST POINT BOARD OF VISITORS

General ODIERNO. Senator, I would just add that last night the Cadet Andrew Rodriguez, from West Point, was awarded the Sullivan Award, which is given each year to the top leadership student athlete in the country for all sports. It's only the sixth time that

a football player has received it. And 3 out of those 6 were from West Point that have received that award over time. And I think he's representative of the type of individuals that we now have, that are interested in serving our country. And we're very proud of these young men and women who continue to want to serve. And I think that's just another indication of the quality of individuals that we continue to get in the Army and West Point.

Mr. MCHUGH. I would note, Senator Cochran, that I had the honor of serving on that—I guess I still do, but as a Member of Congress for 15 years. And you're right. It's a special opportunity, and one of those things that few Members of Congress get to experience, and it was a great opportunity for me.

I would also note, just for the record, that the gentleman on my left is also a West Point grad, and given the football team, and Army, Navy, I wish he were back there wearing a helmet, but we'll talk about that later.

Senator COCHRAN. Do you need time for rebuttal, General?

General ODIERNO. I want to be on the record, we're going to beat Navy this year.

Senator COCHRAN. We're joined again by other members of the subcommittee, and I'll yield to the distinguished Senator from South Carolina.

Senator GRAHAM. Thank you. When you said that, John, I thought that you were talking about his left, and that would have been me.

I would have been the first guy to get in West Point with 800 SAT on both parts. The Army's got enough problems without having to go down there. Not bad. That's right.

So to both of you, thanks for being leaders in a time when we need leaders. Ten years into this thing, I know people are war weary and we're trying to balance a $15 trillion budget that's out of whack, and everything's on the table. So, to my friends out there who want to argue about what we should do with the entitlements, that we should reform them just like we're trying to reform the Pentagon, bottom line is, the sequestration is just a really bad idea. Both of you already said that. Do you agree with that?

SEQUESTRATION

Mr. MCHUGH. It certainly would have an incredibly devastating effect upon our national military.

Senator GRAHAM. It would really be silly and stupid, right?

Mr. MCHUGH. I agree.

Senator GRAHAM. Yes. Go ahead, John. You can say that.

Mr. MCHUGH. I agree with you always, Senator.

Senator GRAHAM. Okay. Good. Thank you.

So, we'll find somehow to avoid it. We're not going to put that burden on you.

But the sum total of what we're doing, $470-billion-something during the next 10 years is no small lift, is it, General?

General ODIERNO. It is not.

Senator GRAHAM. Okay. We're going to put 87,000 people out of work, I guess. So, just please understand what the military is having to do on the Army side. Eighty-seven thousand people are going to be put out of work over the next 5 or 6 years, who have dedi-

cated themselves to defending the Nation, who are well trained, and, you know, make up the 1 percent who serve. So, when I hear other agencies and other parts of the Federal Government saying that's too much, that's too far, the Defense Department is more than paying its fair share, in my view, and I'll have to look long and hard if I think 87,000 makes sense.

Where do you see the potential for future land engagements, General, that could have 100,000 troops required? Are there any scenarios in mind?

General ODIERNO. Well, obviously, we have agreements with South Korea, in reference with potential problems with North Korea. You know, we have issues across the Middle East, a significant amount of instability.

Senator GRAHAM. The Horn of Africa really went bad. You may have to enter these troops. Maybe not 100,000.

General ODIERNO. Maybe not 100,000.

Senator GRAHAM. Let's talk about a scenario where you had to commit major land forces after we cut the $487 billion. What percentage of a, say, 100,000-person force, in the future, 5, 6 years from now, would have to come from the Reserves?

General ODIERNO. It would depend on the specific situation.

Senator GRAHAM. Let's say it's an Iraq situation.

General ODIERNO. Well, in the beginning phases of a war, about 80 percent would be out of the Active, and about 20 percent out of the Reserves. But as that went on over time, the amount of use of the Reserves would increase. So, in the second or third year, you would see more Reserve component.

Senator GRAHAM. So, the truth of the matter is that we need, as a nation, to understand that if we go down by 87,000, if there are any major land engagements sustained over a period of time, the Guard and Reserves are going to be asked to do more, not less.

General ODIERNO. That is correct.

Senator GRAHAM. That's just the math, right?

General ODIERNO. That is correct, Sir.

Senator GRAHAM. Okay. Mr. Secretary, stress on the force. One, to the soldier who is going to be charged with the murder of 16 Afghan civilians, you're highly confident in our military justice system.

STRESS ON THE FORCE

Mr. MCHUGH. I have no doubt about our ability to handle it.

Senator GRAHAM. And that soldier will be provided whatever resources his defense team needs, within reason, to defend him, right?

Mr. MCHUGH. That is our requirement, and that is our, we feel, duty.

Senator GRAHAM. Now, people talk about stress on the force. Do you agree with me that most people in Afghanistan, of any senior rank, have had multiple deployments?

Mr. MCHUGH. We have in the military at large more than 50,000 folks in uniform who have had at least four deployments.

Senator GRAHAM. And this is a severe aberration and does not reflect who our men and women are, in terms of their behavior under stress. Do you agree with that?

Mr. MCHUGH. The fact that this is receiving, understandably, so much attention, I think, underscores that very fact. Yes, Sir.

Senator GRAHAM. General, do you agree with that?

General ODIERNO. I do agree, Senator.

Senator GRAHAM. Okay. So now let's talk about where we go, in terms of the Congress's role in helping you craft this budget. Do you have enough flexibility to make adjustments? Let's talk about mental health for our troops, those coming back from the theater. If we execute this budget reduction and you have 10 years of fighting, and you may have some latent stress problems show up down the road, do we have the adequate infrastructure in this budget reduction environment to take care of issues that may arise down the road from the last 10 years of fighting?

Mr. MCHUGH. From what we can see, there is always, of course, as you know, Senator, it's what you don't expect that you have to be most troubled by. We have both the facilities, the flexibility, and funding to provide for them. The biggest challenge on behavioral health we've had are bringing into the Army Force structure the behavior health specialists. We've been chasing the requirement for a number of years now.

Senator GRAHAM. I don't want to take too much time, but recruiting trained mental health specialists who are subject to being deployed is a very big challenge. So, I hope we'll look, going within the force and cross-training people. That's one way to get more folks. But, if you wanted to serve your country as a civilian or a military person, if you're in the mental health arena, there's a real demand for your services.

And the last comment I'd like to make is about stress on the force. We've been deployed a lot. It's been a very tough time for families. What kind of stress on the force can we anticipate from a major reduction in personnel, limited assets? And I would just end with this proposition. I think the world is getting more dangerous by the day, and the potential conflicts that we face are growing, not lessening.

General, Mr. Secretary, can you describe to me what we can expect from a force that's going to be reduced by 87,000? The mission possibilities are growing, not lessening. What kind of stress does that have on the Force?

General ODIERNO. First off, it is, as we have learned, the issue becomes the stress of multiple deployments. So, as you reduce the force, if we get into a sustained land combat, it will, once again, increase the stress on the force. And that's a bit of a risk, as we go down, as you mentioned, 87,000. So, we have to mitigate that. We've tried to mitigate that by going down the 87,000 over a 5-year period, which slows it down, which enables us to take care of those soldiers and families as we ask them to leave the service, in some cases. And we'll hopefully be able to do most of it by attrition, but it won't be all by attrition. There will be some people who are, in fact, asked to leave over time. So, we're trying to figure out the best ways to mitigate that.

Mr. MCHUGH. As you know, Senator, rotations, deployments are probably the leading cause and the leading stressor. We're operating under the assumption, the fact we're out of Iraq and a planned phase-down through 2014 in Afghanistan. If that should

change, obviously, we're going to have to do some re-evaluation. And then one of the advantages of going through this exercise of assigning budget numbers every year is that we're provided the opportunity to second guess ourselves, if it's required.

The Chairman has noted that this is really the first budget, not just the only budget, of what we view as a 5-year, and ultimately a march to 2020, to a time when we're hopefully fully modernized as a force.

Senator GRAHAM. Thank you for your service.

Senator INOUYE [presiding]. Senator Hutchison.

Senator HUTCHISON. Well, thank you. First, I want to say to General Odierno how much I appreciate everything that you've done. Talk about deployments to the tough spots. You've been there. I appreciate meeting with you in Iraq twice, and seeing what you could do there. And I think that experience has certainly given you the base and the background to handle so many of these issues and problems. I just can't tell you how much I appreciate all that you've done and your service.

Secretary McHugh, I'm glad to see you. And in about a half hour, I'm going to go to the West Point Board of Visitors' meeting, and I know I'll see you there, where we serve together. And I'm so happy to still be on the board and able to help your alma mater, General Odierno.

I'd like to ask both of you, really, but it's on the issue of drawing down the troops, and especially from Europe. And I know that you are planning to do some rotational deployments in Europe to save money. We're going to bring back the two brigades. And I just wonder if you are also looking at further reductions in Europe. Obviously, we have to have a presence there, when we have our hospitals there, but we know the training is limited. We know both the Government Accountability Office (GAO) and Congressional Budget Office (CBO) have said it's more cost effective to maintain forces in America rather than overseas.

I'm, of course, interested, from the military construction standpoint and the operations on overseas bases, and have always felt like we were doing more than our fair share in NATO. I want to ask you where you are, either of you, or both, on conserving our dollars by having more troops based in America, making sure that we're not over building with our NATO military construction beyond what is our requirement. But sometimes we're getting into regional centers, where European countries want equality, and that's not our responsibility.

So, can you walk me through that, and maybe something we haven't seen in the future that would help me understand that we are being efficient with our military construction and operations overseas, and favoring our U.S. bases, where we have the training capabilities and certainly the more efficient operations?

FORCE STRUCTURE

General ODIERNO. I think, Senator, first is that I think as we look to the future, our strategy is going to be that we are going to rely more and more on rotational forces. We think that's important.

Now, it does not mean we will completely reduce our overseas presence. It's got to be the right balance and mix, so we're going

to constantly review what that right balance and mix is between rotational forces and forward station forces. We will continue to do that.

We have been consistently coming down in Europe over the last 3 years. We're going to go down to 90 bases, 50 of those which are really Army sole bases. The other 40 are joint. There's some Army, Air Force, and some other places. From more than 300 bases that were there just 3 or 4 years ago. So, we are slowly coming down.

The Secretary and I have a team over in Europe right now looking at the structure, the infrastructure, to continue to conduct assessments, as we inactivate the two brigades, as we bring down Fifth Corps headquarters, as they come out of Afghanistan, what is the exact infrastructure that would be needed. Are there refinements to that that we will have to make? And we will constantly assess this, as we move forward with our final posture.

And I think so far, actually, we've gotten great cooperation from our partners on this. They realize this. They understand what we're trying to do, and the fact that we'll rotate forces to continue to train with some of our NATO forces, I think, is actually good for us and for them, because it will allow more units to have the experience of working with our NATO partners over time.

So, I think we will continue to assess this. I think you'll see us reassess it again next year and the year after, and constantly look at this, as we try to get right our posture, as compared to what's in the United States and what's in Europe.

Senator HUTCHISON. Let me ask you, on the V Corps headquarters, I believe you said that it's not going to return to Europe after the deployment in Afghanistan. Is that going to be eliminated, or will it be moved to an installation in the United States?

General ODIERNO. The plan is to eliminate it, Senator.

Senator HUTCHISON. Thank you. Thank you very much, both of you. I so appreciate working with you, and if there are any things that we need to be doing at West Point, please let me know. Thank you.

Chairman INOUYE. Thank you very much.

Senator Shelby.

Senator SHELBY. Thank you, Mr. Chairman. Mr. Secretary, General, you've been welcomed, but probably not by all of us yet. Thank you very much for your service.

General, title 10, section 2464 of the U.S. Code requires the Defense Department to provide all the depots with a baseline core workload, the minimum amount of man-hours necessary to sustain a given depot's unique technical skills.

For the Anniston Army Depot, that core workload requirement, I understand, is 3.2 million man-hours. Anniston was fortunate enough to exceed its core for nearly 9 years, but subsequent to the drawdown in Iraq hundreds of temporary workers have been let go. It's my understanding earlier this year the Army only projected 2.4 million man-hours of work for Anniston in 2013, a level far below its legally mandated core workload. Such an unprecedented drop-off could require Anniston to let go some of its permanent technical workforce, which we try to keep together, precisely those essential workers the core requirement was meant, as I understand it, to protect.

What is the Army doing to make sure that this does not happen, and where are we there? Could you speak to that?

DEPOTS

General ODIERNO. I can, Sir.

Senator SHELBY. And how important is it?

General ODIERNO. Thank you. Well, first, our depots are incredibly important for maintaining our capabilities. And what we've done is we've established core competencies in each one of our depots, in order to sustain that. So, for example, for Anniston, it's combat vehicle, assault bridging, artillery, small caliber weapons. And that will remain the core function of Anniston, as we go forward.

In terms of reductions, what we're seeing is, as we continue to reduce the amount of reset and recap that we're doing, based on our work in Iraq and Afghanistan, we're starting to see the workload drop. But we've established these core capabilities in each one of our depots. We will continue to do that.

Now, I will say, and the Secretary can add to this, is that we're going to continue to look at each one of our depots as we move forward to make sure that we sustain enough capability to grow, if necessary, but also to gain efficiencies. But Anniston has been such a key piece of everything we've done and will continue to remain one of our depots that have some core competencies that we need.

Senator SHELBY. Anniston and the other depots, without speaking of Anniston, they're very important for the readiness of the Army, is that correct?

General ODIERNO. They are. They are very important.

Senator SHELBY. Mr. Secretary.

Mr. MCHUGH. Senator, you have struck upon something that concerns us greatly, and not just because it says it in law, though, obviously, we're mindful of our title 10 and statutory requirements, but also, as you just noted, these depots are absolutely critical to the Army's ability to go out and do whatever missions they're assigned.

As the Chief noted, our primary response to that are the establishment of centers of excellence, of which Anniston, of course, is one. We're working now with the Department of Defense to go through sector-by-sector, tier-by-tier (S2T2) analysis of our depots, of our core industrial base. And as we come down out of war, sustaining those minimum requirements that you cited, particularly for the high-end workers, is going to be a challenge, but we're looking at every possible avenue, including foreign military sales, in the case of some Bradleys for Anniston, and others, to try to yes, meet that statutory requirement, but more importantly, keep those facilities viable.

Senator SHELBY. Thank you.

General, moving over to the area of the Army Ballistic Missile Defense, in May 2011, the Army and the Missile Defense Agency (MDA) signed a memorandum of understanding regarding a proposed transfer of Army ballistic missile defense assets (BMDA). This subcommittee felt that the proposal was not backed by sufficient analysis and the report of the fiscal year 2012 defense appropriations bill contained language opposing any such transfer.

Does the fiscal year 2013 budget move any Army programs or personnel to MDA or request funds to enact such transfers in the future, or where are we?

MISSILE DEFENSE

General ODIERNO. I'll have to go take a look at that, Senator, and get back with you, and I don't know if the Secretary knows, but I believe that we are clearly still looking at that, at transferring some of the capabilities to MDA.

Mr. MCHUGH. What I would note is we still believe the transfer makes sense, from the Army perspective. It is intended to simply provide through MDA, or provide the Army through MDA, greater buying power. Other service missile programs are similarly administered through that organization. And beyond the ground, the air-breathing threats would continue to be under our operational command. So, it's about a 65-percent, I believe, transfer, but most of it is in procurement and technological development.

Senator SHELBY. Will you furnish this to the subcommittee, since we were concerned about analysis of this memorandum of understanding?

Mr. MCHUGH. I haven't read the fiscal year 2012 bill recently, but my understanding is we owe you an analysis and a report, and I can't imagine we wouldn't supply that.

Senator SHELBY. Okay.

Secretary McHugh, in the area of Army aviation modernization, prior to its release, the fiscal year 2013 budget, I understand, was described as delaying Army aviation modernization by 3 to 5 years. Could you provide us with some more detail, if you have any yet, of which programs are being delayed, and why, and would the delays impact primarily procurement, or research and development (R&D), or both?

AVIATION MODERNIZATION

Mr. MCHUGH. I'd have to defer to the Chief on some of the specifics of that question. It's absolutely true. We had to slip some of the, particularly the procurement programs to the right. We feel it's an acceptable level of risk, given the status of most of our rotary wing fleet, as long as we have the sufficient reset money coming out of Afghanistan, as the Chief noted, for 2 to 3 years. But I think he can provide you some of the platform details.

Senator SHELBY. General.

General ODIERNO. I can, Senator. What we've done is, we've delayed, we've not eliminated. But let me give you, for example, for the Apache, for example, we've gone down to the minimum requirements, which is 48 per year. It delays the program 3 to 5 years, to 2030.

For example, out of this Program Objective Memorandum (POM), we've delayed the procurement of 23 new-build Apaches and 42 remanufactured Apaches. It will still be built, but it's been moved out of the POM.

For the CH–47, we've reduced some performance upgrades, like the rotors. We've made that adjustment on the CH–47. We continue to do full-rate production under the current multiyear that ends this year. We're looking for another multiyear, from 2013 to

2017, to complete the National Guard Reserve component modernization.

In the UH–60, we're delaying modernization of all components by about 2 to 3 years. What I mean by components is Active, Reserve, and National Guard. And we'll delay procurement of 72 UH–60 Mikes to outside of the POM. But we will continue to modernize and update the UH–60s, as we move forward. So, as I've just said to you, it's more of a delay.

Now, we have funded the upgrade of the Kiowa, but that's based on a decision, as we do the analysis of alternatives, as we look at the new potential armed aerial scout helicopter. That decision will be made later this year. And then based on that, we'll decide whether we go with the armed aerial scout, or do we continue to invest in improvements in the Kiowa Warrior. That will be determined sometime later. But we have funded the improvement program in this POM for the Kiowa Warrior at the tune of about $740 million. And we will continue to use Kiowas at least through fiscal year 2025.

Senator SHELBY. Quickly, the advanced hypersonic weapon, which we had a very successful test last year, this capacity, as I understand it, for a conventional prompt global strike has been sought for years by the military. Can you talk a little about that, and where we are in there? What will it mean for our combat commanders?

ADVANCED HYPERSONIC WEAPON

General ODIERNO. Well, I don't think that's our program, but I would tell you that on the ground, the ability for us, it's about precision. And whenever we can increase our ability to provide precision munitions and capabilities, that makes a significant difference on the ground for us. And I think that's what we gain by this capability.

Senator SHELBY. Thank you, Mr. Chairman.

Chairman INOUYE. Thank you very much.

Senator Murray.

Senator MURRAY. Thank you very much, Mr. Chairman. Secretary McHugh, as you and I have discussed, Joint Base Lewis-McChord (JBLM), in my home State of Washington, is facing some very real questions on the way they have diagnosed post-traumatic stress disorder (PTSD) and the invisible wounds of war. Today, unfortunately, we are seeing more information on the extent of those problems. This is actually a copy of today's "Seattle Times" and in it is an article that is based on the most recent review of the forensic psychiatry department at JBLM, which, as you know, is under investigation for taking the cost of mental healthcare into account in their decisions. And what this article shows is that since that unit was stood up in 2007, more than 40 percent of those servicemembers who walked in the door with the PTSD diagnosis had their diagnosis changed to something else, or overturned altogether.

What it says is that more than 4 in 10 of our servicemembers, many who are already being treated for PTSD, and were due the benefits and care that came with that diagnosis, had it taken away

by that unit, and then they were sent back into the force or into their community.

Now, in light of all the tragedies that we have seen stem from the untreated invisible wounds of war today, I'm sure that you would agree that this is very concerning. And not only is it damaging for our soldiers, but it also really furthers the stigma for others, whether they're deciding to seek help or not today.

So, in light of all the issues, you and I have had a chance to talk to this generally, but I wanted to ask you specifically today why was this highly controversial unit set up originally at JBLM, and who's decision was it to do that?

Mr. MCHUGH. Do you mean the forensic department?

Senator MURRAY. Correct.

BEHAVIORAL HEALTH RE-EVALUATION

Mr. MCHUGH. Well, for every base where you demobilize soldiers, it is practice to have that capacity. The concern, as you noted, Senator, is that, at least statistically, and the numbers are changing every moment, they've changed since that newspaper went to print.

Senator MURRAY. Do you have the most recent numbers?

Mr. MCHUGH. I don't have them exactly.

Senator MURRAY. But it is more than 40 percent?

Mr. MCHUGH. The number of cases for re-evaluation is somewhat more than 300 now.

Senator MURRAY. But it is more than 40 percent?

Mr. MCHUGH. I haven't done the exact math, but I think that's a pretty accurate figure. So, the question for us is, why in this one unit were those kinds of re-evaluations and change in diagnosis achieved? It's not totally unheard of that a psychiatric or a mental health condition will change. So, I don't want to say all of those diagnoses and changes were inappropriate, but clearly, when you have those kinds of data, we want to make sure that everything is appropriate. And as you and I have discussed, to the Army Surgeon General's credit, General Patty Horoho, she has immediately stepped forward, has asked, and has had that particular unit step down, and has conducted a wholesale re-examination that has begun with 14 soldiers, and will methodically go through all of them to make sure that the changes were not, in fact, inappropriate.

Senator MURRAY. Do you know who made the original decision to step up that unit?

Mr. MCHUGH. To actually form it?

Senator MURRAY. Yes.

Mr. MCHUGH. I couldn't tell you the officer's name.

Senator MURRAY. And can you tell me, is this an isolated incident, or are there other Army medical centers that are changing the PTSD diagnosis at this rate?

Mr. MCHUGH. That's what we have to be sure of. The Surgeon General has asked the Inspector General of the Army to go and examine all of similar facilities and locations. To this point, we don't see any evidence of this being systemic, but as, again, you and I have discussed, we want to make sure that where this was inappropriate, it was an isolated case, and if it were not, to make sure we address it as holistically as we're trying to address it at that.

Senator MURRAY. Have you examined similar statistics for all the other installations?

Mr. MCHUGH. All re-evaluations are being looked at and evaluated.

Senator MURRAY. Okay. So that is being done. Can you provide us with that information?

Mr. MCHUGH. We'll certainly keep you up-to-date on that. Yes.

Senator MURRAY. All right. Well, as you know, the review by that forensic psychiatry at Madigan was a change from the standard disability evaluation process used across the military. The integrity of the disability evaluation system depends on each and every servicemember being subject to the same process. Across the Army, what will be done to improve the oversight of the disability evaluation system to make sure that the same process is being applied system-wide?

Mr. MCHUGH. Well, as I said, the Inspector General, along with the Surgeon General, are re-examining the application of all diagnostic procedures. You noted correctly, we have a very standardized system. It's a system that is utilized similarly in the Department of Veteran Affairs (VA) evaluations, similarly in civilian evaluations, and we are restating to all of our providers that that is a diagnostic protocol that they will follow, and equally important, that fiscal considerations are not in any way a part of the evaluation. It's simply unacceptable.

Senator MURRAY. And you're making that clear system-wide?

Mr. MCHUGH. We're doing everything we can to make that clear system-wide. Yes, Senator.

Senator MURRAY. Okay.

General ODIERNO. Senator, if I could just add to that one point. For us it's about, we should be patient advocates. And that's the mindset we're going to work on changing, to make sure everybody understands that. We are patient advocates. We are trying to get the best for what is right for our soldiers.

Senator MURRAY. General, I really appreciate that. And I have to say, I've been here for 10 years, since the beginning of this war, at many, many hearings, hearing that from the top, and I agree that that is what everyone is saying, but it's really disconcerting, after 10 years, to find now that that has not been the case. So, that's, you know, why I think it's really important that we really focus on this, not just at Madigan, and what happened there, but system-wide, to make clear that this is, you know, it isn't the cost of PTSD, or any mental health evaluation that is of concern to the Army or to the military at all, it is making sure that those men and women get the care that they receive. So, you know, it is very troubling to be here 10 years, after many, many hearings, and many, many questions, to find out this has been occurring.

And really, one of the most troubling aspects of these recent events at Madigan is that servicemembers were diagnosed with PTSD and other mental health disorders during their military service. They received treatment for those conditions, but then when they entered the Medical Evaluation Board (MEB) process, they had that diagnosis changed. So, that is very troubling to every one of us that has been watching this for a very long time.

And I did want to ask you what changes you are seeking, Army-wide, to make sure that behavioral healthcare diagnosis are more consistent between those who are providing care and those conducting the disability evaluations.

Mr. MCHUGH. Well, as I said, Senator, the basic answer to that is the processes and the protocols of diagnosis are the same. You're always going to have individual practitioners who take a somewhat different view as to what they're observing in a particular patient, but that is what training is about, trying to eliminate to the greatest extent possible, those vagaries, but in terms of the standards of evaluation, whether it's an MEB or whether it is a postdeployment mental health evaluation, those diagnostic touch points are all the same and standardized. The Surgeon General and certainly the Inspector General, as he does his analysis across this system, are making that very, very clear, and we'll continue to press that as well.

Senator MURRAY. Okay. Well, as I said, this is an extremely disconcerting situation. I want to know if it's system-wide, because these men and women, the stigma of mental healthcare is something that's very real. The challenges of PTSD and mental healthcare are real. And no one, no one should be denying any servicemember care purely because of a question of cost. That is something that the taxpayers of this country bear the burden of providing. We will provide it. But we want to make sure that the Army is not dismissing this in any way, shape, or form.

So, we will continue to follow this and continue to stay in touch with you, as these different questions are answered, but I want to make sure that we are really looking not just at Madigan, obviously, that's clearly where the focus is right now, but system-wide, to make sure that we are evaluating all of these on the same system, and that there is no discretionary concern about cost or anything else, that we get these men and women the care that they have earned and they deserve, and this country expects them to have.

Mr. MCHUGH. As I've said, Senator, we appreciate truly your leadership on that, and we are in full agreement of your perspective. Fiscal considerations should be nonexistent, and we're going to do everything we can to make sure they are.

Senator MURRAY. Thank you very much. And thank you, Mr. Chairman.

Senator INOUYE. Thank you.

Senator Coats.

Senator COATS. Thank you, Mr. Chairman. I apologize if this question has already been asked. I'm Ranking Member on another appropriations subcommittee this morning, and so I had to divide my time here. But this is a question I asked the Air Force when they were here, and the Navy and Marines, when they were here. And that is the nearly half of $1 trillion reduction in spending on national security assets that you are working through now, which results in a considerable drawdown of Army personnel, and perhaps, procurement and other central areas, is tough enough, but the prospect of an additional nearly $1 trillion under the Budget Control Act sequester, which has not yet been addressed for any

kind of change, I just want, for a record, to get your assessment of what the impact of that would be.

And I go back a little ways. I remember shortly after Desert Storm I, being with then Defense Secretary Cheney, saying, you know, if you go back through history, at the end of a major deployment or conflict, we've always drawn down too far, and going back up always puts us in a very difficult situation. And I couldn't help but write down the quote that General John F. Amos, Marine Corps Commandant, said. He said, "History has shown that it's impossible to predict where, when, and how our military forces will need to be called upon."

And so, I'd just like, for the record, to get your take on this particular budget-driven drawdown. And we all want efficiencies and effectiveness in saving funds, given our debt situation but also the potential impact of this sequester, if it's not adjusted.

SEQUESTRATION

Mr. MCHUGH. Thank you, Senator. If I could, I'll start, and then turn it over to the Chief.

With respect to this budget, these were tough decisions and tough numbers to make. We had to, I think, come down in a place that puts us on the edge, but, nevertheless, on balance, I think all of us feel, across both the combatant commands, as well as the Service Chiefs and Service Secretaries, that this is a reasonable fiscal plan, and most importantly, it does reflect the requirements under the new national military strategy.

We're very concerned about any changes to that, because it is a delicate balance that the chair and I had a brief discussion about how our end-strength numbers are very finely tuned against our other budget lines, to make sure that we have the readiness and modernization, training, family programs that are necessary not to keep us on the path to going hollow, as you mentioned, that happened in other postconflict periods.

As to sequestration, I think the Chief and I both agree it would be devastating. For the Army, I'll let the Chief talk about the actual numbers to our current end-strengths, but it will cost us another $134 billion, roughly. I can't count for you the number of acquisition programs that would be placed in a Nunn-McCurdy breach, simply because while the fiscal impact is hard enough, we have no opportunity under the budget law to manage it. It is simply an across-the-board cut against all appropriation lines, requiring us to buy one-half of a mine-resistant, ambush-protected (MRAP) vehicle, if you will, or requiring us to ban all kinds of acquisition programs that I think would be chaotic, not just for the military but would be chaotic for our industrial partners, who obviously have stockholders and have employees, and would have to lay off, I don't venture an exact figure, but I suspect thousands, if not tens of thousands of employees. So, unlimited negative impact, should that happen.

Senator COATS. Chief, do you want to add to that?

General ODIERNO. Senator, if I could, I'll just say I want to make sure that people understand that this first $487 billion cut is not an easy cut. And, in fact, I talk about the razor's edge, and the razor's edge is the fact that we have to balance end-strength with our

modernization program and our readiness. It's a very, very careful balance. And my guess is we'll have to continue to refine and adjust this as we move forward.

If we get another additional $500 billion cut, as the Secretary said, it, frankly, will change how the joint force looks. And so we're going to have to re-evaluate and take a look at what do we want our joint force to do. How do we want to accomplish our national security objectives?

Specifically to the Army, it translates into approximately 100,000 additional end-strength cut, a combination of Active, National Guard, and Reserves, but more importantly is it would require us to cut more steeply in 2013 and 2014, which in my mind puts at risk the force responding in Afghanistan, and to the current commitments we have, and puts at risk how many of our leaders that we would have to lose that have the experience and capabilities that we will need in the future.

So, it's not only the size of the cut, it's the fact that they would require it to happen more quickly. They would require it to happen without any thought. It's an even cut across all management decision packages (MDEPs) within our budget. So, the risk is extremely high, in my estimation, extremely high. It would be devastating to us.

Senator COATS. Thank you. Second question I have, assuming—do I have any time left, Mr. Chairman?

Just help me get a little bit of understanding on where we're going with the vehicle fleet in the future. I know that the decision has been made to recapitalize high-mobility multipurpose wheeled vehicles (HMMWVs) to a significant extent, and I think there's money in the budget for that, but the decision between the modernized expanded capacity vehicle (MECV) and the joint light tactical vehicle (JLTV), can you just give me your thinking behind where you are now, and some of the thinking behind that. And I raise that partly because, and correct me if I'm wrong, the JLTV is a much lighter, more mobile vehicle than the MECV. Am I correct in that?

LIGHT TACTICAL VEHICLES

General ODIERNO. The JLTV is really there to replace the HMMWV.

Senator COATS. Yes.

General ODIERNO. It's a HMMWV replacement.

Senator COATS. But the MECV is being terminated, or at least in the budget, terminated.

General ODIERNO. Right. Right.

Senator COATS. Now, get to the rationale behind that.

General ODIERNO. Well, I would say that we're looking at a combination of our whole wheel fleet, as you just kind of brought up. And what we've got, the JLTV, we will purchase about one-third of the amount of HMMWVs we have now. We're still going to depend a little bit on HMMWVs. Through our recap and reset program, we will continue to do that.

We had to look at what we thought we needed across the force, as we move forward. You know, we've purchased a significant amount of MRAPs. We're trying to integrate what's the number of

MRAPs we want to keep in the force, how many new JLTVs we need. And the reason the JLTVs is so important for us, it gives better protection than the HMMWVs, it's lighter, and it's network integrated. So in my mind, it's a significant upgrade to the HMMWV.

So, I think it's a combination of all those things, a mixture of, you know, the MECV, the MRAPs, the HMMWVs, the JLTV, and we're trying to get the right mix. And with the budget constraints that we have, we believe the right mix was a combination of JLTV, HMMWVs and then using some of our MRAP capability to feel the need in that category of our truck fleet.

We're also doing an analysis of our truck fleet, and we're probably going to reduce the number of trucks we have in the total fleet, as we reduce the force structure, and as we relook how we developed our requirements for the truck fleet. And we're taking a look at that as well, as we move forward. And we'll continue to refine and assess this, and provide you updates as we move forward with this during the next couple years.

Senator COATS. My concern dates back to, again, early in the 1990s, when we thought the light tactical vehicle was the cat's meow, I mean, to get around in urban situations and so forth. This is before improvised explosive devices (IEDs) came, such a challenge for us, and so then there was a lot of clamoring that went on, and so forth. And you know all the history of that, and so forth. So, I guess my concern is, is that we end up back in a situation where we're under armored.

General ODIERNO. Sure.

Senator COATS. And our troops are more vulnerable. And that's really the heart of my question.

General ODIERNO. Senator, it's a great question. And the challenge that we have, whether it be in our light vehicles, or even in our infantry fighting, any vehicles we develop now, it's this dynamic of mobility versus survivability. And what we're trying to do is, what I'd like to have is a system that enables us to adjust survivability, based on the environment, so we have a choice on how mobile we can be and how survival we can be.

An example I always use is the Stryker vehicle. Our Stryker vehicle was built to provide us more mobility. What's happened is we've had to put so much weight back on the Stryker we've lost the mobility that we first wanted on the Stryker. And so, it's okay in an operation like Afghanistan or Iraq, because of the counter-insurgence, you know, we use it, but in other environments, we're going to have problems with it now, because it's so heavy, and its ability to get off-road is a problem.

So, what we're looking for is the right balance, and that's what we're trying to get with the JLTV, that's what we're trying to get with the ground combat vehicle (GCV), is that right balance of mobility and survivability. And we're working very closely with all of our partners to try to achieve this.

Senator COATS. And then just one last question. Do we have any problems with the industrial base, in terms of all this remixing of priorities?

General ODIERNO. We watch it very carefully, and we have to make sure that we're able to sustain the industrial base, as we

move forward. Certainly, we're very cognizant of that as we move forward.

Senator COATS. That's a component of the decision in process.

General ODIERNO. It is. It is.

Mr. MCHUGH. As we discussed earlier, it's a big concern across all of our industrial base, both organic, but as well as our private industry partners. And we're working with the Department of Defense to try to ensure that we can do everything we can, whether it's for military sales, public-private partnerships, in assessing and locating our personal buys, our individual service buys in a way that sustains that minimum rate to the greatest extent possible.

Senator COATS. Good. Thank you. Thank you, Mr. Chairman.

Chairman INOUYE. Thank you very much.

Senator Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman. And gentlemen, thank you for your testimony, for your leadership. I listened with great interest to the exchange that you had with Senator Murray. As important as it is, when we talk about our military equipment and the infrastructure needs, I think we recognize that it always come back to the individual, to the human being, and we need to make sure that we are focusing equal attention on the need to reset that individual, reset the mind, the body, and ensure that there is no cost that is spared in doing so. So, I appreciate a great deal the attention that is being focused, not only, again, on the situation that Senator Murray has indicated at Madigan there, in Washington but, really, system-wide in better understanding that.

General, I missed your visit when you came to Alaska in January. We appreciate that we don't get a lot of visitors coming to Alaska in January, and that was noted and greatly appreciated, particularly since you were coming from Hawaii. So, you got to really experience the contrast there. But I think it was important.

We recognize that we're at some pretty historic levels, in terms of the U.S. Army Alaska forces, and the contribution that they are currently making in Afghanistan now. Well over 10 percent of the Army forces deployed in Afghanistan are coming from U.S. Army Alaska, and I think that that is significant. So, I appreciate that you have gone there yourself, and would be curious in your impression, in terms of the quality of what we're doing in Alaska, in terms of the training.

My more specific question, though, and what I would like you to address is, on that trip, you mentioned, in Hawaii, that the number of soldiers that are assigned to the Pacific would generally be about the same as it is today. Can you comment on the role of U.S. forces that are based in Alaska to achieve these military objectives in the Pacific? Is it fair to conclude that the number of soldiers that are assigned to U.S. Army Alaska will generally be the same as it is today?

U.S. ARMY IN ALASKA

General ODIERNO. I think as we look at the plans, I think, as you know, U.S. Army Alaska is, in fact, part of the Pacific Command.

Senator MURKOWSKI. Right.

General ODIERNO. And we're looking at, for the most part, it will be very close to what it is today. Now, we'll continue to look at

that, but our plan is not to do much changes to the forces that are in the Pacific. So, I would say, in general terms, it will be pretty close to what it is today.

Senator MURKOWSKI. Appreciate that. I know that the folks in Alaska recognize, again, not only the strategic advantage that is gained there, but some of the training opportunities that we have. I'm assuming that your impression was favorable of what we are providing, in terms of the quality of troops we're seeing coming out of the North.

General ODIERNO. Yes. First, the training facilities are incredible. What they're able to do and how they're able to prepare, no matter what mission they go on, it gives them a great advantage. And I would just also point out is that the families are taken care of very well up in Alaska. They love living there. It's a great base for us, because of its location and its ability to respond to the Pacific and other areas as well, if needed. So, it's a key component of our Army of the future.

Mr. MCHUGH. May I just——

Senator MURKOWSKI. Yes. It's okay.

Mr. MCHUGH. Somewhat of a prejudiced view on my part, I guess, but my 17 years in the House, I represented the Fort Drum region, which is close to the Canadian border, and I was very fond of saying, and it applies to Alaska as well, not everywhere we fight has palm trees. I mean it's nice to be able to train to sometimes less conducive climates than other places might provide. And that's important to weather acclimate our soldiers.

Senator MURKOWSKI. Yes. I recall flying over parts of Afghanistan and looking down at this very remote area, very mountainous, very tough country, and thinking, "It looks just like home." So, it is a great place to train.

I wanted to ask, also, a couple questions about the retirement of the C–23s, the Sherpas, here. Last fall, the subcommittee was briefed on the plan to divest the C–23s by fiscal year 2015. And in the briefing materials, it indicated that there would be a possibility that the Army would reconsider that divestment decision, if the Air Force makes the determination to retire the C–27.

Well, now that the Air Force has proposed that retirement, I am hopeful and would certainly encourage the Army to revisit its decision to retire the C–23. Can you tell me whether or not the Army does intend to relook at that?

INTRA-THEATER LIFT

General ODIERNO. I would just say we have not made any permanent decision. However, I would say we have some issues because the C–23, as you're aware, is an old aircraft.

Senator MURKOWSKI. Right.

General ODIERNO. It's very expensive to sustain. It doesn't really quite meet the requirements that we have. I said earlier, we've identified a requirement that we need intra-theater with, which is kind of the role the C–23 plays. And that requirement has not changed.

Now, as we began to develop the C–27, the program was turned over to the Air Force. The Air Force has told us that they can provide C–130s to accomplish that mission. So, we are in agreement.

We are working with them now to use the C–130, which would be direct support to Army units that would allow us to do that intra-theater lift. So, that's the solution we're headed—that's the road we're headed down right now, as that will be our solution.

We'll continue to assess the C–23 program, as we move forward. But, frankly, especially with the current budget constraints, it's going to be very difficult for us, in my opinion, to sustain the C–23 program. But I'll turn it over to the Secretary.

Mr. MCHUGH. Just the budgetary fiscal realities are simply to modernize these aircraft, which we would have to do, given their age. But modernization and longer-term sustain, that is between $800,000 and $1 million per aircraft. So, it really is a tough budgetary decision that we're going to make, what we'll have to make. But, as the Chief said, particularly as our intra-theater lift situation has evolved with the Air Force, you know, we're always willing to re-evaluate and change a decision where necessary. But that program has some real dollars attached to it.

Senator MURKOWSKI. Well, let me ask a follow-on. This is coming from a number of the Adjutant Generals, who think that extending the life of the C–23s is a bargain, at about $90 million. They've asked me to inquire whether or not the National Guard's cargo lift needs can be filled at a lower-price point, given that the C–27s will not be available to the Guard.

General ODIERNO. Well, I think this is something that has to be decided at the Department of Defense level, as we look at this, and whether we believe the C–130s can fill that Guard need as well.

Senator MURKOWSKI. But that is being factored in.

General ODIERNO. It needs to be. It absolutely has to be factored into this, as we look at this, because if we divest of the C–235, there is need in the Guard.

Senator MURKOWSKI. Right.

General ODIERNO. There's no doubt about it. We recognize that, and I think that as we divest the C–23, that has to be picked up, and I think part of our discussion is that the C–130s will have to help us do that, as a lift capability that would be needed for us to support National Guard missions, simply for the Adjustment Generals.

Mr. MCHUGH. And I believe, according to the 2012 National Defense Authorization Act (NDAA), that should we divest the 23s, we have to at least offer to the States' executives the opportunity to take those aircraft. So, that's part of the consideration as well.

Senator MURKOWSKI. Okay. Gentlemen, thank you. Mr. Chairman, thank you.

Chairman INOUYE. Thank you very much. I had a few questions that I wanted to ask before I left. Every member of this subcommittee has been concerned about the increase in suicide rates, in alcohol abuse rates, and divorce rates. In fact, the civilian suicide rate, if I recall, is 18 per 100,000. The Army is 24 per 100,000. I note that you have instituted an education program for suicide prevention. I know that it's too early to tell, but what do you think will be the future now?

SUICIDE

Mr. MCHUGH. Of the many things that trouble us all, Mr. Chairman, the areas you just spoke about, and particularly suicide, are amongst the most troubling. I sign a letter of condolence to every survivor, and I usually do that on the weekends, and I'm just struck by how many letters are associated with a soldier taking his or her life. It's breathtakingly sad.

And as you noted as well, we tried to take a multilevel approach. Our capstone program is the ask, care, and assist program, the Ask, Care, Escort (ACE) program, to try to bring suicide awareness to virtually every member of the United States Army, to tell them what they should be looking for in a troubled buddy, but also that it's their military responsibility to care about that, and to act and intervene, and assist that person to go get the help that's necessary.

We have funded this to what we believe is the necessary requirement, but that's not enough. We're trading what we call gatekeepers in the Applied Science Intervention Skills Training (ASIST) program, the suicide ASIST program, so that they can have a higher level of expertise, people like chaplains, and others in positions of responsibility, where they come in contact with a lot of soldiers who are specially trained to recognize when a soldier is having challenges, and there, again, to provide them a path by which they can get some help.

None of that will work, and it really goes back to Senator Murray's, I think, very appropriate comments about if a soldier is afraid to reach out, if they feel that their professional military career will be hurt, we're trying to do everything we can to destigmatize that, to ensure that a soldier in need will not feel inhibited in reaching out for behavioral healthcare.

We've made some progress over the last 5 years, I believe, the data point is. We've had 100,000 more soldiers self-refer for behavioral health problems. But that's simply enough.

Last, we, in the Army, have engaged with the National Institute of Mental Health in a 5-year longitudinal study that has made virtually every member of the United States Army part of a causal look at suicide, to try to understand where there may exist signs and commonalities, whether it's deployment, whether it's young soldiers, whatever it may be, so that we can be proactive, get out in front of it, not just writing letters of condolences but to recognize when a soldier is likely to have problems, and to step in. But, as the statistics show, I believe it was 134 suicides last year, the numbers continue to frustrate us.

Chairman INOUYE. General, do you have anything to add?

General ODIERNO. Senator, if I could, I would just say, you know, I get notified of whenever a suicide happens, and unfortunately, it's alarming how many times I'm notified about a suicide. That's been one of the things that's been eye opening for me as I have become the Chief of Staff of the Army during the last 6 months.

Suicides have leveled off, but that's not success, because it's still, as you mentioned, at the highest levels we've had in a very long time. So, what we're doing, it's a combination program, as you know, and I think we've talked about it before, you know, where

it's health promotion. It's about trying to decrease risky behavior. And it's also about improving suicide prevention capability. So, it's a combination of all three of those, as we work through this program.

It's about resiliency. It's about trying to understand resiliency. It's about having programs not only for our soldiers, but our family members as well, as they face some of these challenges. We are trying address this bigger than suicides.

I don't like to use "we were so busy" as an excuse, and I will never use that as an excuse. We have to get our leaders back involved with more individual soldier activities, and counseling, and understanding what they're doing. We have to decrease the movement of our soldiers between commands. We have to reduce the amount of changes they have in their leadership within their units, because I think this all causes them not to sometimes report when they're having problems.

When they've built a long-term relationship with a noncommissioned officer and he leaves, and/or commander, and so we're looking at all of those areas, as we can fix that, to provide more stability and predictability that I think will add to us helping to identify and solve some of these issues that we continue to have. It's going to be something that's going to continue to take time.

I absolutely believe that our leaders are dedicated to doing this. We are dedicated to providing them the tools. The funding for this program is funded at the requested level. We have not taken any reduction in the funding of any of our programs that has to do with behavioral health, that has to do with suicide prevention, because it's an important program to us. And we will continue to emphasize this, and we will continue to work with outside agencies who can help us to identify the risky behaviors, and the indicators that we see of potential individuals who are risky to suicidal ideation or, you know, the commitment of suicide, and we'll continue to work that very hard, Senator.

Chairman INOUYE. I have one final question, and I'd like to submit the rest.

This past January, the Secretary of Defense unveiled the new national security strategy for the Asia-Pacific area, and it was rather obvious that the Navy and Air Force did well. Forces were increased as well as equipment and resources. But, in the case of the Army, with the exception of Korea, it seemed to have come down. I find this rather strange. Do you have any thoughts on this?

ARMY ROLE FOR NATIONAL DEFENSE

General ODIERNO. I would say, Senator, as we went through this process, first, we were involved in the process. I was involved in the process from the beginning. I was able to express my opinions. I was able to talk about the risk to the Army, and what we thought we needed for the Army of the future.

But it came down to really one issue, and that is, do we believe we need the size of the Army that will cause us to continue to rotate large amount of forces for long periods of time to support long-term operations, whether it be a counterinsurgency operation, whether it be a stability operation. And the determination was that we can take some risk in the fact that we will not have to conduct

long-term stability operations, and that we can mitigate that risk through reversibility and the use of our Reserve component, if it does occur, which would buy us time to rebuild the army.

And I think as we were faced with the budget reductions, I think we agreed that a 490,000-man Active component Army that is equipped properly, that has the money to sustain its readiness, although has risk to it, will enable us to accomplish the missions of the new strategy, and that we will be able to support the strategy in the Asia-Pacific but also to continue to provide support in the Middle East as well.

So, although there's some risk, as we've talked about already, we believe that this is not a competition between the Army, the Navy, and the Air Force, it's about having the right joint force to accomplish the mission. And I believe that we now have the right joint force to move forward.

My concerns are that in the future, if we continue to look at reducing the Army more, then we have some real issues, and that's when my concern will grow significantly, Senator.

ADDITIONAL COMMITTEE QUESTIONS

Chairman INOUYE. My one concern is the question marks. We are reducing our forces, but yet there's a big question mark over Iran and a big question mark over Syria. There's also a question mark over Egypt. Are the risks too great? I don't know.

I'd like to thank you, Mr. Secretary and General, for your service to our Nation. And this subcommittee looks forward to working with you.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO SECRETARY JOHN M. MCHUGH

QUESTIONS SUBMITTED BY SENATOR BARBARA A. MIKULSKI

MOVEMENT TRACKING SYSTEM/BLUE FORCE TRACKING

Question. The Army has two mobile tracking systems: Movement Tracking System (MTS) and Blue Force Tracking (BFT–1) which utilizes satellite communications to track transportation and armored vehicles. More than 120,000 BFT and MTS systems have been fielded to date, of which approximately 11,000 unique users are active in Afghanistan over any given month. These systems generate nearly the entire common operating picture of mobile ground force situational awareness in Afghanistan and are often the only means of communication for soldiers whose missions take them out of range of terrestrial means of communication. What is the status of developing the follow on BFT–2 and BFT–3 X band?

Answer. The development of the BFT–2 satellite transceiver is complete. The final production acceptance testing for ground systems has been completed and the Army is currently receiving deliveries. Aviation testing is approximately 75 percent complete. The Army is fielding the BFT–2 network to units in Korea and will begin fielding to the United States Army Forces Command units in May. The United States Government owns and operates the network equipment, and the software is in place to support required test events and fielding operations. There are currently no development efforts funded for a BFT–3 capability.

Question. Is the BFT–2 development over budget and behind schedule? What are the projected costs associated with continuing to develop BFT–2?

Answer. The BFT–2 development was completed in 2010. The current BFT–2 production contract is a Firm Fixed Price contract and production remains within the planned budget. There are no additional costs associated with the development of the BFT–2 capability.

Question. What are the potential cost savings if the Army bypassed BFT–2 development and focused on BFT–3 X band?

Answer. The BFT–2 development is complete; therefore, there would be no cost savings associated with bypassing the BFT–2 development.

QUESTIONS SUBMITTED BY SENATOR HERB KOHL

HIGH-MOBILITY MULTIPURPOSE WHEELED VEHICLES

Question. Documentation for a May 2011 reprogramming action states that "the Army has procured sufficient High-Mobility Multipurpose Wheeled Vehicles (HMMWVs) to meet the Army's Acquisition Objective (AAO)." While this reprogramming rescinded $182,000,000 from this account, according to the document there is still a balance of $422,356,000. How much of the funding in the Army HMMWV procurement account is currently unobligated?

Answer. The amount of unobligated funds in HMMWV fiscal year 2010 new production procurement account is $19.548 million. These funds have been committed and will be obligated by June 2012.

Question. Funding has been appropriated in prior years for both survivability and mobility enhancements for the existing HMMWV fleet and for the Army's HMMWV Competitive Recapitalization Program. What are the current unobligated balances in these two accounts?

Answer. The Fiscal Year 2012 Project/PE was authorized $70 million. The Army has not obligated any of these funds due to an uncertain future for the modernized expanded capacity vehicle (MECV) effort. Decisions by Army leadership within the last month have determined that $20 million will be used for the survivability improvements as requested and appropriated. We will then be asking that the Congress allow us to use the remainder for automotive improvements to our existing fleet and higher-priority requirements. This funding is projected to be obligated in 4th quarter 2012 and 1st quarter 2013.

Question. The President's budget for fiscal year 2013 recommends terminating the Army's HMMWV Competitive Recapitalization Program. How does the Army propose to spend the unobligated balance in this account?

Answer. The Army will no longer pursue the HMMWV Competitive Recapitalization Program (also known as the MECV). The Army is currently looking at the options available for the execution of the funds.

TACTICAL WHEELED VEHICLE STRATEGY

Question. The Army 2010 Tactical Wheeled Vehicle Strategy outlines a plan to "replace all M939-series trucks with FMTV FoVs no later than FY22." The strategy states that, "Divesting these vehicles will ensure dramatically lower sustainment costs for the Army as many are well past their EUL."

Will the cuts in family of medium tactical vehicle (FMTV) purchasing in fiscal year 2013 and proposed termination of FMTV procurement after fiscal year 2014 delay the divestiture of the M939-series trucks?

Answer. The Army is currently reviewing all of its fleet requirements. In the aggregate, the Army's current plans for FMTV procurements through fiscal year 2014 and fleet reductions should divest the M939-series by fiscal year 2016, with the possible exception of some specialty variants, provided there are no additional cuts in funding.

Question. Compared to the original plan outlined in the Army 2010 Tactical Wheeled Vehicle Strategy, how much higher will the Army's maintenance costs be over the 10-year budget window due to increased use of the M939-series trucks?

Answer. The Army does not anticipate an increase in use of the M900-series vehicles over the 10-year budget window and, as a result, these vehicles will not incur higher maintenance costs. The Army is currently revising its medium tactical wheeled vehicle acquisition objective and expects to meet the reduced acquisition objective at the end of the current family of medium tactical vehicles production contract in fiscal year 2014. This will enable the Army to divest the remaining M900-series medium tactical vehicles without an increase in their use.

QUESTION SUBMITTED BY SENATOR PATTY MURRAY

ELECTRONIC MEDICAL RECORDS

Question. I want to thank you yesterday for sitting down and discussing the issues of Department of Veterans Affairs (VA)/Department of Defense (DOD) collaboration.

As you said one of the major issues is the inability for the two agencies to share electronic medical records.

To this end, you said you were going to start a pilot that may get off the ground in 3 years to try and make progress.

Mr. Secretary, the Congress has been pushing you to move forward for years on this effort, we passed legislation that you voted for as a House member many years ago, and yet after 10 years of war you are still talking about a pilot program and an inability to get this effort off the ground.

What can you tell this subcommittee, and millions of soldiers who need this effort taken seriously, and me about how you will make shared medical records a reality so we are not sitting here 3 years from now and hear from you about some pilot program you are intending to create in the future?

Answer. Since 2006, DOD/VA shares data through the Bidirectional Health Information Exchange through which DOD and VA clinicians access each other's health data via a secure real-time interface. The Bidirectional Health Information Exchange shares data between DOD/VA only, whereas another initiative, the Virtual Lifetime Electronic Record (VLER) shares information with private partners through the Nationwide Health Information Exchange. The VLER is currently a pilot program with DOD participating at four sites including, San Diego, California; Tidewater areas of Virginia; Spokane, Washington; and Puget Sound, Washington. Through the VLER, providers have the ability to query the Nationwide Health Information Exchange to view information other healthcare organizations made available on their patient. A decision regarding the deployability of the VLER across the enterprise should be made in the summer of 2012.

The Interagency Program Office (IPO) has been re-chartered as the single point of accountability for the integrated Electronic Health Record (iEHR). All three services are involved at various levels of the governance process to ensure the project stays on schedule and within budget. The IPO reports to the Health Executive Council with representation from Health Affairs and the VA. DOD and VA are committed to the iEHR effort. The iEHR will enable DOD and VA to align resources and investments with business needs and programs. The iEHR will leverage open source solution development to foster innovation and expedite delivery of a viable and effective solution.

QUESTIONS SUBMITTED BY SENATOR MITCH MCCONNELL

POST-TRAUMATIC STRESS DISORDER AND TRAUMATIC BRAIN INJURY

Question. Are there any further legislative steps that the Congress could take to improve the screening and delivery of care to military personnel with post-traumatic stress disorder (PTSD) and traumatic brain injury (TBI)?

Answer. Continued congressional support of the Army's TBI and PTSD clinical and research efforts will ensure improved screening and delivery of care.

REPLACEMENT OF IRELAND ARMY COMMUNITY HOSPITAL AT FORT KNOX

Question. In response to a question for the record, I submitted in 2011, the Army stated that "The Army intends to replace Ireland Army Community Hospital (IACH). The current Defense Health Program Future Year Defense Program includes a phased funded replacement project for IACH beginning in fiscal year 2013." However, the President's fiscal year 2013 budget did not include a funding request for the replacement of IACH at Fort Knox. When does the Army intend to build a replacement and when will the Army plan on requesting funding for the project?

Answer. The Fort Knox Hospital Replacement Project is 35 percent designed. This project is being programmed in two phases: Phase 1 Inpatient at a cost of $308.5 million and Phase 2 Outpatient at a cost of $257.5 million. The U.S. Army MEDCOM is reviewing the project documentation and updating the Healthcare Requirements Analysis in preparation for resubmission to the fiscal year 2014 budget estimate submission for phase 1. The Department of Defense position on the Fort Knox Hospital Replacement is to revalidate the project scope in light of ongoing military health systemwide inpatient analysis by Office of the Assistant Secretary of Defense for Health Affairs (OASD (HA)). The Army Medical Department must

scope this facility based on efficient and effective healthcare operations, but must also incorporate current and future installation and military treatment facilities missions.

QUESTIONS SUBMITTED BY SENATOR KAY BAILEY HUTCHINSON

INACTIVATION OF THE 172ND HEAVY BRIGADE COMBAT TEAM

Question. Secretary McHugh, while I am encouraged to see that the Army is eliminating two permanently based brigade combat teams from Germany, I do have a question as to the timing for this proposed move. As you are aware, the Army will inactivate the 170th Heavy Brigade Combat Team (BCT) in fiscal year 2013 but is waiting until fiscal year 2014 to inactivate the 172nd Heavy Brigade Combat Team. Why is the Army waiting until fiscal year 2014 to cut the second brigade and how much will it cost the United States taxpayers to sustain this brigade in Germany an additional year?

Answer. The 172nd Brigade deployed in support of Operation Enduring Freedom and was not available to inactivate in fiscal year 2013. When the unit returns from combat, it will conduct 6 months of soldier and family re-integration and begin incremental battalion level draw-downs and ultimately leave the force in early fiscal year 2014. Therefore, savings cannot be significantly accelerated and no additional resources can be saved.

MULTIYEAR CONTRACT FOR THE CH–47 CHINOOK HELICOPTER

Question. Secretary McHugh, as part of this year's budget, you have submitted a request for approval to enter into a second multiyear contract for the CH–47 Chinook helicopter. This multiyear contract would last for 5 years and produce 155 aircraft, 12 of which would be for the Texas National Guard. You've already had experience with a 5-year multiyear contract for Chinooks; the first one expires this year. Given this experience, what have you seen as the biggest benefits for both the Army and the taxpayer that led you to request authority for a second multiyear contract?

Answer. The biggest benefit to the taxpayer is the savings; $449 million on the base contract for 181 CH–47F aircraft. The current Chinook multiyear contract is a firm fixed-price contract for fiscal year 2008–2012. The contract has executed on cost and delivered on schedule. In addition to the base contract savings, the program office procured 34 option aircraft for an additional $86 million in savings. The second requested multiyear contract is projected to yield 10-percent savings or $373 million.

QUESTIONS SUBMITTED BY SENATOR SUSAN COLLINS

MEDIUM EXPANDED CAPABILITY VEHICLE

Question. Last year, this subcommittee added $20 million to fund the design competition for the medium expanded capability vehicle (MECV). The President's budget for this year, however, seeks to cancel this program, even though the air assault requirements for 5,700 survivable trucks capable of being transported by a Chinook helicopter remain unchanged. I am uncomfortable with the decision to cancel the MECV design competition because it will increase the risk to our air assault soldiers. The tactical wheeled vehicle budget was reduced by 57 percent compared to last year's budget request, and the decision to cancel the MECV appears to be the result of insufficient procurement funding in the near-term budget window to move forward with both the MECV and joint light tactical vehicle (JLTV) programs. Was the decision to cancel the MECV program based solely on the fiscal constraints the Army faced?

Answer. The decision not to begin the MECV was due to Defense-wide funding constraints; not just fiscal constraints faced by the Army. The Army and Marine Corps' made the decision to proceed with JLTV to fill the capability gaps for light tactical vehicles. MECV was deemed a lower-priority program.

Question. The funding necessary to conduct the MECV design competition has already been authorized and appropriated for this purpose in last year's National Defense Authorization Act (NDAA) and Department of Defense (DOD) Appropriations Act. Proceeding with the MECV design competition would provide you with the necessary performance and life-cycle cost data to make an informed decision regarding the most survivable and cost-effective way to fulfill the capability gap to lift a survivable tactical wheeled vehicle for our air assault and airborne units at high, hot conditions. Does the air assault requirement for a survivable tactical wheeled vehi-

cle that can be lifted by a CH–47 Chinook in high-altitude and/or high-temperature conditions still exist?

Answer. Yes, the requirement for the air assault mission to lift a survivable light tactical vehicle with the CH–47 Chinook in high/hot conditions (4,000 feet/95 °F) still exists. The original requirement was addressed in the high-mobility multipurpose wheeled vehicle (HMMWV) Operational Requirements Document in September 2004.

SUICIDE—HIRING OF BEHAVIORAL HEALTH SPECIALISTS

Question. Many of us on this panel have a great deal of respect for the former Vice Chief of Staff, General Pete Chiarelli, who authored the Army's Gold Book in response to concerns about suicides and the health of the force. Before he retired, he came over to the Hill to discuss the Army's efforts to reduce the incidence of suicide in the force and the ongoing efforts to treat the underlying problems that lead far too many of our Nations' best men and women to contemplate or perform suicide. General Chiarelli identified access to behavioral healthcare as one way to reduce the rate of suicide. There have been several efforts by the Congress to expand access to providers, including a provision in last year's NDAA to utilize telehealth initiatives, and I want to applaud the Army for submitting a legislative proposal this year to expand the number and types of providers that may conduct evaluations during preseparation screening. I fully intend on supporting this proposal, but the problem will not be solved by this measure alone.

Secretary McHugh, are there any other requests you would make to allow for rapid hiring of additional behavioral health specialists, even if on a temporary basis, to address both the rate of suicides and alleviate pressure on your existing behavioral health force?

Answer. The permanent extension of 10 U.S.C. 1599c, which provides for expedited hiring authority for certain healthcare professionals, including behavioral health specialists, would provide the long-term critical ability to hire behavior healthcare providers more rapidly.

MEDICAL AND DISABILITY EVALUATIONS

Question. During the past year the length of time that wounded warriors and recently discharged veterans have been waiting for disability evaluations has continued to suffer. For Active-Duty members the average evaluation completion time increased by 88 days from March 2010 to January 2012. It takes more than a year right now.

In addition, medical evaluation boards still take twice as long as the 35-day target. Several senior officers, including the former Vice Chief, have identified the Integrated Disability Evaluation System and the dual adjudication process as impediments to rapid evaluations and outcomes for our veterans.

What administrative actions are being taken or what legislative proposals could be implemented to improve the time it takes to conduct the medical and disability evaluations for our wounded soldiers?

Answer. The Army is aggressively working to improve performance of the Disability Evaluation System (DES). We are currently implementing a number of initiatives designed to improve the performance, including:

—adding more than 1,100 in staffing;
—publishing guidance to standardize the process across the Army;
—improving our training; and
—establishing procedures that will enhance the sharing of information with the Department of Veterans Affairs (VA).

The Army is looking at several different options to improve the DES—one of which would be a process in which DOD determines a disabled servicemember's fitness for duty, and if found unfit, provide a lifetime annuity based on the member's rank and years of service. VA would then establish compensation for service-connected injuries, disease, or wounds. We believe this type of system would achieve an average disability process outcome in less than 90 days:

—improved readiness;
—reduced complexity;
—decreased impact on limited medical resources; and
—be less adversarial.

QUESTIONS SUBMITTED BY SENATOR DANIEL COATS

OVERSEAS CONTINGENCY OPERATIONS

Question. Regarding the funding provided by this subcommittee for Overseas Contingency Operations, does the Army have the flexibility it needs to transfer funds between accounts to ensure funding is used wisely and does not expire?

Answer. Operation and Maintenance, Army (OMA) overseas contingency operations (OCO) funding for operational requirements was previously distributed in subactivity group (SAG) 135. To comply with House Report 112–331, the Conference Report that accompanied Public Law 112–74, Consolidated Appropriations Act, 2012, specifically pages 759–761, Army distributed OCO funding into SAGs previously used exclusively for base resources (114, 115, 116, 121, 122, and 131). Issuing OCO funding in base SAGs, some with reprogramming restrictions (for example, SAG 131), limits Army's execution in those SAGs to requirements consistent with the SAG description. To realign resources across SAGs to meet emerging requirements requires a reprogramming action. These reprogramming actions are time consuming and are sometimes limited to relatively low thresholds (for example no more than $15 million may be moved out of SAG 131 without congressional prior approval). Army executed resources responsibly and with greater flexibility when there were fewer OCO SAGs. The drawdown of deployed forces may also further complicate administering Army OCO accounts as evolving priorities and requirements may shift faster than fiscal rules accommodate.

Question. Since its inception, has any funding provided for the Afghanistan Security Forces Fund (ASFF) expired?

Answer. Yes, we have had ASFF funds expire. Since fiscal year 2005, we have had an obligation rate greater than 99.5 percent per year resulting in a cumulative total of $46 million unobligated over 6 years, of $27.9 billion available.

Question. What mechanisms does the Army utilize to ensure funding is not allowed to expire at the end of each fiscal year?

Answer. The Army has several mechanisms in place to ensure funding is not allowed to expire each fiscal year. Senior leaders review Army obligations on a weekly basis. Our operations and maintenance appropriation spend plan is reviewed monthly to ensure we are in accordance with the mandate of no more than 20 percent of the appropriation shall be obligated during the last 2 months of the fiscal year; thus putting the Army on a glide path for 100-percent execution of its appropriation. In addition, each year the Army conducts Mid Year Review (MYR)—a senior leader comprehensive look at command execution through end-of-month March. Resources are realigned to optimize their use for Army requirements. The MYR is also provided to the Office of the Secretary of Defense and any resources excess to Army needs would be used for Department of Defense requirements.

QUESTIONS SUBMITTED TO GENERAL RAYMOND T. ODIERNO

QUESTIONS SUBMITTED BY SENATOR HERB KOHL

POST-DEPLOYMENT/MOBILIZATION RESPITE ABSENCE PROGRAM

Question. Due to Government errors at demobilization sites, many soldiers did not receive the full amount of administrative leave that they were allowed under the Post-Deployment/Mobilization Respite Absence Program (PDMRA). How many soldiers have been credited with extra days of PDMRA administrative leave by the Army Board for Correction of Military Records (ABCMR) to correct this mistake?

Answer. The ABCMR granted 466 soldiers authority to use PDMRA days they had earned but were not afforded the opportunity to use. Their records were corrected to show that they are authorized to use these days of PDMRA upon the next qualifying deployment/mobilization. Authority to use these PDMRA days will expire upon the soldier's transfer from an authorized Reserve component status.

Question. For those soldiers credited with extra days of PDMRA administrative leave by the ABCMR, what is the average number of additional days each soldier has received through the ABCMR process?

Answer. The average PDMRA days granted by ABCMR was 26 days.

Question. Of the soldiers who have been credited with extra days of PDMRA leave by the ABCMR, how many have already used the leave, are currently on a deployment which will make them eligible to use the leave, or are scheduled for such a deployment in the future?

Answer. The Army is unable to provide specific numbers to this question since the Reserve components, Army National Guard (ARNG) and the Office of the Chief

of Army Reserve (OCAR), were never required to track PDMRA to this level of detail. However, ABCMR reviewed applications from 604 soldiers who sought monetary reimbursement or credit for PDMRA days which were earned but not used. Future deployment numbers are unknown as this is a function of demand. Current Reserve component soldiers on mobilization orders are approximately 46,650.

Question. Some soldiers who have been credited with extra days of PDMRA leave by the ABCMR will never be eligible to use this leave since they will not deploy again. How do you propose that the Government's mistakes be remedied in the cases of these soldiers?

Answer. The Army no longer has authority under section 604 of Public Law 111–84 (the Fiscal Year 2010 National Defense Authorization Act) to provide monetary compensation to soldiers or former soldiers for PDMRA leave. As such, we have no remedy for former soldiers. For current soldiers, the only available remedy to address the extra PDMRA leave they may have been credited with is for those soldiers to participate in subsequent deployments.

QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

PREPARING SOLDIERS FOR THE TRANSITION OUT OF THE MILITARY

Question. General Odierno, I recently attended a number of veterans' roundtables back in my home State of Washington. Time and time again, I hear similar stories of struggle. Veterans do not put their military service on their résumés because they feel that employers will find them less desirable. Also, employers are often unable to understand all of the skills veterans bring to a workplace.

I am concerned as the Army begins to downsize by 80,000 soldiers over the next 5 years, how these soldiers will transition in a difficult economy and how that will impact the Army's bottom line with the increasing tab for unemployment compensation.

The Army Career and Alumni Program (ACAP) provides critical services for our soldiers transitioning to a postmilitary career. I am concerned that with the reduction in temporary end-strength that the Army will not have enough counselors on hand to assist—especially as ACAP changes and requires more intensive preparation beginning 15 to 18 months prior to separation.

Have you adequately budgeted to reflect an increase in ACAP counselors to address this surge in separations?

Answer. The Army is currently conducting a detailed analysis of the additional counselors and staff that will be required to address the additional throughput of soldiers. Resources are being identified to reallocate to our transition program to ensure all transition requirements by all soldiers are met.

ACAP delivers a world-class transition program for America's Army that ensures all eligible transitioners have the knowledge, skills, and self-confidence necessary to be competitive and successful in the global workforce. ACAP helps transitioning soldiers make informed career decisions through benefits counseling and employment assistance. ACAP is responsible for delivering both transition assistance and employment assistance services.

Some examples of programs available through ACAP are:

—Transition Assistance Program (TAP) Employment Workshops;
—Employment Assistance to include résumé writing and "Dress for Success";
—Health Benefits Transition Brief;
—Survivor Benefits Plan Brief; and
—Veterans Affairs Disability Brief.

The Army is also utilizing the Hero 2 Hired (H2H) as its interim employment application/tool (www.H2H.jobs) to provide one primary location where soldiers of all components, veterans, and family members can connect with private industry employment opportunities. This application is Web-based and able to translate military occupational skills (MOS), provide career path exploration, upload résumés, allow customized job searches, enable employers to also search for veterans, and provide performance metrics. H2H will eventually be included on eBenefits, the single portal for transition benefits selected by the Department of Defense (DOD)/Department of Veterans Affairs (VA) Veterans Employment Initiative Task Force (www.eBenefits.va.gov).

Question. I understand ACAP does a lot to prepare soldiers for the transition out of the military through career and transition counseling. But the military spends hundreds of millions of dollars on unemployment insurance for those who were unable to find civilian employment. As you know, my Veterans Opportunity to Work (VOW) to Hire Heroes legislation makes a range of improvements designed to help

get servicemembers and veterans into good civilian jobs. Part of that legislation dealt with helping servicemembers transition skills that have a direct correlation to civilian licensure or certification. What are you doing so far to implement this legislation?

Answer. Army Continuing Education System (ACES) has a program currently in place to support in-service and transitioning soldiers in obtaining certifications and licensure. The Credentialing Opportunities On-Line (COOL) program (www.cool.army.mil) provides soldiers with information on civilian licensures and certifications relevant to their Army Military Occupational Specialties (MOS). The COOL program provides each solider an MOS crosswalk to civilian skills. Also, Certification and Licensure for each MOS is listed in COOL along with the estimated availability of a first-term solider to obtain a credential and the resources (GI bill, Army e-Learning, ACE credit) to obtain each certification.

The Army Transition Implementation Plan outlines how the Army will operatively incorporate the transition requirements mandated by the VOW to Hire Heroes Act of 2011, and the Presidential Veterans Employment Initiative Task Force (VEI TF) recommendations. The Army Transition Implementation Plan was developed at the Army Transition Plan Working Group comprised of representatives from the U.S. Army Deputy Chief of Staff, G1, U.S. Army Installation Management Command (IMCOM), U.S. Army Human Resources Command (HRC), U.S. Army Reserves (USAR), and the Army National Guard (ARNG). The working group focused on integrating the requirements established by the VOW Act and VEI TF, in coordination with the Veterans Administration (VA), Department of Labor (DOL), and Small Business Administration (SBA). The working group will evolve the transition landscape from that of an end of service program, to one that provides a blended transition-training and services delivery model, integrating transition education as part of a soldier's military life-cycle. As transition is introduced into the military lifecycle, soldiers, leaders, and transition service providers, will maintain transition awareness that best prepares soldiers for life after the Army.

The Army Transition Implementation Plan was approved in April 2012. Concurrently, Army transition service providers and interagency partners, are in development of revised transition curricula, for piloting in July 2012. The Army will pilot the VOW Act and VEI TF requirements at select Active component installations and Reserve Component locations. The Army has identified an official employment portal, https://H2H.JOBS, "Hero to Hired," where soldiers can search for jobs and employers can post job openings.

Army-wide implementation for VOW Act and VEI TF requirements will take place no later than November 21, 2012. The Army Transition Implementation plan accomplishes:

Veterans Opportunity to Work Act Requirements.—Pre-separation Counseling, VA Benefits Briefing, DOL Employment Workshop—implementation for all Army components no later than November 21, 2012.

Veterans Employment Initiative Task Force Requirements for a Core Curriculum.—Military Occupational Specialties (MOS) Crosswalk, VA Applications, Financial Planning, Individual Transition Plan (ITP) Preparation—implementation no later than November 21, 2012.

Veterans Employment Initiative Task Force Requirements for a "Goals, Plans, Success" Curriculum.—Goals, Plans, Success (GPS) provides the opportunity for soldiers to attend additional training sessions on continuing higher education, pursuing technical education/certification, or venturing towards entrepreneurship. GPS curriculum is divided into an Education Track, Technical Training Track, and Entrepreneurship Track, with implementation in October 2013.

Veterans Employment Initiative Task Force Requirements for an End of Career, Transition CAPSTONE Event, To Mitigate Any Risks for Possible Negative Transition Outcomes After Separation and Connect Jobs to Soldiers (H2H.JOBS).—CAPSTONE will identify soldiers confidence and preparedness for transition, with the ability to "re-train" as appropriate. CAPSTONE implementation will be October 2013.

Military Life Cycle for Transition.—Military Life Cycle for Transition will parallel transition readiness with military career progression, as transition education will be integrated in a soldiers military education throughout their career. Military Life Cycle (MLC) will be implemented October 2014.

Pre-Apprenticeship.—We have begun initial staff analysis and planning to develop and implement a pre-apprenticeship program authorized by subsection 225 of your HHA. This training program is intended for transitioning Active-Duty soldiers, offered through an industry partner and seeks to capitalize on an opportunity to address local labor needs with soldiers by reducing training cost to employers. It allows transitioning servicemembers, who have been vetted

through appropriate channels, and meet prerequisites, to participate in a preapprenticeship program that provides credit toward a program registered under the National Apprenticeship Act. Wounded Warriors—Education and Employment Initiative (E2I) is an existing DOD program focused on warrior care; the goal of E2I is to ensure consistent offerings to all recovering service members by synchronizing, integrating and expanding the education and employment opportunities for them and their families. E2I will ensure the service member is engaged early in their recovery process to identify skills and develop a career plan that leverages those skills. Through the execution of their career plan, servicemembers will ultimately be matched with education and career opportunities that increase their career readiness and better prepare them for a successful transition from their service.

Apprenticeship.—Training and Doctrine Command has mapped Army MOS's to assist in developing an Army program similar to the United States Military Apprenticeship Program (USMAP), managed by Naval Education and Training Command. A formal military training program that provides Active-Duty Coast Guard, Marine Corps, and Navy service members the opportunity to improve their job skills and to complete their civilian apprenticeship requirements while they are on active duty. Our goal is to implement this program in concert with Military Life Cycle implementation timelines.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

MQ–8B FIRE SCOUT UNMANNED AERIAL VEHICLES

Question. General Odierno, I've been informed that the Army's 37th Infantry Brigade Combat Team (IBCT) in Afghanistan is being supported by an Intelligence, Surveillance and Reconnaissance (ISR) Task Force led land-based deployment of MQ–8B Fire Scout unmanned aerial vehicles. I understand the MQ–8B is providing the 37th IBCT with full-motion video for route clearance and tactical ISR in an austere operating environment near Kunduz. Would you please provide the subcommittee information on who's operating the MQ–8B's in Afghanistan and more details on the types of missions and performance of the MQ–8B in Afghanistan?

Answer. In May 2011, the U.S. Navy deployed three MQ–8B Aircraft to Operation Enduring Freedom (OEF). These aircraft are operated by Northup Grumman which is contracted to provide 300 hours of Electro Optical/Infrared Full Motion Video per month. While the aircraft are owned by the Navy, the deployment of this contractor flown system was funded by the ISR Task Force.

ARMED AERIAL SCOUT HELICOPTER

Question. General Odierno, the Congress approved fiscal year 2012 funding for the Army to conduct a flight demonstration of Armed Scout helicopter capabilities. When do you expect to conduct this demonstration; what do you expect to glean from it; and do you plan to use the results of this demonstration to inform the Department's fiscal year 2014 budgeting process and the way ahead for this needed capability?

Answer. The Army has requested authority to release a Request for Information (RFI) and conduct the voluntary flight demonstration. Once authorized to release the RFI, the Army expects to receive responses within approximately 60 days. The demonstrations will begin approximately 120 days after RFI release.

The purpose of the RFI and voluntary flight demonstration is to assess the current state of technology within industry. Results will be captured according to each individual respondent's level of participation. Our path forward with the Armed Aerial Scout (AAS) will enable us to make an informed capabilities decision and, subsequently, a materiel solution option recommendation, to the Defense Acquisition Executive based on the current state of technology in the market place. The AAS RFI, industry discussions, and the voluntary flight demonstration will inform a future materiel solution option recommendation that represents a medium-risk program with achievable and affordable requirements within the current and future fiscal environment.

The results of the RFI and voluntary flight demonstration is intended to inform the Department's fiscal year 2014 budgeting process and the way ahead for this needed capability.

TACTICAL FUEL SYSTEMS

Question. General Odierno, I am aware the Army Combined Arms Support Command identified an operational gap for its tactical fuel system. I have been informed

that there is a need for collapsible fuel tank storage systems to support a much longer use life than what is being used by the Army. The subcommittee is aware of field reports which indicate premature degradation and outright failure within the first year of use for current systems. Have you evaluated the 10-year service-life capabilities of Nitrile rubber collapsible storage tanks currently used by the United States Marine Corps? What is the life-cycle cost differential between the Army systems and the Nitrile rubber systems being used by the Marines?

Answer. The Army Tank Automotive Research, Development and Engineering Center (TARDEC) has not performed a 10-year service-life capabilities analysis for the Nitrile collapsible tank; however, they did perform a limited performance comparison between the Nitrile tank and the polyurethane tanks.

TARDEC purchased Nitrile and polyurethane tanks that conformed to the TRI-Services specifications for fuel tanks. The TRI-Services group is a Defense Logistics Agency (DLA) led entity that, among other responsibilities, sets the specifications for fuel tanks.

TARDEC provided the following information from their comparison between the Nitrile and polyurethane tanks:

—Nitrile tanks were 11 percent more expensive to produce on a unit cost basis. This difference can be attributed to:
  —Nitrile is a more expensive raw material than polyurethane.
  —The fabrication of a nitrile fuel tank is more labor intensive.
—Maintenance and repair costs are equivalent.
—Costs of technical manuals and logistics data are equivalent.
—Fielding and training costs are equivalent.
—Disposal costs are equivalent.

The TARDEC comparison did not address the difference in service life between the two collapsible bags; however, Defense Logistics Agency-Energy will conduct separate research and development tests on both Nitrile and polyurethane-coated tanks. The projected completion of those tests is estimated to be October 2013 and April 2014, respectively.

QUESTIONS SUBMITTED BY SENATOR MITCH MCCONNELL

ELIMINATION OF ARMY BRIGADE COMBAT TEAMS

Question. In your testimony, you mentioned the Army's plans to eliminate at least eight brigade combat teams (BCTs). What are the criteria that the Army will use in deciding which BCTs will stay and which will go?

Answer. The Army will consider a broad array of criteria for inactivation of the eight BCTs to make strategically sound, resource informed decisions. Criteria will be based on strategic considerations, operational effectiveness, geographic distribution, cost and the ability to meet statutory requirements.

Strategic Considerations.—Aligns Army Force Structure to the new Defense Strategy and forthcoming Defense Planning Guidance with a priority on the Pacific region.

Operational Considerations.—Seeks to maximize training facilities, deployment infrastructure, and facilities to support the well-being of soldiers and their families. Aligns appropriate oversight/leadership by senior Army headquarters for better command and control.

Geographic Distribution.—Seeks to distribute units in the United States to preserve a broad base of support and linkage to the American people.

Cost.—Considers the impacts of military personnel, equipment, military construction, and transportation costs.

Statutory Requirements.—Complies with the provisions of the National Environmental Policy Act (NEPA) as appropriate, including an environmental and socio-economic analysis.

Question. Will the Congress be consulted ahead of time on the proposed BCT decisions? If not, why not?

Answer. The Army is considering a number of potential options, but no final decisions have been made as to which U.S.-based BCTs will be drawn down. An announcement on specific force structure actions is expected sometime before, or in conjunction with, submission of the fiscal year 2014 President's budget in early February 2013. The Army will develop a plan that will provide detailed information regarding the draw down and address notification of affected Army installations and appropriate Congressional Committees as required by section 2864 of the Fiscal Year 2012 National Defense Authorization Act prior to the decision going into effect.

QUESTION SUBMITTED BY SENATOR KAY BAILEY HUTCHINSON

SUICIDE VEST DETECTION

Question. General Odierno, Department of Defense (DOD) and the services have spent approximately $50 million developing and deploying technology that automatically identifies people potentially wearing suicide vests at stand-off ranges. However, this technology is still not currently available to many bases in Afghanistan as well as in the United States. What is the Army doing today in Afghanistan to screen personnel at stand-off ranges that are seeking access to our bases where this technology is not available?

Answer. The Army and the Joint Improvised Explosive Device Defeat Organization (JIEDDO) have resourced more than $500 million for Entry Control Point (ECP) solutions alone. The Army has employed several solutions in Afghanistan to screen personnel at stand-off distances including:

—Counter Bomber 3 (CB–3);
—Standoff Suicide Bomber Detection System (SSBDS);
—Subtle madness;
—Light guard;
—Rapid scan;
—Backscatter vans;
—walkthrough metal detectors;
—Biometrics, random anti-terrorism measures (RAM); and
—the capabilities associated with ECP solutions to counter and mitigate Person-Borne Improvised Explosive Devices (PBIED).

These systems allow the Army in Theatre to provide a layered, stand-off defense at most locations.

In addition to PBIED systems, Army units deploy a layered defense at all locations in Afghanistan by continuously screening personnel and scanning surrounding areas of each Forward Operating Base (FOB). Soldiers occupy guard towers and entry control points with night vision, thermal, and long-range optics, and man entry control points. Each FOB has a Base Defensive Operations Center that controls the Base Expeditionary Targeting and Surveillance Systems-Combined (BETSS–C) camera system, Raid and Cerberus Towers, and video feeds from aerostats. Beyond the FOB, units routinely conduct mounted patrols around the FOBs, Tactical Checkpoints (TCPs), and regional Tactics, Techniques, and Procedures (TTPs) to provide additional surveillance outside the reach of the guard towers.

United States Forces Afghanistan (USFOR–A) determines the distribution of PBIED equipment to operating bases in theater. USFOR–A determines the needs of installations based upon analysis of the local threat and logistics capabilities of the operating bases. Currently there are no requirements for additional PBIED systems.

QUESTIONS SUBMITTED BY SENATOR SUSAN COLLINS

HIGH-DEMAND SOLDIERS DWELL TIME

Question. Army leaders have repeatedly said that we owe our Active-Duty soldiers a minimum of 2 years home for every 1 year deployed. While we are meeting that goal for some soldiers, I'm less confident that this budget does the same for soldiers serving in the combat arms and low-density, high-demand units such as aviation and special forces. These are the very category of soldiers that need the required dwell time the most. They are also the forces that are most likely to deploy even if we are not in large-scale engagements like Iraq and Afghanistan.

General Odierno, in light of the proposed force reductions, did the Army ensure that this budget provides an average dwell time for combat arms and high-demand soldiers that equals 2 years home for every year deployed?

Answer. The Army will accomplish force reductions in a responsible and controlled manner, and the proposed force structure will allow the Army to meet our Boots-on-the-Ground (BOG):Dwell goal. As always, the Army's intent has been to improve dwell time for soldiers and families where possible, and the goal is to achieve a 1:2 for Active units and 1:4 for Reserve units by 2015. However, end-strength reductions beyond 490,000 will challenge the Army's ability to meet timelines for current identified requirements and to maintain necessary dwell for units and soldiers.

In the second quarter of fiscal year 2012, with the help of the temporary end-strength increase and the decrease in demand for deployed forces, the Active component of the Army achieved its individual BOG:Dwell goal with a median ratio of

1:2.01. However, several grades and specialties are still below the 1:2 goals but have been improving. Among these are enlisted soldiers in grades sergeant and below, and aviation soldiers in general. Army Special Operations Forces are programmed to grow 3,677 military manpower authorizations from fiscal years 2013 to 2017. Growth includes adding an MH–47G helicopter company in fiscal year 2014 (176 personnel), two extended range/multipurpose Unmanned Aerial Systems (UAS) companies in fiscal year 2014 and fiscal year 2015 (330 personnel), and an increase in combat support and combat service support in each Special Forces Group in fiscal year 2013 and fiscal year 2014 (1,445 personnel). Additionally, 334 Military Intelligence (MI) billets will be added in fiscal year 2014 to the Active Special Forces Groups and the Ranger Regiment to increase MI capability. The Army remains committed to activate a Combat Aviation Brigade (CAB) at Fort Carson in fiscal year 2013 as planned.

COMMON REMOTELY OPERATED WEAPONS STATION

Question. One of the weapon systems in the Army's arsenal that has been most demanded by soldiers in Iraq and Afghanistan is the Common Remotely Operated Weapons Station (CROWS). I am proud that many components of this system are manufactured and assembled in my home State of Maine. I was please to see that funding for the CROWS has moved from the overseas contingency operations (OCO) budget to the base budget.

However, it is unclear to me how the Army arrived at the long-term acquisition objective for the quantity of CROWS to be procured. From my review of the budgetary documents and solicitations, it appears the Army intends to procure a total of between 14,000 and 18,000 CROWS to outfit a fleet of combat and tactical vehicles that consists of several hundred thousand vehicles.

General Odierno, how did the Army arrive at the requirement and total acquisition objective for the CROWS system?

Answer. The Army has produced the CROWS for the last 6 years to respond to Operational Need Statements from the commanders in the field and to provide CROWS to various Program Managers to mount on their vehicles such as up-armored high-mobility multipurpose wheeled vehicles (HMMWV), mine-resistant ambush-protected (MRAP) vehicles, Route Clearance Vehicles, and Abrams Tanks. As Training and Doctrine Command (TRADOC) has developed their fielding plan for the various branches, the Basis of Issue Plan (BOIP) submitted and approved through the Organization Requirements Document Approval Brief (ORDAB) on May 9, 2011, was for a total of 11,269. This quantity reflects 1,556 for Heavy Brigade Combat Teams, 1,119 for Special Operations Forces, 4,090 for Stryker Brigade Combat Teams, 576 for Explosive Ordnance Disposal, 9 for Ordnance Center and Schools, 2,143 for Sustainment Center of Excellence, and 1,776 for Maneuver Center of Excellence. This number may change slightly as TRADOC continues to update and analyze their requirements.

SUBCOMMITTEE RECESS

Chairman INOUYE. We stand in recess, and will reconvene on Wednesday, March 28, at 10 a.m., to learn about Defense Health Programs.

Mr. MCHUGH. Thank you, Mr. Chairman.

General ODIERNO. Thank you, Mr. Chairman.

[Whereupon, at 12:13 p.m., Wednesday, March 21, the subcommittee was recessed, to reconvene at 10 a.m., Wednesday, March 28.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2013

WEDNESDAY, MARCH 28, 2012

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10 a.m., in room SD–192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Mikulski, Murray, Cochran, and Murkowski.

DEPARTMENT OF DEFENSE

MEDICAL HEALTH PROGRAMS

STATEMENT OF LIEUTENANT GENERAL CHARLES B. GREEN, SURGEON GENERAL, DEPARTMENT OF THE AIR FORCE

OPENING STATEMENT OF CHAIRMAN DANIEL K. INOUYE

Chairman INOUYE. I'd like to welcome all of you, as we review the Department of Defense (DOD) medical programs this morning. There will be two panels. First, we'll hear from the Service Surgeons General, and then from the Chiefs of the Nurse Corps. Although she has appeared before the subcommittee in her previous assignment as Chief of the Army Nurse Corps, I'd like to welcome back Lieutenant General Patricia Horoho for her first testimony before this subcommittee as a Surgeon General of the Army, and commend her for becoming the first female as well as first Nurse Corps officer to serve in this capacity.

And I'd like to also welcome Vice Admiral Matthew Nathan and Lieutenant General Charles Green. General Green, I understand you're retiring later this year, and I thank you for your many years of service to the Air Force, and I look forward to working with all of you to ensure that the medical programs and personnel under your command are in good shape.

Every year, the subcommittee holds this hearing to discuss the critically important issues related to the care and well-being of our servicemembers and their families, as healthcare is one of the most basic benefits we can provide to the men and women of our Nation. The advancements military medicine has made over the last several decades have not only dramatically improved medical care on the battlefield, but it also enhanced the healthcare delivery and scientific advancements throughout the medical field. The results ben-

efit millions of Americans who likely are unaware that these improvements were developed by the military.

There is still much more to be done. Despite the great progress the military medical community has achieved, more and more of our troops are suffering from medical conditions that are much harder to identify and treat, such as traumatic brain injury (TBI), post-traumatic stress, and depression. We must continue our efforts to heal these unseen wounds of the military that have been at war for more than 10 years.

In addition, DOD has recommended changes to Military Health System (MHS) governance and proposed TRICARE fee increases. And I hope to address some of these issues today, and I look forward to your testimony and note that your full statements will be made part of the record.

And now I'd like to call upon our Vice Chairman, Senator Cochran.

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, I'm pleased to join you in welcoming our panel of witnesses today. We appreciate the leadership you are providing in the various services—the Air Force, Army, and Navy. Our men and women in uniform deserve opportunities for high-quality medical care, and I think your leadership is proving that we do have the best in the world for our military men and women, and we appreciate that service, and that leadership, and your success. We want to find out if there are things that can be done through the Congress's efforts to help shore up weak spots or identify things that need to be changed, funding levels that may not be appropriate, because of changing circumstances. And that's what this hearing is designed to do. Thank you for helping us do our job, and we hope we help you do your job better.

Thank you.

Chairman INOUYE. Senator Mikulski.

STATEMENT OF SENATOR BARBARA A. MIKULSKI

Senator MIKULSKI. Well, thank you very much, Mr. Chairman. We, in Maryland, feel so proud of military medicine, because we are the home to the new Naval Bethesda Walter Reed. That's a new facility. It's the old-fashioned values of taking care of those who fought for us. And we're very proud of that. We're very proud of the fact that Uniformed Services University of the Health Sciences (USUHS) is in Maryland, and also the fantastic TRICARE network, where our men and women on Active Duty, Reserves have access to the great academic medical institutions of Maryland and Hopkins, particularly if they need specialized care.

So, if you have a little child with pediatric neurological problems, you have access to Dr. Ben Carson. If you have a neonatal child, you have access to Maryland and to Hopkins. If you have, like one of the men I met at Walter Reed, who had dystonia, a very rare and unusual disease, again, access to Maryland there through this.

So, we're very proud of you, and we look forward to working with you, hearing from you, and how we can not only respond to the acute care needs, but really go to the new innovative ways of delivery of healthcare that manage chronic illness, prevent chronic ill-

ness, and deal with the stresses of battle, whether you're endured it in the battlefield or at home, supporting the warrior at the front. And today's a big day for healthcare, Senator Harkins having a hearing on National Institutes of Health (NIH), so after I finish my questions, I'm going to be dashing over there, your neighbor across the street.

If I could, Mr. Chairman, one point of personal Maryland privilege. One of the worst traffic jams in American history is at the convergence of Walter Reed Naval Bethesda. It's across the street from NIH. On the corner is the Institute of Medicine. It is the largest convergence of intellectual brainpower to serve the healthcare needs, and they're all at the same traffic light, at the same time. And if you want to see geniuses throwing Petri dishes at people, just come to that.

So, we want to thank you for your help in cracking that transportation bottleneck. Am I right? Yes.

Chairman INOUYE. That's right.

Senator MIKULSKI. That's got the biggest applause going yet.

SUMMARY STATEMENT OF LIEUTENANT GENERAL CHARLES B. GREEN

Chairman INOUYE. General Green, if I may begin with you, Sir. Would you care to make a statement before we proceed?

General GREEN. Yes, Sir. Thank you. Good morning.

Chairman Inouye, Vice Chairman Cochran, distinguished members of the subcommittee, thank you for inviting me here today. The Air Force Medical Service cannot achieve our goals of readiness, better health, better care, and best value without your support. We thank you for this.

To meet these goals, the Air Force Medical Service is transforming deployable capability, building patient-centered care, and investing in education training and research to sustain worldwide and world-class healthcare. This year, we established 10 new expeditionary medical support health response teams. These 10-bed deployable hospitals enable us to provide emergency care within 30 minutes of arriving on scene, and do surgery within 5 hours. And this will happen in any contingency. Light and lean, it's transportable in a single C–17, with full-base operating support requiring only one additional aircraft.

The health response team was successfully used in Trinidad for a humanitarian mission last May, and is our new standard package for rapid battlefield care and humanitarian assistance.

Critical care air transport teams and air evacuation continue to be a dominant factor in our unprecedented high-survival rates. To close the gap in en route critical care continuum, we applied the Critical Care Air Transportation Team (CCATT) concept to tactical patient movement and delivered the same level of care during inter-theater transport on rotary platforms this year.

The tactical critical care evacuation team was fielded in 2011. We've trained five teams. Two teams are currently deployed to Afghanistan. Each team has an emergency physician and two nurse anesthetists, and we're now able to move critical patients between level two and level three facilities much more safely.

At home, we enrolled 941,705 beneficiaries in the team-based patient-centered care at all of our Air Force medical facilities world-

wide. This care model is reducing emergency room visits, improving health indicators, and it has achieved an unprecedented continuity of care for our military beneficiaries. The Air Force remains vigilant in safeguarding the well-being and mental health of our people. Postappointment health reassessment completion rates are consistently above 80 percent for our Active Duty, Guard, and Reserve personnel.

The new deployment transition center at Ramstein Air Base, Germany, provides effective reintegration programs for deploying troops. More than 3,000 have been through to date, and a study of these airmen who attended showed significantly fewer symptoms of post-traumatic stress and lower levels of both alcohol use and conflict with family or coworkers upon return home.

By this summer, behavioral health providers will be embedded in every primary care clinic in the Air Force. We reach Guard and Reserve members through tele-mental health and embedded psychological health directors, and are furthering increasing mental health provider manning over the next 5 years.

New training to support air evacuation and expeditionary medical capability is now in place. Our training curriculums are continuously updated to capture lessons from 10 years of war. Our partnerships with civilian trauma institutions prove so successful in maintaining wartime skills that we've expanded training sites to establish new programs with the University of Nevada—Las Vegas, and Tampa General Hospital. We also shifted our initial nursing training for new Air Force nurses to three civilian medical centers. The nurse transition program is now at the University of Cincinnati, Scottsdale, and Tampa Medical Centers, has broadened our resuscitative skills, and the experience that they receive early in their careers.

Air Force graduate medical education programs continue to be the bedrock for recruiting top physicians. Our graduate programs are affiliated with Uniform Services University and civilian universities. These partnerships build credibility in the United States and in the international medical communities.

One of our most significant partners is the Department of Veterans Affairs (VA), and we are very proud of our 6 joint ventures, 59 sharing agreements, and 63 joint incentive fund projects, which are improving services to all of our beneficiaries. We've also made significant progress to the integrated electronic health record to be shared by DOD and the VA.

In the coming year, we will work shoulder-to-shoulder with our Army, Navy, and DOD counterparts to be ready to provide even better health, better care, and best value to America's heroes. Together, we'll implement the right governance of our MHS, we'll find efficiencies, and provide even higher quality care with the resources we are given.

PREPARED STATEMENT

I thank this subcommittee for your tremendous support to military medics. Our success both at home and on the battlefield would not be possible without your persistence and generous support.

On a personal note, I thank you for your tolerance and for having me here, now the third time, to talk to you about Air Force medicine. I look forward to answering your questions.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL (DR.) CHARLES B. GREEN

INTRODUCTION

Mr. Chairman, Vice Chairman, and distinguished members of the subcommittee: Thank you for inviting me to appear before you today. The men and women of the Air Force Medical Service (AFMS) have answered our Nation's call and maintained a standard of excellence second to none for more than a decade of sustained combat operations. We provide servicemembers, retirees, and families the best care America has to offer. We take tremendous pride in providing "Trusted Care Anywhere" for the Nation.

We support the President's budget request and the proposed changes to the military health benefit. I am confident that the recommendations included in the budget reflect the proper balance and the right priorities necessary to sustain the benefit over the long term. National healthcare costs continue to rise at rates above general inflation, and the Department of Defense (DOD) is not insulated from this growth as we purchase more than 60 percent of our care from private sector. DOD beneficiaries' out-of-pocket costs with the proposed changes remain far below the cost-sharing percentage they experienced in 1995. We understand we cannot ask our beneficiaries to share more of the cost for healthcare without seeking significant internal efficiencies. We are increasing efficiency by reducing administrative costs, improving access, recapturing care, and introducing cutting-edge technology to better connect our providers and patients.

Ready, better health, better care, and best value are the components of the quadruple aim for the Military Health Services. To meet these goals, the AFMS set priorities to transform deployable capability, build patient-centered care, and invest in education, training, and research to sustain world-class healthcare. We have made significant inroads in each of these areas over the past year.

TRANSFORM DEPLOYABLE CAPABILITY

In times of war there are always significant advances in the field of medicine. Today we are applying these lessons to shape future readiness and care. We have found new ways to manage blood loss and improve blood replacement. Significant improvements in the blood program improved transfusion capability and changed the way we use fluids to resuscitate patients. Air Force trauma surgeons in deployed hospitals better control hemorrhage and treat vascular injury by designing and using new arterial shunts that have been adopted by civilian trauma surgeons. These innovations contribute to a very low-case fatality rate and allow earlier transport of casualties.

Through innovative training and quick thinking, Air Force, Army, and Navy medics continue to perform miracles in field hospitals. Last spring in Balad, Iraq, our Critical Care Air Transport Teams (CCATT) saved the life of a soldier who had suffered blunt force trauma to his chest, causing his heart to stop. After an unknown period without a pulse, there was significant risk of brain injury. Using coolers of ice, the team undertook a rare therapeutic hypothermia procedure to lower body temperature, decreasing tissue swelling, and damage to the brain. The soldier was transported to Landstuhl Medical Center in Germany where his temperature was slowly raised, bringing him back to consciousness. Within 4 days of injury, the soldier arrived at Brooke Army Medical Center, San Antonio, Texas, and walked out of the hospital with thankful family members. Incredible ingenuity, dedication, and teamwork continue to save lives every day.

We have an impressive legacy of building highly capable deployable hospitals over the past decade. This year we have established 10 new Expeditionary Medical Support (EMEDS) Health Response Teams (HRT). These newly tested and proven 10-bed packages enable us to arrive in a chaotic situation, provide emergency care within 30 minutes, and perform surgery within 5 hours of arrival. The entire package is transportable in a single C–17, and full-base operating support for the hospital requires only one additional C–17. The HRT was used successfully in a Trinidad humanitarian mission in April and will be our standard package to provide rapid battlefield medicine and humanitarian assistance. This year we will establish intensive training with the HRT and will expand its capability with additional mod-

ular sets to respond to specialized missions such as obstetrics, pediatrics, or geriatrics required for humanitarian response.

We are also pursuing initiatives to improve air evacuation capability. New advances in ventilators allow us to move patients sooner and over longer distances with less oxygen. We pursued new capabilities for heart-lung bypass support by reducing the size of extracorporeal membrane oxygenation (ECMO) equipment. ECMO has been in use for many years transporting neonatal patients, and we now have critical care teams using this advanced technology for adult patient transportation. We moved the first patient on full heart-lung bypass out of Afghanistan in 2011. We are working to miniaturize and standardize ECMO equipment so it can be operated by less specialized teams. David Grant Medical Center at Travis Air Force Base (AFB), California, recently became the first DOD recipient of the smallest ECMO device. Known as CARDIOHELP, the device is light enough to be carried by one person and compact enough for transport in a helicopter or ambulance. Researchers will utilize CARDIOHELP to evaluate the effects of tactical, high-altitude, and long-haul flights on patients who require the most advanced life support. We continue to advance the science of patient transport moving the sickest of the sick, as we decrease the amount of time from point-of-injury to definitive care in the United States.

The insertion and integration of CCATTs into the air evacuation (AE) system continues to be a dominant factor in our unprecedented high-survival rates. These teams speed up the patient movement process, bring advanced care closer to the point-of-injury, free up hospital beds for new causalities, allow us to use smaller hospitals in-theater, and move patients to definitive care sooner. We have improved CCATT equipment with more wireless capability aboard aircraft to simplify connection of medical equipment to critical care patients. We are continuously finding better technologies for more accurate patient assessment in flight and working to standardize equipment and supplies used by coalition teams.

We developed and fielded the Tactical Critical Care Evacuation Team (TCCET) in 2011. This team was built to deliver the same level of care during intra-theater transport on non-AE platforms as that provided by our CCATT teams. Our first deployed team safely transported 130 critical patients on rotary aircraft. The team is composed of an emergency physician and two nurse anesthetists that separate and fly individually with a pararescue airman to move the sickest patients. We are now able to move critical patients between Level II and Level III facilities in theater even more expeditiously, using either rotary or fixed wing aircraft.

The Theater Medical Information Program Air Force (TMIP–AF) continues to make tremendous progress supporting the war-fighting community both on the ground and in the air. We leveraged existing information management and technology services to integrate with Line of the Air Force communication groups at all deployed Air Force ground-based units. This decreased end user devices, numbers of personnel at risk, and contractor-support requirements in theater. This integration allowed us to remotely support deployed units from State-side locations for the first time and with improved timeliness. Today, AFMS units are documenting all theater-based patient care electronically, including health records within the AE system, and securely moving information throughout the DOD healthcare system.

BUILD PATIENT-CENTERED CARE

At home, we continue to advance patient-centered medical home (PCMH) to improve delivery of peacetime healthcare. The foundation of patient-centered care is trust, and we have enrolled 920,000 beneficiaries into team-based, patient-centered care. Continuity of care has more than doubled with patients now seeing their assigned physician 80 percent of the time and allowing patients to become more active participants in their healthcare. PCMH will be in place at all Air Force medical treatment facilities (MTFs) by June of this year. The implementation of PCMH is decreasing emergency room visits and improving health indicators.

We have also implemented pediatric PCMH, focused on improving well child care, immunizations, reducing childhood obesity, and better serving special needs patients. A recent American Academy of Pediatrics study analyzed the impact of medical home on children. Their report concluded, "Medical home is associated with improved healthcare utilization patterns, better parental assessment of child health, and increased adherence with health-promoting behavior." We anticipate completing Air Force pediatric PCMH implementation this summer through simple realignment of existing resources.

Our PCMH teams are being certified by the National Committee for Quality Assurance (NCQA). NCQA recognition of PCMH is considered the current gold standard in the medical community, with recognition levels ranging from 1–3, 3 being the

highest. To date, all MTFs who completed evaluation were officially recognized by NCQA as a PCMH, with 10 sites recognized as a level 3. This level of excellence far exceeds that seen in the Nation overall. An additional 15 Air Force sites will participate in the NCQA survey in 2012.

We are enabling our family healthcare teams to care for more complex patients through Project Extension for Community Healthcare Outcomes (ECHO). This program started at the University of New Mexico to centralize designated specialists for consultation by local primary care providers. ECHO allows us to keep patients in the direct care system by having primary care providers "reach back" to designated specialists for consultation. For example, rather than send a diabetic patient downtown on a referral to a TRICARE network endocrinologist, the primary care team can refer the case to our diabetes expert at the 59th Medical Wing, Lackland AFB, Texas, without the patient ever departing the clinic. ECHO now includes multiple specialties, and has been so successful, the concept has been adopted by the Mayo Clinic, Johns Hopkins, Harvard, DOD, and the Veterans Administration (VA).

Our personalized medicine project, patient-centered precision care (PC2), which builds on technological and evidence-based genomic association, received final Institutional Review Board approval. We enrolled the first 80 patients this year with a goal of enrolling 2,000 patients in this research. PC2 will allow us to deliver state-of-the-art, evidence-based, personalized healthcare incorporating all available patient information. A significant aspect of PC2 is genomic medicine research, the advancement of genome-informed personalized medicine. With a patient's permission, we analyze DNA to identify health risks and then ensure follow up with the healthcare team. De-identified databases will allow us to advance research efforts. Research groups can determine associations or a specific area where they think there may be merit in terms of how we can change clinical practice. This research will likely change the way we view disease and lead to much earlier integration of new treatment options.

MiCare is currently deployed to our family practice training programs and will be available at 26 facilities before the end of 2012. This secure messaging technology allows our patients to communicate securely with their providers via email. It also allows our patients to access their personal health record. Access to a personal health record will provide the ability to view lab test results at home, renew medications, and seek advice about nonurgent symptoms. Healthcare teams will be able to reach patients via MiCare to provide appointment reminders, follow up on a condition without requiring the patient to come to the MTF, provide medical test and referral results, and forward notifications on various issues of interest to the patient. We anticipate full implementation by the end of 2013.

We are also testing incorporation of smart-phones into our clinics to link case managers directly to patients. Linking wireless and medical devices into smart phones allows the patient to transmit weight, blood pressure, or glucometer readings that are in high-risk parameters directly to their health team for advice and consultation. Patients with diabetes or congestive heart failure can see significant reductions in hospitalizations when interventions with the healthcare team are easily accessible on a regular basis. This improves quality of life for the diabetic or cardiology patient, reduces healthcare costs, and increases access for other patients. We have a pilot effort underway with George Washington University Hospital to use this tool in diabetes management.

Safeguarding the well-being and mental health of our people while improving resilience is a critical Air Force priority. We remain vigilant with our mental health assessments and consistently have postdeployment health reassessment (PDHRA) completion rates at 80 percent or higher for Active Duty, Guard, and Reserve personnel. In January 2011, we implemented section 708 of the 2010 National Defense Authorization Act (NDAA) for Active-Duty airmen, and in April 2011, for the Reserve component. The two-phased approach requires members to complete an automated questionnaire, followed by a person-to-person dialogue with a trained privileged provider. Whenever possible, these are combined with other health assessments to maximize access and minimize inconvenience for deployers. Each deployer is screened for post-traumatic stress disorder (PTSD) four times per deployment including a person-to-person meeting with a provider.

Although Air Force PTSD rates are rising, the current rate remains low at 0.8 percent across the Air Force. Our highest risk group is explosive ordnance disposal (EOD) at about 7 percent, with medical personnel, security forces, and transportation at less risk, but higher than the Air Force baseline. Our mental health providers, including those in internships and residencies, are trained in evidence-based PTSD treatments to include prolonged exposure, cognitive processing therapy, and cognitive behavioral couples therapy for PTSD. Virtual Iraq/Afghanistan uses computer-based virtual reality to supplement prolonged exposure therapy at 10 Air

Force sites. Diagnosis is still done through an interview, supported by screening tools such as the PTSD checklist (PCL) and other psychological testing as clinically indicated.

We are working closely with Air Force leadership to inculcate healthy behaviors. Comprehensive airmen fitness focuses on building strength across physical, mental, and social domains. Airman resiliency training (ART) provides a standardized approach to pre-exposure preparation training for redeploying airmen, including tiered training that recognizes different risk groups. Traumatic stress response teams at each base foster resiliency through preparatory education and psychological first-aid for those exposed to potentially traumatic events.

The Deployment Transition Center (DTC) at Ramstein Air Base, Germany, soon to be 2 years old, provides an effective reintegration program for our redeploying troops. More than 3,000 deployers have now processed through the DTC. A study of the first 800 airmen to go through the DTC, compared with 13,000 airmen matched to demographics, mission set, and level of combat exposure, demonstrated clear benefit from the DTC. Analyzing their PDHRA, airmen who attended the DTC showed positive results—significantly fewer symptoms of post-traumatic stress, lower levels of alcohol use, and lower levels of conflict with family/coworkers. This study provided solid evidence that the DTC helps airmen with reintegration back to their home environment. We are now partnering with the RAND Corporation in two other studies, looking at the overall Air Force resilience program and studying the effectiveness of the current ART program.

While we experienced a drop in the Active-Duty suicide rate in 2011, we remain concerned. Guard and Reserve suicide levels have remained steady and low. The major risk factors continue to be relationship, financial, and legal problems, and no deployment or history of deployment associations have been found. We strive to find new and better ways to improve suicide prevention efforts across the total force. By summer of this year, we will embed behavioral health providers in primary care clinics at every MTF. The Behavioral Health Optimization program (BHOP) reduces stigma by providing limited behavioral health interventions outside the context of the mental health clinic, offering a first stop for those who may need counseling or treatment. The Air Reserve Components instituted on-line training tools and products that support Ask, Care, Escort (ACE), our peer-to-peer suicide prevention training. The Air Force Reserve Command also added a new requirement for four deployment resilience assessments beginning last April.

We are increasing our mental health provider manning over the next 5 years with more psychiatrists, psychologists, social workers, psychiatric nurse practitioners, and technicians. We increased Health Professions Scholarship Program (HPSP) scholarships for psychologists, as well as psychiatry residency training billets and the psychology Active-Duty Ph.D. program and internship billets. To enhance social worker skills, we placed social workers in four internship programs and dedicated HPSP scholarships and Health Professions Loan Repayment Program slots for fully qualified accessions. Accession bonuses for fully qualified social workers were approved for fiscal year 2012 for 3- and 4-year obligations. These actions will help us to meet mental health manning requirements for both joint deployment requirements and at home station in compliance with section 714 in the 2010 National Defense Authorization Act. Air Force tele-mental health is now in place at 40 sites across the Air Force, and is planned for a total of 84 sites.

Like our sister Services, the Air Force continues to be concerned about, and focused on, the consequences of traumatic brain injury (TBI). We fully implemented TBI testing across the Air Force, and collected more than 90,000 Automated Neurological Assessment Metric (ANAM) assessments in the data repository. The Air Force accounts for 10–15 percent of total TBI in the military with approximately 4 percent of deployment-associated TBI. Most Air Force cases, more than 80 percent, are mild in severity. Of all our completed postdeployment health assessments and reassessments, less than 1 percent screened positive for TBI with persistent symptoms.

Despite our relatively lower incidence, the Air Force continues to work with DOD partners to better understand and mitigate the effects of TBI. In collaboration with Defense and Veterans Brain Injury Center, Air Force, and Army radiologists at the San Antonio Military Medical Center are working jointly to study promising neuroimaging techniques including volumetric magnetic resonance imaging (MRI) using the Federal Drug Administration-approved software NeuroQuant, functional MRI, spectroscopy, and diffusion tensor imaging to identify structural changes that may result from TBI. Ongoing studies will find more definitive answers to this complex diagnostic and treatment problem.

As co-chairman of the Recovering Warrior Task Force, I have come to understand all Services Wounded Warrior Programs. I have been on site visits with our com-

mittee as we seek to discern best practices to help our wounded, ill, and injured members recover. The joint efforts of DOD and the Department of Veterans Affairs to streamline the integrated delivery evaluation system (IDES) are paying dividends. In the Air Force, we are augmenting pre-Medical Evaluation Board (MEB) screening personnel to streamline IDES processing. Our electronic profile system gives us full visibility of those in the process and close coordination with the VA is reducing the time to complete the IDES processing.

INVEST IN EDUCATION, TRAINING, AND RESEARCH

Providing "Trusted Care Anywhere" requires our people to have the best education and training available to succeed in our mission. We strive to find new and better ways to ensure our Airmen not only survive but thrive.

This is the goal of the Medical Education and Training Campus (METC), and it truly is a joint success story. METC has already matriculated 10,000 graduates from the Army, Navy, and Air Force, and now has numerous international students enrolled. The majority of the services' education and training programs have transferred to METC, and the remainder will transfer during the course of this year. The Institute for Credentialing Excellence (ICE) awarded METC the ICE Presidential Commendation for the pharmacy technician program and praised it as being the best program in the United States.

Air Force graduate medical education (GME) programs continue to be the bedrock for recruiting top-notch medics. Since the 1970s, many of our GME programs have been affiliated with renowned civilian universities. These partnerships are critical to broad-based training and build credibility in the U.S. and international medical communities. GME residencies in Air Force medical centers develop graduates who are trained in humanitarian assistance, disaster management, and deployment medicine. National recognition for top quality Air Force GME programs improves our ability to recruit and retain the best. First-time pass rates on specialty board exams exceeded national rates in 26 of 31 specialty areas, and stand at 92 percent overall for the past 4 years.

Over the next few years, we will transform training to support new assets in air evacuation and expeditionary medical support. Flight nurse and technician training and AE contingency operations training curriculums have been entirely rewritten to capture lessons from 10 years of war. The Centers for Sustainment of Trauma and Readiness Skills (C–STARS) in Baltimore, St. Louis, and Cincinnati, have been extraordinarily successful in maintaining wartime skills. We have expanded training sites to establish sustainment of traumas skills—Sustainment of Trauma and Resuscitation Skills Programs (STARS–P)—to University of California Davis, Scottsdale, University of Nevada-Las Vegas, and Tampa General Hospitals. This will include greater use of simulation at C–STARS, STARS–P, and other Air Force medical sites. We have many testimonials from deployed graduates who credit their competence and confidence in theater to C–STARS and STARS–P training. We will continue efforts to expand this training so we will have full-up trauma teams and CCATT that are always ready to go to war.

One of our most significant partners in GME and resource-sharing is the Department of Veterans Affairs. We are proud of our 6 joint ventures, 59 sharing agreements, and 63 Joint Incentive Fund (JIF) projects, all win-wins for the military member, veteran, and American taxpayer. All four Air Force JIF proposals submitted for fiscal year 2012 were selected. These include a new CT Scan at Tyndall AFB, Florida, that will also benefit the Gulf Coast VA Health Care System (HCS); establishment of an orthopedic surgery service for Mountain Home AFB, Idaho, and the Boise VAMC; funding for an additional cardiologist at Joint Base Elmendorf-Richardson and the Alaska VA HCS—critical to reducing the number of patients leaving our system of care; and an ophthalmology clinic at Charleston with the Naval Health Clinic Charleston and the Charleston VA Medical Center. The JIF program is extremely helpful in supporting efficiencies that make sense in the Federal Government, while improving access to care for our beneficiaries.

Collaboration with the VA in the Hearing Center of Excellence (HCE) continues as we pursue our goals of outreach, prevention, enhanced care, information management, and research to preserve and restore hearing. Compounding hearing loss related to noise, the effect of improvised explosive devices (IEDs) that military personnel experience in Iraq and Afghanistan expands the threat and damage to the audiovestibular system. Traumatic brain injury may damage the hearing senses and the ability to process sound efficiently and effectively. Dizziness is common, and almost one-half of servicemembers with TBI complain of vertigo following blast exposure.

We are coordinating and integrating efforts with the other congressionally mandated centers of excellence to ensure the clinical care and rehabilitation of the Nation's wounded, ill, and injured have the highest priority. Partnering with the Defense and Veterans Eye Injury Registry has resulted in the Joint Theater Trauma Registry adding ocular and auditory injury modules to look at the effect and relation eye and ear injury has on TBI and psychological health rehabilitation. And the Vision Center of Excellence under Navy lead and HCE have contributed to the planning, patient management, and clinical guidelines with the National Intrepid Center of Excellence, the Center for the Intrepid, and within the Institute of Surgical Research.

We have expanded our research with the opening of the new School of Aerospace Medicine at Wright Patterson and our collaborative efforts with the Army in the San Antonio Military Medical Center. The 59th Medical Wing at Lackland AFB, Texas, is using laser treatment to improve range of motion and aesthetics in patients with burn scars. In the 10 subjects enrolled to date in the research, the laser treatments have resulted in an immediate reduction in scar bulk, smoothing of irregularities, and the production of scar collagen. The scars have also shown improved pliability, softness, and pigmentation. This is encouraging for our wounded warriors and servicemembers who have received thermal or chemical burns.

Another promising laser initiative is the Tricorder Program, a collaboration effort with the University of Illinois, Chicago, designed to detect/characterize laser exposure in "real time," assisting in the development of force health protection measures, such as laser eye protection. Air Force and Navy testers evaluated the prototype laser sensors in simulated air and ground field environments. An upcoming exercise with the FBI Operational Technology Division will assess the laser sensor for forensic capability in a domestic aircraft illumination scenario.

Another collaborative effort, with the Department of Homeland Security, is the development of an environmental/medical sensor integration platform that provides real-time data collection and decision support capability for medical operators and commanders, integrating environmental and medical sensor data from the field into a hand-held platform. The sensor integration platform was demonstrated successfully several times, including its deployment for environmental monitoring capability with the Hawaii National Guard, where the platform quadrupled Hawaii's radiation monitoring capability after the tsunami in Japan. It is now the backbone of Hawaii's State civil defense system real-time environmental monitoring capability.

The U.S. Air Force School of Aerospace Medicine (USAFSAM), Wright-Patterson AFB, Ohio, developed the cone contrast test (CCT) for detection of color vision deficiency. The CCT was selected as a winner of the 2012 Award for Excellence in Technology Transfer, presented annually by the Federal Laboratory Consortium to recognize laboratory employees who accomplished outstanding work in the process of transferring a technology developed by a Federal laboratory to the commercial marketplace. The technology was developed by vision scientists in USAFSAM's Aerospace Medicine Department and uses computer technology to replace the colored dot Ishihara Plates developed in the early 1900s. The CCT indicates vision deficiency type and severity, and can distinguish hereditary color vision loss from that caused by disease, trauma, medications, and environmental conditions—ensuring pilot safety while facilitating the detection and monitoring of disease.

THE WAY AHEAD

I look back 10 years to 9/11 and marvel at how far we have come in a decade. While sustaining the best battlefield survival rate in the history of war, we have simultaneously completed complex base realignment and closure projects, and enhanced our peacetime care worldwide. We changed wartime medicine by moving the sickest of the sick home to the United States within 3 days, while shifting 1 million enrolled patients into team based, patient-centered care that improved continuity of care 100 percent. One thing has not changed . . . the talent, courage, and dedication of Air Force medics still inspires me every day. As I retire later this year, I know that I leave our Air Force family in exceptional hands. Air Force medics will always deliver "Trusted Care, Anywhere" for this great Nation.

The AFMS will work shoulder-to-shoulder with our Army, Navy, and DOD counterparts to be ready, and provide better health, better care, and best value to America's heroes. Together we will implement the right governance of our Military Health System. We will find efficiencies and provide even higher quality care with the resources we are given. I thank this subcommittee for your tremendous support to military medics. Our success, both at home and on the battlefield, would not be possible without your persistent and generous support. Thank you.

Chairman INOUYE. Thank you, Sir.

Admiral Nathan.

STATEMENT OF VICE ADMIRAL MATTHEW L. NATHAN, SURGEON GENERAL, DEPARTMENT OF THE NAVY

Admiral NATHAN. Good morning, Chairman Inouye, Vice Chairman Cochran, and Senator Mikulski, distinguished members of the subcommittee. Thank you for the opportunity to provide this update on Navy Medicine, including some of our strategic priorities, accomplishments, and opportunities.

I report to you that Navy Medicine remains strong, capable, and mission-ready to deliver world-class care anywhere, anytime, as is our motto. We're meeting our operational wartime commitments, including humanitarian assistance and disaster response, and concurrently delivering outstanding patient- and family-centered care to our beneficiaries.

Force health protection is what we do, and is at the very foundation of our continuum of care in support of the warfighter, and optimizes our ability to promote, protect, and restore their health. One of my top priorities since becoming the Navy Surgeon General in November has been to ensure that Navy Medicine is strategically aligned with the imperatives and priorities of the Secretary of the Navy, the Chief of Naval Operations, and the Commandant of the Marine Corps—all of my bosses.

Each day, we are fully focused on executing the operational missions and core capabilities of the Navy and Marine Corps, and we do this by maintaining warfighter health readiness, delivering the continuum of care from the battlefield, to the bedside, from the bedside, to the unit, to the family, or to transition.

Earlier this month, Secretary Mabus launched the 21st Century Sailor and Marine program, a new initiative focused on maximizing each sailor's and marine's personal readiness. This program includes comprehensive efforts in areas that are key, such as reducing suicides, and suicide attempts, curbing alcohol abuse, and reinforcing zero tolerance on the use of designer drugs or the newly arising synthetic chemical compounds. It also recognizes the vital role of safety and physical fitness in sustaining force readiness. Navy Medicine is synchronized with these priorities and stands ready to move forward at this pivotal time in our service's history. We appreciate the subcommittee's strong support of our resource requirements.

The President's budget for fiscal year 2013 adequately funds Navy Medicine to meet its medical mission for the Navy and the Marine Corps. We recognize the significant investments made in supporting military medicine, and providing a strong, equitable, and affordable healthcare benefit for our beneficiaries. Moving forward, we must operate more jointly, we must position our direct care system to recapture private sector care, and deliver best value to our patients.

A few specific areas of our attention. Combat casualty care, Navy Medicine, along with our Army and Air Force colleagues, are delivering outstanding combat casualty care. There is occasionally discussion about what constitutes world-class care, and I can assure you that the remarkable skills and capabilities in a place like the

Role 3 facility, at the multinational medical unit in Kandahar, Afghanistan, is delivering truly world-class trauma care.

Traumatic brain injury (TBI), post-traumatic stress, and post-traumatic stress disorder (PTSD): Caring for our sailors and marines suffering with TBI and PTSD remains a top priority. We must continue active and expansive partnerships with other services, our Centers of Excellence, the VA, and leading academic medical and research centers to make the best care available to our warriors afflicted with TBI. I have been encouraged by our progress, but I'm not yet satisfied.

Warrior recovery: Our wounded, ill, and injured servicemembers need to heal in mind, body, as well as spirit, and they deserve a seamless and comprehensive approach to their recovery. We must continue to connect our heroes to a proved emerging and advanced diagnostic and therapeutic options, but within our medical treatment facilities and outside of military medicine, through the collaborations with major medical centers of reconstructive and regenerative medicine. This commitment can never waiver.

And finally, Medical Home Port: We've completed our initial deployment of Medical Home Port, which is basically patient-centered medical homes, as utilized in some of the larger organizations in the civilian sector, and the preliminary reports from the first sites of Navy Medicine show better health, better value, and less cost utilization of those enrolled.

Our innovative research and outstanding medical education are truly force multipliers. Our critical overseas laboratories provide not only world-class research but invaluable engagement with host and surrounding nations to strengthen the theater security cooperation in longstanding research facilities that reside in places like Egypt, South America, Southeast Asia.

We continue to welcome and leverage our joint relationships with the Army, the Air Force, the VA, as well as other Federal and civilian partners in these important areas. I believe this interoperability helps us create system-wide synergies and allows us to invest wisely in education and training, research, and information technology.

None of these things would be possible without our professional and dedicated workforce. More than 60,000 men and women, Active Duty, Reserve personnel, civilians and contractors, all working the world to provide outstanding healthcare and support services to our beneficiaries.

PREPARED STATEMENT

In closing, let me briefly address the MHS governance. The Deputy Secretary of Defense has submitted his report to the Congress, required by section 716 of fiscal year 2012 National Defense Authorization Act (NDAA). It addresses the Department's plans, subject to review, and concurrence by the Government Accountability Office (GAO), to move forward with governance changes. Throughout my remarks this morning, and in my statement for the record, I have referred to our commitment to jointness in theater, in our classrooms, in our training, in our laboratories, and in our common pursuit of solutions like challenges like TBI. We all recognize the need for interoperability and cost-effective joint solutions, in terms

of overall governance. We must, however, proceed in a deliberate and measured manner to ensure that our readiness to support our services missions and core war fighting capabilities will be maintained, and our excellence in healthcare delivery will be sustained.

On behalf of the men and women in Navy Medicine, I want to thank this subcommittee for your tremendous support, your confidence, and your leadership, and I look forward to your questions.

Thank you.

[The statement follows:]

PREPARED STATEMENT OF VICE ADMIRAL MATTHEW L. NATHAN

INTRODUCTION

Chairman Inouye, Vice Chairman Cochran, and distinguished members of the subcommittee: I am pleased to be with you today to provide an update on Navy Medicine, including some of our collective strategic priorities, accomplishments, and opportunities. I want to thank the subcommittee members for the tremendous confidence and support of Navy Medicine.

I can report to you that Navy Medicine remains strong, capable, and mission-ready to deliver world-class care, anytime, anywhere. We are operating forward and globally engaged, no matter what the environment and regardless of the challenge. The men and women of Navy Medicine remain flexible, agile, and resilient in order to effectively meet their operational and wartime commitments, including humanitarian assistance; and concurrently, delivering outstanding patient and family-centered care to our beneficiaries. It is a challenge, but one that we are privileged to undertake.

One of my top priorities since becoming the Navy Surgeon General in November 2011 is to ensure that Navy Medicine is strategically aligned with the imperatives and priorities of the Secretary of the Navy, Chief of Naval Operations, and Commandant of the Marine Corps. We are fully engaged in executing the operational missions and core capabilities of the Navy and Marine Corps—and we do this by maintaining warfighter health readiness, delivering the continuum of care from the battlefield to the bedside and protecting the health of all those entrusted to our care. Our focus remains in alignment with our Navy and Marine Corps leadership as we support the defense strategic guidance, "Sustaining U.S. Global Leadership: Priorities for the 21st Century" issued by the President and Secretary of Defense earlier this year. The Chief of Naval Operations in his "Sailing Directions" has articulated the Navy's core responsibilities and Navy Medicine stands ready as we move forward at this pivotal time in our history.

Navy Medicine appreciates the subcommittee's strong support of our resource requirements. The President's budget for fiscal year 2013 adequately funds Navy Medicine to meet its medical mission for the Navy and Marine Corps. We recognize the significant investments made in supporting military medicine and remain committed to providing outstanding care to all our beneficiaries. Moving forward, we must innovate, position our direct care system to recapture private sector care, and deliver best value to our patients. Driving these changes is critical and necessary but not sufficient. The Secretary of Defense has articulated that the current upward trajectory of healthcare spending within the Department is not sustainable. Accordingly, the President's budget includes important healthcare proposals designed to address this situation, including adjustments in TRICARE fees. The Department of Navy supports these proposals and believes they are important for ensuring a sustainable and equitable benefit for all our beneficiaries. We deliver one of the most comprehensive health benefits available and these changes will help us better manage costs, provide quality, accessible care, and keep faith with our beneficiaries. As the Navy Surgeon General, I appreciate the tremendous commitment of our senior leaders in this critical area and share the imperative of controlling costs and maintaining an affordable and sustainable benefit.

Value—a key analytic in our decisionmaking—must inherently address cost and quality as we implement efficiencies and streamline operations. All of us in the Military Health System (MHS) recognize the challenges ahead are significant, including rising healthcare costs, increased number of beneficiaries, and maintaining long-term care responsibilities for our medically retired warriors.

Additionally, we are very focused on improving internal controls and financial procedures in response to congressional priorities to obtain a clean financial audit. We have mandated the use of standard operating procedures at all our activities for

those business processes which impact financial transactions. I have also emphasized the responsibility of every commanding officer in setting and maintaining appropriate internal controls. We are regularly evaluating our progress through financial transactions and process reviews which help us identify if any changes need to be made. We are making progress and our leadership is fully engaged and leaning forward to ensure the best possible stewardship of our resources.

Alignment is also critical as we focus on more joint solutions within the MHS and in conjunction with the Army and Air Force. We see tremendous progress in joint medical operations, from battlefield medicine to education and training to research and development. As we continue to synchronize our collective efforts through deliberative planning and rigorous analyses, I believe we will have more opportunities to create synergies, reduce redundancies, and enhance value across the MHS.

Our continuing joint efforts in the integration of the Quadruple Aim initiative is helping to develop better outcomes and implement balanced incentives across the MHS. The Quadruple Aim applies the framework from the Institute for Healthcare Improvement (IHI) and customizes it for the unique demands of military medicine. It targets the MHS and services' efforts on integral outcomes in the areas of readiness, population health and quality, patient experience, and cost. Our planning process within Navy Medicine is complementary to these efforts and targets goals that measure our progress and drive change through constructive self-assessment. I have challenged Navy Medicine leaders at headquarters, operational and regional commands, and treatment facilities to maintain strategic focus on these key metrics.

OUR MISSION IS FORCE HEALTH PROTECTION

Force Health Protection is at the epicenter of everything we do. It is an expression of our Core Values of Honor, Courage, and Commitment and the imperative for our worldwide engagement in support of expeditionary medical operations and combat casualty care. It is at the very foundation of our continuum of care in support of the warfighter and optimizes our ability to promote, protect, and restore their health. It is both an honor and obligation.

Our Force Health Protection mission is clearly evident in our continued combat casualty care mission in Operation Enduring Freedom (OEF). Navy Medicine personnel are providing direct medical support to the operating forces throughout the area of responsibility (AOR). We continue to see remarkable advances in all aspects of life-saving trauma care. These changes have been dramatic over the last decade and enabled us to save lives at an unprecedented rate. We are continuously implementing lessons learned and best clinical practices, ensuring our providers have the most effective equipment available, and focusing on providing realistic and meaningful training. Mission readiness means providing better, faster combat casualty care to our warfighters.

The North Atlantic Treaty Organization (NATO) Role 3 Multinational Medical Unit (MMU), operating at Kandahar Airfield, Afghanistan is a world-class combat trauma hospital that serves a unique population of United States and coalition forces, as well as Afghan National Army, National Police, and civilians wounded in Afghanistan. Led by Navy Medicine, the Role 3 MMU is an impressive 70,000 square foot state-of-the-art facility that is the primary trauma receiving and referral center for all combat casualties in Southern Afghanistan. It has 12 trauma bays, 4 operating rooms, 12 intensive care beds, and 35 intermediate care beds. The approximately 250 staff of Active component (AC) and Reserve component (RC) personnel includes 30 physicians with multiple surgical specialties as well as anesthesia, emergency medicine, and internal medicine. RC personnel currently make up 27 percent of overall manning and provide us unique and invaluable skill sets. With trauma admissions averaging 175 patients per month, the unit achieved unprecedented survival rates in 2011. In addition, MMU has two forward surgical teams deployed in the region to provide frontline surgical trauma care demonstrating agility to meet changing operational requirements.

Training is critical for our personnel deploying to the MMU Role 3. This year, we established a targeted training program at the Naval Expeditionary Medical Training Institute (NEMTI) onboard Marine Corps Base Camp Pendleton for our personnel deploying to the MMU. The training is part of an effort designed to foster teamwork, and build medical skills specific to what personnel require while on a 6-month deployment. Navy Medicine and U.S. Fleet Forces Command (FFC) recognized the need to integrate medical training scenarios to expand upon the knowledge and skills required to fill positions at the Kandahar Role 3 facility. In January, I had the opportunity to see this impressive training in action during the course's final exercise and saw our personnel implement the clinical skills they honed during the 2-week course. They participated in a scenario-driven series of exercises, includ-

ing staffing a fully equipped hospital receiving patients with traumatic injuries, simulated air strike, and a mass casualty drill. This training, as well as the program at the Navy Trauma Training Center (NTTC) at Los Angeles County/University of Southern California Medical Center where our personnel train as teams in a busy civilian trauma center, help ensure our deployers have the skills and confidence to succeed in their combat casualty care mission.

Recognizing the importance of ensuring our deployed clinicians have access to state-of-the-art capabilities, Navy Medicine, in conjunction with the Army, Air Force, and our contracted partners worked successfully to deliver the first ever magnetic resonance imaging (MRI) technology in a combat theatre to aid the comprehensive diagnosis and treatment of concussive injuries. Efforts included the planning, design, and execution of this new capability as well as ensuring that clinical, logistical, transportation, environmental, and sustainment considerations for the MRIs were fully addressed prior to the deployment of the units to the battlefield. The fact that we were able to design, acquire, and deliver this new capability to the battlefield in approximately 6 months from contract award is a testament to the commitment of the joint medical and logistics teams. MRIs are now in place Role 3 MMU in Kandahar, Role 3 Trauma Hospital in Camp Bastion and the Joint Theatre Hospital located on Bagram Airfield.

Navy Medicine also supports stability operations through multiple types of engagements including enduring, ship-centric humanitarian assistance (HA) missions such as Pacific Partnership and Continuing Promise, which foster relationships with partner countries. During 2011 Pacific Partnership 2011, 86 Navy Medicine personnel augmented with nongovernmental organization, interagency, and other Service personnel conducted activities in Tonga, Vanuatu, Papua New Guinea, Timor Leste, and the Federated States of Micronesia. Engagements included engineering projects, veterinary services, preventive medicine/public health, and biomedical equipment repair. Continuing Promise 2011 involved 480 Navy Medicine personnel conducting activities in Jamaica, Peru, Ecuador, Colombia, Nicaragua, Guatemala, El Salvador, Costa Rica, and Haiti. More than 67,000 patients were treated and 1,130 surgeries were performed during this important mission. In addition to our efforts at sea, Navy Medicine also supports land-based HA engagements including Marine Corps exercises such as Africa Partnership Station and Southern Partnership Station as well as multiple Joint exercises such as Balikatan in the Philippines.

MEDICAL HOME PORT: PATIENT- AND FAMILY-CENTERED CARE

We completed our initial deployment of Medical Home Port (MHP) throughout the Navy Medicine enterprise. MHP is Navy Medicine's adaptation of the successful civilian patient-centered medical home (PCMH) concept of care which transforms the delivery of primary care to an integrated and comprehensive suite of services. MHP is founded in ensuring that patients see their assigned provider as often as possible, and that they can access primary care easily rather than seeking primary care in the emergency room. Strategically, MHP is a commitment to total health and, operationally, it is foundational to revitalizing our primary care system and achieving high-quality, accessible, cost-efficient healthcare for our beneficiaries.

We are also working with the Marine Corps to implement the Marine-centered medical home (MCMH) as a complementary analogue to the MHP. Likewise, we are working with U.S. Fleet Forces Command to establish a fleet-based model of the PCMH using the same principles. The first prototype carrier-based PCMH concept will be developed for USS *Abraham Lincoln* (CVN–72).

Initial results are encouraging. MHP performance pilots at the Walter Reed National Military Medical Center (WRNMMC) and Naval Hospital Pensacola have shown improvement in key healthcare outcomes such as:

—increased patient satisfaction;
—improved access to care; and
—improved quality of care associated with decreased use of the emergency room (an important cost driver).

Data show similar results enterprise-wide through October 2011, and also indicate improved continuity with assigned provider, decreased emergency room utilization, and better cost containment when compared with fiscal year 2010.

HEALING IN BODY, MIND, AND SPIRIT

Health is not simply the absence of infirmity or disease—it is the complete state of physical, mental, spiritual, and social well-being. As our wounded warriors return from combat and begin the healing process, they deserve a seamless and comprehensive approach to their recovery. Our focus is integrative, complementary, and multidisciplinary-based care, bringing together clinical specialists, behavioral health pro-

viders, case managers, and chaplains. There are approximately 170 medical case managers who work closely with their line counterparts in the Marine Corps' Wounded Warrior Regiment and the Navy's Safe Harbor program to support the full-spectrum recovery process for sailors, marines, and their families.

We have made remarkable progress in ensuring our wounded servicemembers get the care they need—from medical evacuation through inpatient care, outpatient rehabilitation to eventual return to duty or transition from the military. With our historically unprecedented battlefield survival rate, we witness our heroes returning with the life-altering wounds of war which require recovery and long-term care. We must continue to adapt our capabilities to best treat these conditions and leverage our systems to best support recovery.

To that end, we are committed to connecting our wounded warriors to approved emerging and advanced diagnostic and therapeutic options within our military treatment facilities (MTFs) and outside of military medicine. We do this through collaborations with major centers of reconstructive and regenerative medicine while ensuring full compliance with applicable patient safety policies and practices. The Naval Medical Research and Development Center in Frederick, Maryland, is aggressively engaged in furthering support for cooperative medical research between multiple centers of regenerative and reconstructive medicine. Their collaborative efforts, in conjunction with the Armed Forces Institute of Regenerative Medicine (AFIRM), are essential in developing new regenerative and transplant capabilities, both at the civilian and the military institutions with ultimate sharing of knowledge, expertise, and technical skills in support of restoration of our wounded warriors.

Navy Medicine continues a robust translation research program in wound healing and wound care, moving technologies developed at the bench to deployment in the clinic to enhance the care of the wounded warfighter. Concurrently, we are focused on improving the capability and capacity to provide comprehensive and interdisciplinary pain management from the operational setting to the MTF to home. This priority includes pain management education and training to providers, patients, and families to prevent over-prescribing, misuse of medications, and promoting alternative therapies.

Preserving the psychological health of servicemembers and their families is one of the greatest challenges we face today. The Navy continues to foster a culture of support for psychological health as an essential component to total force fitness and readiness. Navy and Marine Corps combat operational stress control (COSC) programs provide sailors, marines, leaders, and families the skills and resources to build resiliency. We also continue to address stigma by encouraging prevention, early intervention, and help-seeking behaviors. Training is designed to build teams of leaders, marines, sailors, medical, and religious ministry personnel to act as sensors for leadership by noticing small changes in behavior and taking action early. These efforts support in fostering unit strength, resilience, and readiness.

Navy Medicine has continued to adapt psychological health support across traditional and nontraditional healthcare systems. Access to psychological health services have increased in venues designed to reduce the effects associated with mental health stigma. These efforts are also focused on suicide prevention and are designed to improve education, outreach, and intervention. In 2011, more than 1,000 health providers received targeted training in assessing and managing suicide risk. We are also integrating behavioral health providers in our MHP program to help address the needs of our patients in the primary care setting.

Post-traumatic stress disorder (PTSD) is one of many psychological health conditions that adversely impacts operational readiness and quality of life. Navy Medicine has an umbrella of psychological health programs that target multiple, often co-occurring, mental health conditions including PTSD. These programs support prevention, diagnosis, mitigation, treatment, and rehabilitation of PTSD. Our efforts are also focused on appropriate staffing, meeting access standards, implementing recommended and standardized evidence-based practices, as well as reducing stigma and barriers to care.

We recently deployed our fifth Navy Mobile Mental Health Care Team (MCT) in Afghanistan. Consisting of two mental health clinicians, a research psychologist and an enlisted behavioral health technician, their primary mission is to administer the Behavioral Health Needs Assessment Survey (BHNAS). The results give an overall assessment and actionable intelligence of real-time mental health and well-being data for our deployed forces. It can also identify potential areas or subgroups of concern for leaders on the ground and those back in garrison. The survey assesses mental health outcomes, as well as the risk and protective factors for those outcomes such as combat exposures, deployment-related stressors, positive effects of deployment, leadership perceptions, and morale and unit cohesion. The MCT also has a preventive mental health and psycho-education role and provides training in COSC

and combat and operational stress first aid (COSFA) to sailors in groups and individually to give them a framework to mitigate acute stressors and promote resilience in one another.

Data from previous MCT deployments and BHNAS analyses indicate continued need for implementation of COSC doctrine and command support in OEF. In addition, the Joint Mental Health Assessment Team (J–MHAT 7) surveillance efforts conducted in Afghanistan during 2010 indicate an increase in the rate of marines screening at-risk for PTSD relative to similar surveys conducted in marine samples serving in Iraq during 2006 and 2007. This assessment also shows increases in training effectiveness regarding managing combat deployment stress, as well as a significant reduction in stigma associated with seeking behavioral health treatment.

In collaboration with the Marine Corps, the operational stress control and readiness (OSCAR) program represents an approach to mental healthcare in the operational setting by taking mental health providers out of the clinic and embedding them with operational forces to emphasize prevention, early detection, and brief intervention. OSCAR-trained primary care providers recognize and treat psychological health issues at points where interventions are often most effective. In addition, OSCAR includes chaplains and religious personnel (OSCAR Extenders) who are trained to recognize stress illness and injuries and make appropriate referral. More than 3,000 marine leaders and individual marines have been trained in prevention, early detection, and intervention in combat stress through OSCAR Team Training and will operate in OSCAR teams within individual units.

Through the caregiver occupational stress control (CgOSC) program, Navy Medicine is also working to enhance the resilience of caregivers to the psychological demands of exposure to trauma, wear and tear, loss, and inner conflict associated with providing clinical care and counseling. The core objectives include:

—early recognition of distress;
—breaking the code of silence related to stress reactions and injuries; and
—engaging caregivers in early help as needed to maintain both mission and personal readiness.

Our emphasis remains ensuring that we have the proper size and mix of mental health providers to care for the growing need of servicemembers and their families who need care. Within Navy Medicine, mental health professional recruiting and retention remains a top priority. Although shortfalls remain, we have made progress recruiting military, civilian, and contractor providers, including psychiatrists, clinical psychologists, social workers, and mental health nurse practitioners. We have increased the size of the mental health workforce in these specialties from 505 in fiscal year 2006 to 829 in fiscal year 2012. Notwithstanding the military is not immune to the nationwide shortage of qualified mental health professionals. Throughout the country, the demand for behavioral health services remains significant and continues to grow.

Caring for our sailors and marines suffering with traumatic brain injury (TBI) remains a top priority. While we are making progress, we have much work ahead of us as we determine both the acute and long-term impact of TBI on our servicemembers. Our strategy must be both collaborative and inclusive by actively partnering with the other Services, our Centers of Excellence, the Department of Veterans Affairs (VA), and leading academic medical and research centers to make the best care available to our warriors afflicted with TBI.

Navy Medicine is committed to ensuring thorough screening for all sailors and marines prior to deployment, while in theatre, and upon return from deployment. Pre-deployment neurocognitive testing is mandated using the Automated Neuropsychological Assessment Metrics (ANAM). The ANAM provides a measure of cognitive performance, that when used with a patient with confirmed concussion, can help a provider determine functional level as compared to the servicemember's baseline. In-theatre screening, using clinical algorithms and the Military Acute Concussion Evaluation (MACE), occurs for those who have been exposed to a potentially concussive event, as specified by the event driven protocols of the TBI Directive-type Memorandum (DTM) 09–033 released in June 2010.

DTM–09–033 has changed the way we treat TBI in theatre. It requires pre-deployment on point-of-injury care, improved documentation, and tracking of concussion by line and medical leaders, as well as a move toward standardization of system-wide care.

In-theatre, the Concussion Restoration Care Center (CRCC) at Camp Leatherneck Afghanistan, became operational in August 2010. CRCC represents a ground-breaking, interdisciplinary approach to comprehensive musculoskeletal and concussion care in the deployed setting. As of December 1, 2011, the CRCC has seen more than 2,500 patients (more than 750 with concussion) with a greater than 95 percent return to duty rate. I am encouraged by the impact the CRCC is having in theatre

by providing treatment to our servicemembers close to the point-of-injury and returning them to duty upon recovery. We will continue to focus our attention on positioning our personnel and resources where they are most needed.

Postdeployment surveillance is accomplished through the postdeployment health assessment (PDHA) and postdeployment health reassessment (PDHRA), required for returning deployers. Navy Medicine has conducted additional postdeployment TBI surveillance on high-risk units and those marines with confirmed concussions in theatre, with a goal of improving patient outcomes and better informing leaders.

Access and quality of care for treating TBIs are being addressed through standardization of Navy Medicine's current six clinical TBI specialty programs at Naval Medical Center Portsmouth, Naval Medical Center San Diego, Naval Hospital Camp Lejeune, Naval Hospital Camp Pendleton, Naval Health Clinic New England—Branch Health Clinics Groton and Portsmouth. Additionally, we have an inpatient program at WRNMMC which focuses on moderate and severe TBI while also conducting screening for TBI on all polytrauma patients within the medical center.

The National Intrepid Center of Excellence (NICoE) is dedicated to providing cutting-edge evaluation, treatment planning, research, and education for servicemembers and their families dealing with the complex interactions of mild TBI and psychological health conditions. Their approach is interdisciplinary, holistic, patient-, and family-centered. The NICoE's primary patient population is comprised of Active Duty servicemembers with TBI and PH conditions who are not responding to current therapy. The NICoE has spearheaded partnerships with many military, Federal, academic, and private industry partners in research and education initiatives to further the science and understanding of these invisible wounds of war. The Department of Defense (DOD) has recently accepted an offer from the Intrepid Fallen Heroes Fund to construct several NICoE Satellite centers to treat our military personnel suffering from PTSD or TBI locally. The first installations to receive these centers will be Fort Belvoir, Camp Lejeune, and Fort Campbell. The Services are actively working together to determine the details regarding project timelines, building sizes, staffing, funding, and sustainability.

We need to continue to leverage the work being done by the Defense Centers of Excellence for Psychological Health and Traumatic Brain Injury, including the Defense and Veterans Brain Injury Center, given their key roles in the expanding our knowledge of PH and TBI within the MHS, the VA and research institutions. This collaboration is also evident in the work being conducted by the Vision Center of Excellence (VCE), established by the National Defense Authorization Act of 2008. VCE, for which Navy Medicine currently provides operational support, exemplifies this important symmetry with military medicine, the VA and research partners. They are developing a distributed and integrated organization with regional locations that link together a network of clinical, research, and teaching centers around the world. The VCE encompasses an array of national and international strategic partners, including institutions of higher learning, and public and private entities.

Family readiness supports force readiness so we must have programs of support in place for our families. We continue to see solid results from FOCUS (Families Over Coming Under Stress), our evidence-based, family-centered resilience training program that enhances understanding of combat and operational stress, psychological health and developmental outcomes for highly stressed children and families. Services are offered at 23 CONUS/OCONUS locations. As of December 2011, 270,000 families, servicemembers, and community support members have been trained on FOCUS. Based on the program's annual report released in July 2011, we can see there has been a statistically significant decrease in issues such as depression and anxiety in servicemembers, spouses, and children who have completed the program as well as a statistically significant increase in positive family functioning for families.

For our Marine Corps and Navy Reserve populations, we have developed the Reserve Psychological Health Outreach Program (PHOP). PHOP provides psychological health outreach, education/training, and resources a 24/7 information line for unit leaders or reservists and their families to obtain information about local resources for issues related to employment, finances, psychological health, family support, and child care. PHOP now includes 55 licensed mental health providers dispersed throughout the country serving on 11 teams located centrally to Navy and Marine Force Reserve commands.

Returning warrior workshops (RWWs) began with the Navy Reserve more than 5 years ago and are conducted quarterly in each Navy Reserve Region across the country. As of September 2011, more than 10,000 servicemembers and their families have participated in RWWs. RWWs assist demobilized servicemembers and their loved ones in identifying immediate and potential issues that often arise during postdeployment reintegration.

Navy Medicine maintains a steadfast commitment to our substance abuse rehabilitation programs (SARPs). SARPs offer a broad range of services to include alcohol education, outpatient and intensive outpatient treatment, residential treatment, and medically managed care for withdrawal and/or other medical complications. We have expanded our existing care continuum to include cutting-edge residential and intensive outpatient programs that address both substance abuse and other co-occurring mental disorders directed at the complex needs of returning warriors who may suffer from substance abuse disorders and depression or PTSD. In addition, Navy Medicine has developed a new program known as My Online Recovery Experience (MORE). In conjunction with Hazelden, a civilian leader in substance abuse treatment and education, MORE is a ground-breaking Web-based recovery management program available to servicemembers 24/7 from anywhere in the world. Navy Medicine has also invested in important training opportunities on short-term interventions and dual diagnosis treatment for providers and drug and alcohol counselors, markedly improving quality and access to care.

Our Naval Center for Combat & Operational Stress Control (NCCOSC)—now in its fourth year—continues to improve the psychological health of marines and sailors through comprehensive programs that educate servicemembers, build psychological resilience and promote best practices in the treatment of stress injuries. The overarching goal is to show sailors and marines how to recognize signs of stress before anyone is in crisis and to get help when it is needed. NCCOSC continues to make progress in advancing research for the prevention, diagnosis, and treatment of combat and operational stress injuries, including PTSD. They have 50 on-going scientific projects and have doubled the number of enrolled participants from a year ago to more than 7,100. Similarly, they have expanded the enrollment in their psychological health pathways (PHP) pilot project to 2,248 patients—a 38-percent increase over last year.

FORCE MULTIPLIERS: RESEARCH AND DEVELOPMENT AND GRADUATE MEDICAL EDUCATION

Innovative research and development and vibrant medical education help ensure that we have the capabilities to deliver world-class care now and in the future. They are sound investments in sustaining our excellence to Navy Medicine to our mission of Force Health Protection.

The continuing mission of our Medical Research and Development program is to conduct health and medical research in the full spectrum of development, testing, clinical evaluation (RDT&E), and health threat detection in support of the operational readiness and performance of DOD personnel worldwide. In parallel with this primary operational research activity, our clinical investigation program (CIP) continues to expand at our teaching MTFs with direct funding being provided to support the enrichment of knowledge and capability of our trainees. Where consistent with this goal, these programs are participating in the translation of knowledge and tangible products from our RDT&E activity into proof of concept and cutting edge interventions that are directly applied in benefit of our wounded warriors and our beneficiaries.

Navy Medicine's five strategic research priorities are set to meet the war-fighting requirements of the Chief of Naval Operations and the Commandant of the Marine Corps. These pursuits continue with appropriate review and the application of best practices in meeting our goals. These five areas of priority include:

—TBI and psychological health treatment and fitness;
—medical systems support for maritime and expeditionary operations;
—wound management throughout the continuum of care;
—hearing restoration and protection for operational maritime surface and air support personnel; and
—undersea medicine, diving, and submarine medicine.

We continue to strengthen our medical partnerships in Southeast Asia, Africa, and South America through the cooperation and support provided by our Naval Medical Research Units and medical research operations in those geographical regions. We find that the application of medical and healthcare diplomacy is a firm cornerstone of successful pursuit of overarching bilateral relations between allies. These engagements are mutually beneficial—not only for the relationships with Armed Forces of engaged countries but for generalization of healthcare advances to the benefit of peoples around the globe.

Graduate Medical Education (GME) is vital to the Navy's ability to train board-certified physicians and meet the requirement to maintain a tactically proficient, combat-credible medical force. Robust, innovative GME programs continue to be the

hallmark of Navy Medicine. We are pleased to report that despite the challenges presented by 10 years of war, GME remains strong.

Our institutions and training programs continue to perform well on periodic site visits by the Accreditation Council for Graduate Medical Education (ACGME) and most are at or near the maximum accreditation cycle length. The performance of our three major teaching hospitals, in particular, has been outstanding with all three earning the maximum 5-year accreditation cycle length. Board certification is another hallmark of strong GME. The overall pass rate for Navy trainees in 2011 was 96 percent, well-above the national average in most specialties. Our Navy-trained physicians continue to prove themselves exceptionally well-prepared to provide care to all members of the military family, and in all operational settings ranging from the field hospitals of the battlefield to the platforms that support disaster and humanitarian relief missions.

Overall, I am pleased with the progress we are making with our joint enlisted training efforts at the Medical Education and Training Campus (METC) in San Antonio, Texas. I had an opportunity to visit the training center earlier this year and meet with the leadership and students. We have a tremendous opportunity to train our sailors with their Army and Air Force counterparts in a joint environment, and I am working with my fellow Surgeons General to ensure we optimize our efforts, improve interoperability and create synergies.

INTEROPERABILITY AND COLLABORATIVE ENGAGEMENT

Navy Medicine continues to leverage its unique relationships with the Army, Air Force, the VA, as well as other Federal and civilian partners. This interoperability helps create system-wide synergies and foster best practices in care, education and training, research and technology.

Our sharing and collaboration efforts with the VA continue throughout our enterprise and Navy Medicine's most recent joint venture is a unique partnership between the Naval Health Clinic Charleston, Ralph H. Johnson Veterans Affairs Medical Center, Naval Hospital Beaufort and the Air Force's 628th Medical Group. This partnership will manage joint healthcare services and explore local joint opportunities for collaboration. In addition, our new replacement facility at Naval Hospital Guam, currently under construction, will continue to provide ancillary and specialty service to VA beneficiaries.

Operations continue at the Captain James A. Lovell Federal Health Care Center (FHCC) in Great Lakes, Illinois—a first-of-its-kind fully integrated partnership that links Naval Health Clinic Great Lakes and the North Chicago VA Medical Center into one healthcare system. This joint facility, activated in October 2010, is a 5-year demonstration project as mandated by the National Defense Authorization Act of Fiscal Year 2010. During its first year, FHCC successfully completed the Civilian Personnel Transfer of Function which realigned staff from 1,500 to more than 3,000. The USS *Red Rover* Recruit Clinic processed more than 38,000 U.S. Navy recruits and delivered more than 178,000 immunizations to the Navy recruits. We continue to work with DOD and the VA to leverage the full suites of information technology capabilities to support the mission and patient population.

In addition, our collaborative efforts are critical in continuing to streamline the integrated disability evaluation system (IDES) in support of our transitioning wounded, ill, and injured servicemembers. Within the Department of Navy (DON), we have completed IDES expansion to all 21 CONUS MTFs and we are working to implement improvements and best practices in order to streamline the IDES process to allow for timely and thorough evaluation and disposition. Further collaboration between DOD, the Services, and the VA regarding information technology improvements, ability for field-level reports for case management and capability for electronic case file transfer is ongoing.

In support of DOD and VA interagency efforts, we are leveraging our information technology capabilities and building on joint priorities to support a seamless transition of medical information for our servicemembers and veterans. This ongoing work includes the development of an integrated electronic health record and the virtual lifetime electronic record (VLER), including the Naval Medical Centers San Diego and Portsmouth participation in VLER pilot projects.

We completed the requirements associated with the base realignment and closure (BRAC) in the National Capital Region (NCR) with the opening of the Walter Reed National Military Medical Center and Fort Belvoir Community Hospital. The scope of this realignment was significant, and we are continuing to devote attention to ensuring that our integration efforts reduce overhead, maintain mission readiness, and establish efficient systems for those providing care to our patients. We have outstanding staff members comprised of Navy, Army, Air Force and civilians, who are

executing their mission with skill, compassion, and professionalism. The opening of these impressive facilities represented several years of hard work by the men and women of military medicine, as well as generous support from Members of Congress. I am proud of what we accomplished and, moving forward, encouraged about the opportunities for developing a sustainable, efficient integrated healthcare delivery model in the NCR. I, along with my fellow Surgeons General, am committed to this goal and recognize the hard work ahead of us.

PEOPLE—OUR MOST IMPORTANT ASSET

The hallmark of Navy Medicine is our professional and dedicated workforce. Our team consists of more than 63,000 Active component (AC) and Reserve component (RC) personnel, government civilians as well as contract personnel—all working around the world to provide outstanding healthcare and support services to our beneficiaries. I am continually inspired by their selfless service and sharp focus on protecting the health of sailors, marines, and their families.

Healthcare accessions and recruiting remain a top priority, and, overall, Navy Medicine continues to see solid results from these efforts. Attainment of our recruiting and retention goals has allowed Navy Medicine to meet all operational missions despite some critical wartime specialty shortages. In fiscal year 2011, Navy Recruiting attained 101 percent of Active Medical Department officer goals, and 85 percent of Reserve Medical Department officer goals. In a collaborative effort with the Chief of Navy Reserve and Commander, Navy Recruiting Command, we are working to overcome challenges in the RC medical recruiting missions. We recently held a recruiting medical stakeholders conference during which we discussed the challenges and courses of action to address them. Using a variety of initiatives such as the Health Professions Scholarship Program (HPSP), special incentive pays and selective re-enlistment bonuses, Navy Medicine is able to support and sustain accessions and retention across the Corps. We are grateful to the Congress for the authorities provided to us in support of these programs.

As a whole, AC Medical Corps manning at the end of fiscal year 2011 was 100 percent of requirements; however, some specialty shortfalls persist including general surgery, family medicine, and psychiatry. Aggressive plans to improve specialty shortfalls include continuation of retention incentives via special pays, and an increase in psychiatry training billets. Overall AC Dental Corps manning was at 96 percent of requirements, despite oral and maxillofacial surgeons manning at 77 percent. A recent increase in incentive special pays was approved to address this shortfall. General dentist incentive pay and retention bonuses have helped increase general dentist manning to 99 percent, up from 88 percent manning a year ago. At the end of fiscal year 2011, AC Medical Service Corps manning was 94 percent of requirements. A staffing shortage does exist for the social work specialty, manned at 45 percent. This shortage is due to increased requirements and billet growth during the past 3 years. We anticipate that this specialty will be fully manned by the end fiscal year 2014 through increased accessions and incentive programs. Our AC Nurse Corps manning at the end of fiscal year 2011 was 94 percent of requirements. Undermanned low-density/high-demand specialties including peri-operative nurses, certified registered nurse anesthetists and critical care nurses are being addressed via incentive special pays.

Our AC Hospital Corps remains strong with manning at 96 percent. Critical manning shortfalls exist in several skill sets such as behavioral health technicians, surface force independent duty corpsmen, dive independent duty corpsmen, submarine independent duty corpsmen, and reconnaissance corpsmen. Program accession and retention issues are being addressed through increased special duty assignment pay, selective re-enlistment bonuses and new force shaping policies.

Reserve component Medical Corps recruiting continues to be our greatest challenge. Higher AC retention rates have resulted in a smaller pool of medical professionals leaving Active Duty, and consequently, greater reliance on highly competitive Direct Commission Officer (DCO) market. RC Medical Corps manning at the end of fiscal year 2011 manning was at 71 percent of requirements while our Nurse Corps RC manning was 88 percent. To help mitigate this situation, there is an affiliation bonus of $10,000 or special pay of up to $25,000 per year based on specialty, and activated reserves are also authorized annual special incentive pays as applicable. Due to robust recruiting efforts and initiatives, the Reserve component Nurse Corps exceeded recruiting goals for the second consecutive year. Dental Corps and Medical Service Corps RC manning is 100 and 99 percent, respectively.

Overall RC Hospital Corps manning is at 99 percent; however, we do have some shortfalls in surgical, xray, and biomedical repair technicians. Affiliation bonuses are specifically targeted toward those undermanned specialties.

We are encouraged by our improving overall recruiting and retention rates. Improvements in special pays have mitigated manning shortfalls; however, it will take several years until Navy Medicine is fully manned in several critical areas. To ensure the future success of accession and retention for Medical Department officers continued funding is needed for our programs and special incentive pays. We are grateful for your support in this key area.

For our Federal civilian personnel within Navy Medicine, we have successfully transitioned out of the National Security Personnel System (NSPS) and, in conjunction with the Assistant Secretary of Defense for Health Affairs and the other Services, we have begun a phased transition to introduce pay flexibilities in 32 healthcare occupations to ensure pay parity among healthcare providers in Federal service. The initial phase occurred in fiscal year 2011 when more than 400 Federal civilian physicians and dentists were converted to the new Defense Physician and Dentist Pay Plan. Modeled on the current VA pay system, the Defense Physician and Dentist Pay Plan provides us with the flexibility to respond to local conditions in the healthcare markets. We continue to successfully hire required civilians to support our sailors and marines and their families—many of whom directly support our wounded warriors. Our success is largely attributed to the hiring and compensation flexibilities granted by the Congress to the DOD's civilian healthcare community over the past several years.

The Navy Medicine Reintegrate, Educate and Advance Combatants in Healthcare (REACH) program is an initiative that provides wounded warriors with career and educational guidance from career coaches, as well as hands-on training and mentoring from our hospital staff. To date, Navy Medicine has launched the REACH program at WRNMMC, Naval Medical Centers Portsmouth and San Diego, as well as Naval Hospital Camp LeJeune. The ultimate goal of the REACH program is to provide a career development and succession pipeline of trained disabled veterans for Federal Civil Service positions in Navy Medicine.

I am committed to building and sustaining diversity within the Navy Medicine workforce. Our focus remains creating an environment where our diversity reflects that of our patients and our Nation and where our members see themselves represented in all levels of leadership. We embrace what we learn from our unique differences with the goal of a work-life in balance with mind, body, and spirit. I believe we are more mission-ready, stronger, and better shipmates because of our diversity. Navy Medicine will continue to harness the teamwork, talent, and innovation of our diverse force as we move forward into our future.

CONCLUSION

In summary, Navy Medicine is an agile and vibrant healthcare team. I am grateful to those came before us for their vision and foresight; I am inspired by those who serve with us now for commitment and bravery; and I am confident in those who will follow us because they will surely build on the strength and tradition of Navy Medicine. I have never been more proud of the men and women of Navy Medicine.

On behalf of the men and women of Navy Medicine, I want to thank the subcommittee for your tremendous support, confidence, and leadership. It has been my pleasure to testify before you today and I look forward to your questions.

Chairman INOUYE. Thank you very much, Admiral.

General Horoho.

STATEMENT OF LIEUTENANT GENERAL PATRICIA HOROHO, SURGEON GENERAL, DEPARTMENT OF THE ARMY

General HOROHO. Good morning, Chairman Inouye, Ranking Member Cochran, and distinguished members of the subcommittee. Thank you for providing me with this opportunity to share with you today my thoughts on the future of Army Medicine and highlight some of the incredible work that is being performed by the dedicated men and women with whom I'm honored to serve alongside.

We are America's most trusted premiere medical team, and our successful mission accomplishment over these past 10 years is testimony to the phenomenal resilience, dedication, and innovative spirit of the soldier medics, civilians, and family members through-

out the world. Since 1775, Army Medicine has been there. In every conflict, the United States has fought with the Army, Army Medicine has stood shoulder-to-shoulder with our fighting forces in the deployed environment, and receive them here at home when they returned.

It cannot be overstated that the best trauma care in the world resides with the United States military in Afghanistan, prosecuted by a joint healthcare team. Yet, we cannot have gone through 10 years of war for the length of time and not been aware of these experiences and how they've changed us as individuals, as an organization, and as a Nation.

The Army, at its core, is its people, not equipment or weapon systems. I'd like to thank the subcommittee for ensuring these brave men and women, who have endured so much over the past decade, have received a variety of programs, policies, and facilities to cope with the cumulative stress, the injuries, and the family separations caused by 10 years of war.

The warfighter does not stand alone. We must never forget that our success in Iraq and Afghanistan comes at a heavy price for our Army family. In supporting a nation in persistent conflict, with the stressors resulting from 10 years of war, Army Medicine has a responsibility to all those who serve, to include family members, our retirees, who have already answered the call to our Nation.

We hold sacred the enduring mission of providing support to the wounded warriors and their families. I would like to take a moment to acknowledge the warm embrace from communities across America, as our veterans transition back to civilian life.

While proudly acknowledging our many healthcare accomplishments at home and in theater, I want to turn to the future. The scope of Army Medicine extends beyond the outstanding in-theater combat care, and our mission is larger than the wartime medicine. We are an organization that has endured and excelled in global healthcare delivery, medical research and training programs, and collaborative partnerships. We are at our best when we operate as part of the joint team, and we need to proactively develop synergy with our partners as military medicine moves towards a joint operating environment. Continuity of care, continuity of information, and unity of effort are key not only to the current delivery of care as a DOD and VA team but also as we move forward in military medicine.

The current conflicts have shown the Nation and the world the incredible care that is provided by the joint team, and this unity of effort will continue to be key in facing future challenges. For example, we have partnered with the VA, the Defense and Veterans Brain Injury Center, and the Defense Center of Excellence for TBI and psychological health and academia, as well as the National Football League, to improve our ability to diagnose, treat, and care for those that are affected by TBI.

NEW CHALLENGES

Army Medicine has a history of changing to meet new challenges. We are looking at our culture and practices that focus on systems of care and transforming our enterprise from a healthcare system to a system for health. This transformation requires that we ex-

pand our focus beyond the treatment of illness and injury, and emphasize the importance of health, wellness, and prevention. In order for us to influence the health and wellness of our military members and families, we must engage with those entrusted to our care, so that we can influence their behaviors and impact their life space, where the daily decisions are made that ultimately have the greatest effect on health and wellness.

The Army Medicine team is committed to ensuring the right capabilities are available to promote health and wellness, support and sustain a medically ready force, and leverage innovation in order to remain a premiere healthcare organization. We are focused on decreasing variance, while increasing standards and furthering standardization across our organization.

The comprehensive behavioral health system is restoring the resiliency, resetting the formation, and re-establishing family and community bonds. We are strengthening our soldiers and family's behavior health and emotional resiliency through multiple touch points across a spectrum of time, from pre-deployment to redeployment, and into garrison life. We are committed to providing the continuity and standardized approach across the care continuum.

It is truly an honor to care for our military members and their families. We are advocates for those that are entrusted to our care, and Army Medicine team proudly serves our Nation's heroes with the respect and dignity that they have earned. In an increasingly uncertain world, we can state with certainty that Army Medicine is committed to providing the patient and family centric care. Every warfighter has a unique story, and we are dedicated to caring for each patient with compassion, respect, and dignity. This approach to medicine enhances the care, and we believe our patients deserve a care experience that embraces their desire to heal and have an optimal life.

I would like to close today by discussing the Army Medicine promise. The promise, a written covenant that will be in the hands of everyone entrusted to our care over the next year, tells those that we care for, the Army Medicine team believe they deserve from us. It articulates what we believe about the respect and dignity surrounding the patient care experience. The promise speaks to what we believe about the value of care we deliver, about the compassion contained in the care we deliver, and how we want to morally and ethically provide care for those that we serve.

I'll share two items with you of the promise. "We believe our patients deserve a voice in how Army Medicine cares for them, and all those entrusted to our care". Our patients want to harness innovation to improve and change their health, and we are empowering their efforts via the wellness centers. At our premiere wellness clinics, we collaborate with patients to not only give them the tools that they need to change their health but also a life-space partner to help them change their life.

Our wellness clinics are new and still evolving, but I'm committed to increasing their numbers and expanding their capabilities in order to dramatically impact those more than 500,000 minutes out of the year when our patients are living life outside the walls of our hospitals. The wellness clinics allow us to reach out to those we care for rather than having them reach in.

"We believe our patients deserve an enhanced care experience that includes our belief and their desire to heal, be well, and have an optimal life". We are committed to ensuring that we in Army Medicine live up to this promise.

PREPARED STATEMENT

In conclusion, I'm incredibly honored and proud to serve as the 43rd Surgeon General of the Army and Commander of the U.S. Medical Command. There are miracles happening every day in military medicine because of the dedicated soldiers and civilians that make up the Army Medical Department.

With the continued support of the Congress, we will lead the Nation in healthcare, and our men and women in uniform will be ready when the Nation calls them to action. Army Medicine stands ready to accomplish any task in support of our warfighters and military families. Army Medicine is serving to heal and truly honored to serve.

Thank you. And I look forward to entertaining your questions.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL PATRICIA D. HOROHO

INTRODUCTION

Chairman Inouye, Vice Chairman Cochran, and distinguished members of the subcommittee: Thank you for providing me this opportunity to share with you today my thoughts on the future of the U.S. Army Medical Department (AMEDD) and highlight some of the incredible work being performed by the dedicated men and women with whom I am honored to serve alongside. We are America's most trusted premier medical team, and our successful mission accomplishment over these past 10 years is testimony to the phenomenal resilience, dedication, and innovative spirit of soldier medics, civilians, and military families throughout the world.

Since 1775, Army Medicine has been there. In every conflict the U.S. Army has fought, Army Medicine stood shoulder-to-shoulder with our fighting forces in the deployed environment and received them here at home when they returned. The past 10 years have presented the AMEDD with a myriad of challenges, encompassing support of a two-front war while simultaneously delivering healthcare to beneficiaries across the continuum. Our experiences in Iraq and Afghanistan have strengthened our capacity and our resolve as a healthcare organization. Army Medicine, both deployed and at home, civilian, and military, has worked countless hours to ensure the wellness of our fighting force and its families. Army Medicine continues to support in an era of persistent conflicts, and it is our top priority to provide comprehensive healthcare to support war-fighters and their families. The soldier is America's most sacred determinant of the Nation's force projection and the Army's most important resource; it is our duty to provide full-spectrum healthcare for our Nation's best. Committed to the health, wellness, and resilience of our force and its families, we will stand alongside and inspire confidence in our warriors when our Nation calls. Through the development of adaptive, innovative, and decisive leaders, we stand poised to support the foundation of our Nation's strength.

Over the past decade, Army Medicine has led the joint healthcare effort in the most austere environments. As part of the most decisive and capable land force in the world, we stand ready to adapt to the Army's reframing effort. Ten years of contingency operations have provided numerous lessons learned. We will use these as the foundations from which we deliver the Army's vision. The following focus areas are the pillars upon which we deliver on that effort.

SUPPORT THE FORCE

I was privileged to serve as the International Security Assistance Force Joint Command (COMIJC) Special Assistant for Health Affairs (SA–HA) from July–October 2011. My multidisciplinary team of 14 military health professionals conducted an extensive evaluation of theater health services support (HSS) to critically assess how well we were providing healthcare from point of injury to evacuation from theater. It cannot be overstated that the best trauma care in the world resides with

the U.S. military in Afghanistan and Iraq. From the most forward combat outposts to the modern Role 3 facilities on the mature forward operating bases, the performance and effectiveness of the U.S. military health system (MHS) is remarkable. The medical community holds the trust of the American servicemember sacred. The fact that servicemembers are willing to go out day-to-day and place themselves in harm's way in support of our freedom is strongly dependent on the notion that, if they become injured, we will be there providing the best medical care in the world. This has been proven time and time again with MEDEVAC remaining an enduring marker of excellence in the CJOA–A. The average mission time of 44 minutes is substantially below the 60-minute mission standard established by the Secretary of Defense in 2009. The survival rate for the conflict in Afghanistan is 90.1 percent. This ability to rapidly transport our wounded servicemembers coupled with the world-class trauma care delivered on the battlefield has resulted in achievement of the highest survival rate of all previous conflicts. The survival rate in World War II (WWII) was about 70 percent; in Korea and Vietnam, it rose to slightly more than 75 percent. In WWII, only 7 of 10 wounded troops survived; today more than 9 out of 10 do. Not only do 9 in 10 survive, but most are able to continue serving in the Army.

Enhanced combat medic training has without question, contributed to the increased survival rates on the battlefield by putting the best possible care far forward. The need for aerial evacuation of critical, often postsurgical patients, presented itself in Afghanistan based on the terrain, wide area dispersement of groundbased forces, as well as increased use of forward surgical teams. En route management of these patients required critical care experience not found organic to MEDEVAC. In response to these needs, our flight medic program (AD, NG, AR) is raising the standard to the EMT-Paramedic level to include critical care nursing once paramedic certified for all components. This will enhance our capabilities to match the civilian sector and make our flight medics even more combat ready for emergencies while on mission. We've just begun the first course that will pave the way with 28 flight medics coming from all components. By 2017, we will have all flight medics paramedic certified. In the area of standardization of enlisted medical competencies, we are ensuring that our medics are being utilized as force multipliers to ensure world-class healthcare in our facilities. We are working with our sister services to ensure that all medics, corpsmen, and medical technicians are working side-by-side in our joint facilities and training to the highest joint standard.

We have an enduring responsibility, alongside our sister services and the Department of Veterans Affairs (VA), to provide care and rehabilitation of wounded, ill, and injured servicemembers for many years to come. We will stand alongside the soldier from point of injury through rehabilitation and recovery, fostering a spirit of resiliency. The Warrior Care and Transition Program is the Army's enduring commitment to providing all wounded, ill, and injured soldiers and their families a patient-centered approach to care. Its goal is to empower them with dignity, respect, and the self-determination to successfully reintegrate either back into the force or into the community. Since the inception of warrior transition units in June 2007, more than 51,000 wounded, ill, or injured soldiers and their families have either progressed through or are being cared for by these dedicated caregivers and support personnel. Twenty-one thousand of these soldiers, the equivalent of two divisions, have been returned to the force, while another 20,000 have received the support, planning, and preparation necessary to successfully and confidently transition to civilian status. Today, we have 29 warrior transition units (WTUs) and 9 community-based warrior transition units (CBWTU). More than 9,600 soldiers are currently recovering in WTUs and CBWTU with more than 4,300 professional cadre supporting them. Standing behind these soldiers each stage of their recovery and transition is the triad of care (primary care manager, nurse case manager, and squad leader) and the interdisciplinary team of medical and nonmedical professionals who work with soldiers and their families to ensure that they receive the support they deserve.

The Army remains committed to supporting wounded, ill, or injured soldiers in their efforts to either return to the force or transition to Veteran status. To help soldiers set their personal goals for the future, the Army created a systematic approach called the Comprehensive Transition Plan, a multidisciplinary and automated process which enables every warrior-in-transition to develop an individualized plan, which will enable them to reach their personal goals. These end goals shape the warrior-in-transition's day-to-day work plan while healing.

For those soldiers who decide to transition to veteran status the Warrior Transition Command's (WTC) mission is to assist them to successfully reintegrate back into the community with dignity, respect, and self-determination. One example of how the WTC is working to better assist this group of soldiers is the WTC-sponsored, joint service Wounded Warrior Employment Conference (WWEC) held in Feb-

ruary. This is the second year the WWEC has brought together key stakeholders in the Federal Government and private industry. The goal is improved alliance and collaboration between military, civilian, Federal entities, and employers to encourage them to cooperatively support employment related objectives and share best practices in hiring, retaining, and promoting wounded warriors, recently separated disabled veterans, their spouses, and caregivers.

CARE EXPERIENCE

The warfighter does not stand alone. Army Medicine has a responsibility to all those who serve, to include family members and our retirees who have already answered the call to our Nation. We continue to fully engage our patients in all aspects of their healthcare experience. At each touch point, starting with the initial contact, each team member plays an important role in enhancing patient care. We will make the right care available at the right time, while demonstrating compassion to those we serve and value to our stakeholders. Beneficiaries will choose hospitals who give them not only outstanding outcomes but the best-possible experience. And we aim to elevate the patient care experience across the enterprise to make the direct care system the preferred location to receive care. I am proud to share today that our patient satisfaction rate is currently above 92 percent, and we are in the top 10 percent of health plans in the United States according to Healthcare Effectiveness and Data Information Set (HEDIS®), a tool used by more than 90 percent of America's health plans to measure performance on important dimensions of care. This said, my challenge—and my personal belief is that we can get better—we must be better. I'd like to outline a few areas where we continue to better ourselves in order to better the care experience for our patients.

Army Medicine is committed to accountable care—where our clinical processes facilitate best practice patterns and support our healthcare team in delivering competent, compassionate care. In everything we do, there is a need for accountability—to our patients, our team members, and ourselves. Accountability is not just providing competent delivery of healthcare; our warfighters deserve more than that. Accountability is about taking ownership of the product we create and how it is delivered, considering it a reflection of ourselves and the organization. At the end of the workday, accountability is not measured by relative value units, but by impact on patients. It is not about the final outcome, but about the process and upholding our commitment to soldiers and their families. Soldier well-being and health are absolutely our top priorities. The Army Medicine team will continue advocating for patients and their well-being. As an Army at war for more than a decade, we stand shoulder-to-shoulder with the warfighter, both on the battlefield and at home. This means never losing sight of the importance of caring for our Nation's heroes and their families. Realizing that this Army Medicine team is working around the clock and around the world to ensure soldiers and their families are cared for with compassion and dignity, I have asked our leaders to focus on caring for those who are giving care. The Army Medicine team is not immune to the stress of deployments, workload demands, and challenging circumstances. We provide the best care for our patients when we take care of each other. By doing that, we give our best to all those entrusted to our care.

Army Medicine has consciously committed to building a "culture of trust". Trust in patient care, trust within Army Medicine and the Army family. In healthcare, trust plays a critical and important role. This strategic initiative is focused on an organizational culture change within Army Medicine and creating a lifestyle of trust. A culture of trust in Army Medicine is a shared set of relationship skills, beliefs, and behaviors that distinguish our commitment to our beneficiaries to provide the highest quality and access to health services. Every initiative aimed at reducing variance and standardizing and improving patients' healthcare experiences, outcomes, and readiness will be founded on a culture of trust. Last fall the culture of trust task force began piloting the initial culture of trust training. This foundational training provides information on trust behaviors, tenets, and fundamentals creating a baseline upon which we will grow and expand.

We constantly seek to establish stronger, more positive relationships with all that we serve in Army Medicine, to produce the very best-possible individual care experience. To that end, Army Medicine has implemented a training program titled, "Begin with the Basics". The central theme of this training is individual personalized engagement practiced by each and every member of Army Medicine. Through these relationships we increase understanding and in understanding our patients better, we are able to provide better solutions. The goal is full deployment of the basics of this model across Army Medicine in the next 18 months. We are using this

model for care and service training as we deploy our medical home care model across Army Medicine.

In February 2011, Army Nursing began implementing a patient-centered outcomes focused care delivery system encompassing all care delivery environments; inpatient, outpatient, and deployed. The Patient Caring Touch System (PCTS) was designed to reduce clinical quality variance by adopting a set of internally and externally validated best practices. PCTS swept across Army Medicine, and the last facility completed implementation in January 2012. PCTS is a key enabler of Army Medicine's Culture of Trust and nests in all of Army Medicine's initiatives. PCTS is enhancing the quality of care delivery for America's sons and daughters. PCTS has improved communication and multidisciplinary collaboration and has created an increased demand and expanded use of multidisciplinary rounds. Several facilities have reported that bedside report, hourly rounding, and multidisciplinary rounding are so much a part of the routine that they cannot recall a time when it was not part of their communication process.

The collective healthcare experience is driven by a team of professionals, partnering with the patient, focused on health promotion, and disease prevention to enhance wellness. Essential to integrated healthcare delivery is a high-performing primary care provider/team that can effectively manage the delivery of seamless, well-coordinated care and serve as the patient's medical home. Much of the future of military medicine will be practiced at the patient-centered medical home (PCMH). We have made PCMHs and community-based medical homes a priority. The Army's 2011 investment in patient-centered care is $50 million. PCMH is a primary care model that is being adopted throughout the MHS and in many civilian practices throughout the Nation. Army PCMH is the foundation for the Army's transition from a "healthcare system to a system for health" that improves soldier readiness, family wellness and overall patient satisfaction through a collaborative team-based system of comprehensive care that is ultimately more efficient and cost effective. The PCMH will strengthen the provider-patient relationship by replacing episodic care with readily available care with one's personal clinician and care team emphasizing the continuous relationship while providing proactive, fully integrated and coordinated care focusing on the patient, his or her family, and their long-term health needs. The Army is transforming all of its 157 primary care practices to PCMH practices. A key component of transformation to the Army PCMH requires each practice to meet the rigorous standards established by the National Committee for Quality Assurance (NCQA). In December 2011, 17 Army practices received NCQA recognition as PCMHs, and I anticipate we will have 50 additional practices that will obtain NCQA recognition by the end of this calendar year. It is expected that all Army primary care clinics will be transformed to Army Medical Homes by fiscal year 2015. Transformation to the PCMH model should result in an increased capacity within Army military treatment facilities (MTFs) of more than 200,000 beneficiaries by fiscal year 2016. The Army has established Community Based Medical Homes to bring Army Medicine closer to our patients. These Army-operated clinics in leased facilities are in off-post communities closer to our beneficiaries and aim to improve access to healthcare services, including behavioral health, for Active-Duty family members by expanding capacity and extending the MTF services off post. Currently we are approved to open 21 clinics and are actively enrolling beneficiaries at 13 facilities.

UNITY OF EFFORT

The ability to form mixed organizations at home and on the battlefield with all service and coalition partners contributing to a single mission of preserving life is proof of the flexibility and adaptability of America's medical warfighters. It is our collective effort—Army, Air Force, and Navy—that saves lives on the battlefield. It is an Army MEDEVAC crew who moves a wounded servicemember from the point-of-injury to a jointly staffed Role III field hospital. It's the Air Force provided aeromedical evacuation to Landstuhl Regional Medical Center where a triservice medical care team provides further definitive care. And then finally it's a joint team's capabilities at locations such as Walter Reed National Military Medical Center and the San Antonio Military Medical Center that provide the critical care and rehabilitative medicine for this servicemember, regardless if they are a soldier, sailor, airman, or marine. The AMEDD is focused on building upon these successes on the battlefield as we perform our mission at home and is further cementing our commitment to working as a combined team, anywhere, anytime.

We are at our best when we operate as part of a Joint Team, and we need to proactively develop synergy with our partners as military medicine moves toward a joint operating environment. The wars in Afghanistan and Iraq have led to in-

creased collaboration and interoperability with allied medical services, and have highlighted differences and gaps in our respective combat health service support systems. While the combatant commands have a responsibility to harvest and publicize lessons learned and implement new best practices operationally, the MHS has the opportunity to address and apply, at the strategic, operational and tactical levels, the lessons learned regarding combat casualty care and medical coalition operations.

MHS governance changes will change the way we currently operate for everyone. These recommended changes will strengthen our system. In the delivery of military medicine, the military departments have more activities in common than not—together we will drive toward greater common approaches in all areas, except where legitimate uniqueness requires a service-specific approach. Our commitment is to achieve greater unity of effort, improve service to our members and beneficiaries, and achieve greater efficiency through a more rapid implementation of common services and joint purchasing, as well as other opportunities for more streamlined service delivery.

Our MHS is not simply a health plan for the military; it is a military health system. A system that has proven itself in war and peace time. Our focus continues to be on supporting soldiers, other warriors and their families—past, present, and future—and on the most effective and efficient health improvement and healthcare organization to add value in the defense of the Nation. The best way to do that is through a unified and collaborative approach to care, both on the battlefield and in garrison. We must have outcome and economic metrics to measure and accountability assigned. And we must develop standard and unified performance measures across a wide-range of health and care indicators e.g., population health, clinical outcomes, access, continuity, administrative efficiency, agile operational support, warrior care, and transition programs, patient satisfaction, cost, and others, to ensure we are effective, efficient, and timely.

INNOVATE ARMY MEDICINE AND HEALTH SERVICE SUPPORT

Many innovations in healthcare have their origins on the battlefield. Army Medicine's medical innovations borne from lessons learned in combat have become the world-class standard of care for soldiers on the battlefield and civilians around the world. As our presence in the current war begins to change, we must remain vigilant in developing and assessing strategies to protect, enhance, and optimize soldier wellness, prevention, and collective health. Through leverage of information technology and militarily relevant research strategies, we will continue to develop new doctrine and education programs to reflect best practice healthcare on and off the battlefield, while ensuring that Army Medicine remains responsive and ready. Our speed of execution, combined with the ability to leverage knowledge and actionable ideas quickly, is paramount to optimize the constancy of improvement. Our biggest competitive edge is our knowledge and our people.

In 2004, the Assistant Secretary of Defense for Health Affairs directed to the formation of the Joint Theater Trauma System (JTTS) and the Joint Theater Trauma Registry (JTTR). The JTTS coordinates trauma care for our wounded warriors. Since that time the services, working together, have created a systematic and integrated approach to battlefield care which has minimized morbidity and mortality and optimized the ability to provide essential care required for the battle injuries our soldiers are facing. The vision of the JTTS is for every soldier, marine, sailor, or airman wounded or injured in the theater of operations to have the optimal chance for survival and maximal potential for functional recovery and they are. Our 8,000-mile operating room stretches from Kandahar to Landstuhl to Walter Reed National Military Medical Center at Bethesda, to San Antonio Military Medical Center to the Veteran's Administration and other facilities throughout the United States. It's collaborative, it's integrated, and it knows no boundaries. JTTS changed how the world infuses blood products for trauma patients. In fact we just had a patient receive 400 units of blood. He coded three times on the battle field. And today he is recovering in Walter Reed National Medical Center at Bethesda. The JTTS also led to materiel changes in helmets, body armor, and vehicle design. This is not a success of technology or policy. This is a success of a trauma community that expects and values active collaboration across its 8,000-mile operating room.

The JTTR, is the largest combat injury data repository and is an integral and integrated part of the JTTS. It provides the information necessary to advance the improvement of battlefield and military trauma care and drive joint doctrine and policy, while enabling process improvement and quality assurance. Additionally, it enables more efficient and effective medical research in a resource-constrained environment. The improvements in trauma care driven by both the JTTS and JTTR are

increasing the survival rate on today's battlefield and saving lives in our Nation's civilian trauma centers through shared lessons learned. We must maintain this critical capability to ensure that we continue to drive innovation and are able to respond to our next threat.

An area in which the Army and our sister services have innovated to address a growing problem is in concussion care. The establishment of a mild traumatic brain injury (mTBI)/concussive system of care and implementation of treatment protocols has transformed our management of all battlefield head trauma. Traumatic brain injury (TBI) is one of the invisible injuries resulting from not only the signature weapons of this war, improvised explosive devices, and rocket propelled grenades but also from blows to the head during training activities or contact sports. Since 2000, 220,430 servicemembers have been diagnosed with TBI worldwide (Armed Forces Health Surveillance Center, 2011). In 2010, military medicine implemented a new mTBI management strategy to disseminate information that our healthcare workers needed and outlined the unit's responsibilities, creating a partnership between the medical community and the line units. This policy directed that any soldier who sustained a mandatory reportable event must undergo a medical evaluation including a mandatory 24-hour down time followed by medical clearance before returning to duty. The mandatory events are a command-directed evaluation for any soldier who sustains a direct blow to the head or is in a vehicle or building associated with a blast event, collision, or rollover, or is within 50 meters of a blast. Since the Department of Defense (DOD) implemented Policy Guidance for Management of Concussion/mTBI in the Deployed Setting in June 2010, deployed Commanders screened more than 10,000 servicemembers for concussion/mTBI, temporarily removed them from the battlefield to facilitate recovery, and ensured that each of them received a mandatory medical evaluation. Codification of this concussive care system into AMEDD doctrine is ongoing. To further support the TBI care strategy over the past 21 months the services have stood up 11 facilities devoted to concussive care far forward on the battlefield, staffed with concussion care physicians and other medical providers, in order to care for those with TBI at the point-of-injury. The Army has medical staff at nine of these facilities. These centers provide around-the-clock medical oversight, foster concussion recovery, and administer appropriate testing to ensure a safe return to duty. The current return to duty rate for soldiers who have received care at theater concussion centers is more than 90 percent.

To further the science of brain injury recovery, the Army relies on the U.S. Army Medical Research and Materiel Command's (MRMC) TBI Research Program. The overwhelming generosity of the Congress and the DOD's commitment to brain injury research has significantly improved our knowledge of TBI in a rigorous scientific fashion. Currently, there are almost 350 studies funded by DOD to look at all aspects of TBI. The purpose of this program is to coordinate and manage relevant DOD research efforts and programs for the prevention, detection, mitigation, and treatment of TBI. In the absence of objective diagnostic tools, MRMC is expediting research on diagnostic biomarkers and other definitive assessment tools that will advance both military and civilian TBI care. By identifying and managing these injuries on the battlefield, we have eliminated many unnecessary medical evacuation flights and facilitated unprecedented return to duty rates. The Army realizes that there is much to gain from collaboration with external partners and key organizations. We have partnered with the Department of Veterans Affairs, the Defense and Veterans Brain Injury Center, the Defense Centers of Excellence for Psychological Health and Traumatic Brain Injury, academia, civilian hospitals, and the National Football League, to improve our ability to diagnose, treat, and care for those affected by TBI.

There are significant health related consequences of more than 10 years of war, including behavioral health needs, post-traumatic stress, burn or disfiguring injuries, chronic pain, or loss of limb. Our soldiers and their families need to trust we will be there to partner with them in their healing journey, a journey focused on ability vice disability.

A decade of war in Afghanistan and Iraq has led to tremendous advances in the knowledge and care of combat-related physical and psychological problems. Ongoing research has guided health policy, and multiple programs have been implemented in theater and postdeployment to enhance resiliency, address combat operational stress reactions, and behavioral health concerns. Similar to our approach to concussive injuries, Army Medicine harvested the lessons of almost a decade of war and has approached the strengthening of our soldiers and families' behavioral health and emotional resiliency through a campaign plan to align the various behavioral health programs with the human dimension of the Army Force Generation (ARFORGEN) cycle, a process we call the Comprehensive Behavioral Health System of Care (CBHSOC). This program is based on outcome studies that demonstrate the

profound value of using the system of multiple touch points in assessing and coordinating health and behavioral health for a soldier and family. The CBHSOC creates an integrated, coordinated, and synchronized behavioral health service delivery system that will support the total force through all ARFORGEN phases by providing full-spectrum behavioral healthcare. We leveraged experiences and outcome studies on deploying, caring for soldiers in combat, and redeploying these soldiers in large unit movements to build the CBHSOC. The CBHSOC is a system of systems built around the need to support an Army engaged in repeated deployments—often into intense combat—which then returns to home station to restore, reset the formation, and re-establish family and community bonds. The intent is to optimize care and maximize limited behavioral health resources to ensure the highest quality of care to soldiers and families, through a multiyear campaign plan.

The CBHSOC campaign plan has five lines of effort:

—Standardize Behavioral Health Support Requirements;

—Synchronize Behavioral Health Programs;

—Standardize & Resource AMEDD Behavioral Health Support;

—Access the Effectiveness of the CBHSOC; and

—Strategic Communications.

The CBHSOC campaign plan was published in September 2010, marking the official beginning of incremental expansion across Army installations and the Medical Command. Expansion will be phased, based on the redeployment of Army units, evaluation of programs, and determining the most appropriate programs for our soldiers and their families.

Near-term goals of the CBHSOC are implementation of routine behavioral health screening points across ARFORGEN and standardization of screening instruments. Goals also include increased coordination with both internal Army programs like Comprehensive Soldier Fitness, Army Substance Abuse Program, and Military Family Life Consultants. External resources include VA, local, and State agencies, and the Defense Centers of Excellence for Psychological Health.

Long-term goals of the CBHSOC are the protection and restoration of the psychological health of our soldiers and families and the prevention of adverse psychological and social outcomes like family violence, driving under intoxication violations, drug and alcohol addiction, and suicide. This is through the development of a common behavioral health data system; development and implementation of surveillance and data tracking capabilities to coordinate behavioral health clinical efforts; full synchronization of tele-behavioral health activities; complete integration of the Reserve components; and the inclusion of other Army Medicine efforts including TBI, patient-centered medical home, and pain management. We are leveraging predictive modeling tools to improve our insight into data, research advances, and electronic medical record systems in order to provide "genius case management" for our patients with behavioral health disease, that is, care that is tailored for each patient, and a care plan aimed at better understanding the patient, and not just their disease. Integral to the success of the CBHSOC is the continuous evaluation of programs, to be conducted by the Public Health Command (PHC).

For those who do suffer from PTSD, Army Medicine has made significant gains in the treatment and management of PTSD as well. The DOD and VA jointly developed the three evidenced-based Clinical Practice Guidelines for the treatment of PTSD, on which nearly 2,000 behavioral health providers have received training. This training is synchronized with the re-deployment cycles of U.S. Army brigade combat teams, ensuring that providers operating from MTFs that support the brigade combat teams are trained and certified to deliver quality behavioral healthcare to soldiers exposed to the most intense combat levels. In addition, the U.S. Army Medical Department Center and School collaborates closely with civilian experts in PTSD treatment to validate the content of these training products to ensure the information incorporates emerging scientific discoveries about PTSD and the most effective treatments.

Work by the AMEDD and the MHS over the past 8 years has taught us to link information gathering and care coordination for any one soldier or family across the continuum of this cycle. Our behavioral health specialists tell us that the best predictor of future behavior is past behavior, and through the CBHSOC we strive to link the management of issues which soldiers carry into their deployment with care providers and a plan down-range and the same in reverse. We have embedded behavioral health personnel within operational units circulate across the battlefield to facilitate this ongoing assessment.

The management of combat trauma pain with medications and the introduction of battlefield anesthesia was a tremendous medical breakthrough for military medicine. The first American use of battlefield anesthesia is thought to have been in 1847 during the Mexican-American War, and the use of opioid medication during

the Civil War was not uncommon. Military medicine has worked very hard to manage our servicemembers' pain from the point-of-injury through the evacuation process and continuum of care. The management of pain—both acute and chronic or longstanding pain—remains a major challenge for military healthcare providers and for the Nation at large. We have launched a major initiative through a multidisciplinary, multiservice and DOD–VA pain management task force to improve our care of pain. The use of medications is appropriate, if required, and often an effective way to treat pain. However, the possible overreliance on medication-only pain treatment has other unintended consequences, such as prescription medication use. The goal is to achieve a comprehensive pain management strategy that is holistic, multidisciplinary, and multimodal in its approach, uses state-of-the-art modalities and technologies, and provides optimal quality of life for soldiers and other patients with acute and chronic pain. The military is developing regional pain consortiums that combine the pain expertise from DOD with local Veterans Health Administration (VHA) and civilian academic medical centers. The first of many of these relationships has been established in Washington State between Madigan Army Medical Center, VA Puget Sound Health Care System, and University of Washington Center for Pain Relief. Some of the largest research projects dealing with wounded-warrior pain have been facilitated through partnerships with VHA research leaders. Collaborations of this type will ensure the latest, evidence-based pain-care techniques and protocols are available to patients. Pain research in direct support of military requirements will also be facilitated by these Federal and civilian partnerships. Other partnerships include working with organizations such as the Bravewell Collaborative and the Samuelli Institute, both of whom provide DOD with expertise in building mature integrative medicine capabilities to compliment and improve our existing pain medicine resources.

Another concerning area of emphasis for military medicine that has emerged from the current wars is "dismounted complex blast injury" (DCBI), an explosion-induced battle injury (BI) sustained by a warfighter on foot patrol that produces a specific pattern of wounds. In particular, it involves traumatic amputation of at least one leg, a minimum of severe injury to another extremity, and pelvic, abdominal, or urogenital wounding. The incidence of dismounted complex blast injuries has increased during the last 15 months of combat in the Afghanistan theater of operations (ATO). The number of servicemembers with triple limb amputation has nearly doubled this past year from the sum of all those seen over the last 8 years of combat. The number of genital injuries increased significantly from previous Operation Iraqi Freedom (OIF) rates. The severity of these injuries presents new challenges to the medical and military communities to prevent, protect, mitigate, and treat. Army Medicine has spearheaded a task force comprised of clinical and operational medical experts from DOD and VA and solicited input from subject-matter experts in both Federal and civilian sectors to determine the way forward for healing these complex injuries.

Evidence-based science makes strong soldiers and for this we rely heavily on the MRMC. MRMC manages and executes a robust, ongoing medical research program for the MEDCOM to support the development of new healthcare strategies. I would like to highlight a few research programs that are impacting health and care of our soldiers today.

The Combat Casualty Care Research Program (CCCRP) reduces the mortality and morbidity resulting from injuries on the battlefield through the development of new life-saving strategies, new surgical techniques, biological and mechanical products, and the timely use of remote physiological monitoring. The CCCRP focuses on leveraging cutting-edge research and knowledge from Government and civilian research programs to fill existing and emerging gaps in combat casualty care. This focus provides requirements-driven combat casualty care medical solutions and products for injured soldiers from self-aid through definitive care, across the full spectrum of military operations.

The mission of the Military Operational Medicine Research Program (MOMRP) is to develop effective countermeasures against stressors and to maximize health, performance, and fitness, protecting the soldier at home and on the battlefield. MOMRP research helps prevent physical injuries through development of injury prediction models, equipment design specifications and guidelines, health hazard assessment criteria, and strategies to reduce musculoskeletal injuries.

MOMRP researchers develop strategies and advise policy makers to enhance and sustain mental fitness throughout a servicemember's career. Psychological health problems are the second leading cause of evacuation during prolonged or repeated deployments. MOMRP psychological health and resilience research focuses on prevention, treatment, and recovery of soldiers and families behavioral health problems, which are critical to force health and readiness. Current psychological health

research topic areas include behavioral health, resiliency building, substance use and related problems, and risk-taking behaviors.

The Clinical and Rehabilitative Medicine Research Program (CRMRP) focuses on definitive and rehabilitative care innovations required to reset our wounded warriors, both in terms of duty performance and quality of life. The Armed Forces Institute of Regenerative Medicine (AFIRM) is an integral part of this program. The AFIRM was designed to speed the delivery of regenerative medicine therapies to treat the most severely injured United States servicemembers from around the world but in particular those coming from the theaters of operation in Iraq and Afghanistan. The AFIRM is expected to make major advances in the ability to understand and control cellular responses in wound repair and organ/tissue regeneration and has major research programs in limb repair and salvage, craniofacial reconstruction, burn repair, scarless wound healing, and compartment syndrome.

The AFIRM's success to date is at least in part the result of the program's emphasis on establishing partnerships and collaborations. The AFIRM is a partnership among the U.S. Army, Navy, and Air Force, DOD, VA, and the National Institutes of Health. The AFIRM is composed of two independent research consortia working with the U.S. Army Institute of Surgical Research. One consortium is led by the Wake Forest Institute for Regenerative Medicine and the McGowan Institute for Regenerative Medicine in Pittsburgh while the other is led by Rutgers—the State University of New Jersey and the Cleveland Clinic. Each consortium contains approximately 15 member organizations, which are mostly academic institutions.

The health of the total Army is essential for readiness, and prevention is the best way to health. Protecting soldiers, retirees, family members and Department of the Army civilians from conditions that threaten their health is operationally sound, cost effective, and better for individual well-being. Though primary care of our sick and injured will always be necessary, the demands will be reduced. Prevention—the early identification and mitigation of health risks through surveillance, education, training, and standardization of best public health practices—is crucial to military success. Army Medicine is on the pathway to realizing this proactive, preventive vision.

The newest addition to the Army Medicine team is the PHC, having reached initial operational capability in October 2010 with full-operational capability is targeted for October 2011. As part of the overall U.S. Army Medical Command reorganization initiative, all major public health functions within the Army, especially those of the former Veterinary Command and the Center for Health Promotion and Preventive Medicine have been combined into a new PHC, located at Aberdeen Proving Ground in Maryland. The consolidation has already resulted in an increased focus on health promotion and has created a single accountable agent for public health and veterinary issues that is proactive and focused on prevention, health promotion, and wellness. Army public health protects and improves the health of Army communities through education, promotion of healthy lifestyles, and disease and injury prevention. Public health efforts include controlling infectious diseases, reducing injury rates, identifying risk factors and interventions for behavioral health issues, and ensuring safe food and drinking water on Army installations and in deployed environments. The long-term value of public health efforts cannot be overstated:

—public health advances in the past century have been largely responsible for increasing human life spans by 25 years; and

—the PHC will play a central role in the health of our soldiers, deployed or at home.

A significant initiative driven by the PHC which will be instrumental to achieving public health is our partnering with Army installations to standardize existing Army Wellness Centers to preserve or improve health in our beneficiary population. The centers focus on health assessment, physical fitness, healthy nutrition, stress management, general wellness education, and tobacco education. They partner with providers in our MTFs through a referral system. I hold each MTF Commander responsible for the health of the extended military community as the installation Director of Health Services (DHS).

Army Medicine has put a closer lens on women's health through a recently established Women's Health Task Force to evaluate issues faced by female soldiers both, in Theater and CONUS. Women make up approximately 14 percent of the Army Active Duty fighting force. As of August 2011, almost 275,000 women have deployed in support of OIF/OND/OEF. The health of female soldiers plays a vital role in overall Army readiness. Army Medicine recognizes the magnitude and impact of women's health and appreciates the unique challenges of being a woman in the Army. In order for women to be fully integrated and effective members of the team, we

must ensure their unique health needs are being considered and met. The Task Force combines talent from different disciplines:

—civilian and military;

—officer and enlisted; and

—collaborates with our private industry partners.

We will assess the unique health needs and concerns of female soldiers, conducting a thorough review of the care currently provided, identifies best practices and gaps, and revises, adapts, and initiates practices so that we may continue to provide first class care to our female warriors. The Women's Health Campaign Plan will focus on standardized education and training on women's health, logistical support for women's health items, emphasis on the fit and functionality of the Army uniform and protective gear for females; and research and development into the psychosocial effects of combat on women. While sexual assault is not a gender specific issue, the Women's Health Task Force is working with Headquarters, Department of the Army (HQDA) G–1 to evaluate theater policy with regards to distribution of sexual assault forensic examiners and professionalizing the role of the victim advocate. The task force is collaborating with tri-service experts to investigate the integration of service policies and make recommendations.

While proudly acknowledging our many healthcare accomplishments at home and in theater, I want to turn to the future. It is time we further posture Army Medicine in the best possible manner that aligns with the MHS strategic vision that moves us from healthcare to health. We must ask, where does "health" happen, and I have charged Army Medicine leadership to spearhead the conversion to health and to fully integrate the concept into readiness and the overall strategy of health in the force. Improved readiness, better health, better care, and responsibly managed costs are the pillars on which the MHS Quadruple Aim stands, but between those pillars, or in that "White Space", is where we can create our successful outcomes. Sir William Osler, considered to be the Father of Modern Medicine, said "One of the first duties of the physician is to educate the masses not to take medicine." A snapshot of the average year with the average patient shows that healthcare provider spend approximately 100 minutes with their patient during that year. How much health happens in those 100 minutes? There are approximately 525,600 minutes in that year, yet we focus so much of our time, effort, and spending on those 100 minutes; the small fraction of a spot on the page. But what happens in the remaining 525,600 minutes of that year? What happens in the "White Space?" I will tell you what I think happens—that is where health is built, that is where people live. The "White Space" is when our soldiers are doing physical fitness training, choosing whether to take a cigarette break, or deciding whether they will have the cheeseburger or the salad for lunch. It's when family members are grocery shopping or cooking a meal. The "White Space" is when soldiers spend time with their family, or get a restful night of sleep, or search the Internet to self-diagnose their symptoms to avoid adding to those 100 minutes in the clinician's office. We want to lead the conversation with Army leadership to influence the other 525,600 minutes of the year with our soldiers . . . the "White Space". In order for us to get to health, we must empower patients, move beyond the 100 minutes, and influence behaviors in the white space. The way ahead is connected, collaborative, and patient-centered.

I have discussed but a few of the important medical issues and programs that are relevant to the current wars and vital to the future of Military Medicine require solutions and funding that will go years beyond the end of the current wars. Our Nation, our Army, and Army Medicine have a duty and responsibility to our soldiers, families, and retirees. There will be considerable ongoing healthcare costs for many years to support for our wounded, ill, or injured soldiers. The programs we have established to care for our soldiers and families cannot falter as our deployed footprint diminishes. The level of care required does not end when the deployed soldier returns home.

OPTIMIZE RESOURCES

One of Army Medicine's greatest challenges over the next 3–5 years is managing the escalating cost of providing world-class healthcare in a fiscally constrained environment. People are our most valuable resource. We will employ everyone to their greatest capacity and ensure we are good stewards of our Nation's resources. To capitalize on the overall cost savings of procurement and training, we will standardize equipment, supplies, and procedures. And we will leverage our information technology solutions to optimize efficiencies.

Despite the cost containment challenges we face, we must accomplish our mission with an eye on reducing variance, focusing on quality, and expecting and adapting to change. These are our imperatives. Army Medicine will focus on collaborative

international, interagency, and joint partnerships and collective health, including prevention and wellness, to ensure the enduring capabilities required to support the current contemporary operating environment and those of the future are retained.

We will be methodical and thoughtful in our preparation for budget restraints to ensure that the high-quality care our warriors and military family demand is sustained. With the anticipated downsizing of forces, there will be a need to critically look at where medical services could be consolidated. However, we will use this as an opportunity to evaluate workloads to maximize efficiencies while maintaining effectiveness and focus on what services are best for our beneficiary population and dedicate resources to those.

The rising cost of healthcare combined with the increasingly constrained Defense budget poses a challenge to all within the MHS. DOD offers the most comprehensive health benefit, at lower cost, to those it serves than the vast majority of other health plans in the Nation—and deservedly so. The proposed changes in TRICARE fees do not change this fact—the TRICARE benefit remains one of the best values for medical benefits in the United States with lower out-of-pocket costs compared to other healthcare plans. Adjustment to existing fees, and introduction of new fees are proposed. Importantly, these benefit changes exempt soldiers, and their families, who are medically retired from Active service, and families of soldiers who died on Active Duty from any changes in cost-sharing. I support these modest fee changes when coupled by the MHS's shift in focus from healthcare to health, maintaining health and wellness, identifying internal efficiencies to capitalize on, and instituting provider payment reform.

A major initiative within Army Medicine to optimize talent management and move towards a culture of trust, discussed earlier in this testimony, is the Human Systems Transformation, led by a newly established Human Systems Transformation Directorate. Army Medicine's ability to efficiently transform our culture requires a roadmap for achieving planned systemic change. The plan focuses on enhanced investment in four human system tiers (lines of effort) to:

—improve senior leader development (new command teams/designated key staff positions);
—increase investment in the development of Army Medicine workforce members;
—establish a cadre of internal organizational development professionals;
—leverage partnering; and
—collaboration opportunities with internal and external stakeholders.

In order to change the culture of our organization, we must invest in our people.

DEVELOP LEADERS

At the core of our medical readiness posture is our people. The Army calls each of us to be a leader, and Army Medicine requires no less. We will capitalize on our leadership experiences in full-spectrum operations while continuing to invest in relevant training and education to build confident and competent leaders. Within this focus area, we will examine our leader development strategy to ensure that we have clearly identified the knowledge, skills, and talent required for leaders of Army Medicine. We will continue to develop adaptive, innovative, and decisive leaders who ensure delivery of highly reliable, quality care that is both patient-centered and inherently trustworthy. Being good stewards of our Nation's most treasured resources, through agile, decisive, and accountable leadership, we will continue to build on the successes of those who have gone before us. Our recruitment, development, and retention of medical professionals—physicians, dentists, nurses, ancillary professionals, and administrators—remains high. With the support of the Congress, through the use of flexible bonuses and special salary rates, we have been able to meet most of our recruiting goals. Yet we recognize that competition for medical professionals will grow in the coming years, amidst a growing shortage of primary care providers and nurses.

SUPPORT THE ARMY PROFESSION

Army Medicine has a rich history of sustaining the fighting force, and we need to tell our story of unprecedented successes across the continuum of care—from the heroic efforts of our medics at the point-of-injury to the comprehensive rehabilitation of our wounded warriors in overcoming exceptional challenges. After more than 10 years of persistent conflict, it is time to renew our collective commitment to the Army, its ideals, traditions, and ethos. As we have stood alongside our warfighters on the battlefield we have earned the trust of our combat-tested warfighters, and it is critical that we continue to demonstrate integrity and excellence in all that we do.

WORLDWIDE INFLUENCE

Army Medicine reaches around the world; from those supporting two theaters of war and humanitarian relief efforts to those conducting militarily relevant research and providing care to our military families overseas, AMEDD soldiers and civilians answer our Nation's call. The time that two oceans protected our freedom-loving Nation is long gone, and replaced with ever-present risks to our way of life. The Nation relies on its Army to prepare for and conduct full-spectrum operations from humanitarian and civil support to counterinsurgency and general war throughout the world. Army Medicine stands committed to sustain the warfighter and accomplish the mission, supporting the world's most decisive land force and the strength of the Nation.

In the MHS, one of our biggest challenges lies in integrating the shared electronic health record (EHR) information available in our systems with the information that is provided through our civilian network providers and VA partners. Without that seamless integration of data, healthcare cannot be coordinated properly for the patients across all providers and settings. To support DOD and VA collaboration on treating PTSD, pain, and other healthcare issues, the EHR should seamlessly transfer patient data between and among partners to improve efficiencies and continuity of care. The DOD and the VA share a significant amount of health information today and no two health organizations in the Nation share more nonbillable health information than the DOD and VA. The Departments continue to standardize sharing activities and are delivering information technology solutions that significantly improve the secure sharing of appropriate electronic health information. We need to include electronic health information exchange with our civilian partners as well—a health information systems which brings together three intersecting domains—DOD, VA, civilian—for optimal sharing of beneficiary health information and to provide a common operating picture of healthcare delivery. These initiatives enhance healthcare delivery to beneficiaries and improve the continuity of care for those who have served our country. Previously, the burden was on servicemembers to facilitate information sharing; today, we are making the transition between DOD and VA easier for our servicemembers. The AMEDD is committed to working collaboratively with our partners across the MHS to seek solutions that will deliverable a fully integrated EHR that will enhance healthcare delivery to beneficiaries and improve the continuity of care for those who have served our country.

At the core of our Army is the warfighter. A focus on wellness and prevention will ensure that our warriors are ready to heed the Nation's call. Yet in the Army today we have more than a division of Army soldiers who are medically not ready (MNR). This represents a readiness problem. We created a Soldier Medical Readiness Campaign to ensure we maintain a health and resilient force. The deployment of healthy, resilient, and fit soldiers and increasing the medical readiness of the Army is the desire end state of this campaign. The campaign's key tasks are to:

—provide Commanders the tools to manage their soldiers' medical requirements;
—coordinate, synchronize and integrate wellness, injury prevention, and human performance optimization programs across the Army;
—identify the MNR population;
—implement medical management programs to reduce the MNR population;
—assess the performance of the campaign; and
—educate the force.

Those soldiers who no longer meet retention standards must navigate the physical disability evaluation system (PDES). The present disability system dates back to the Career Compensation Act of 1949. Since its creation problems have been identified include long delays, duplication in DOD and VA processes, confusion among servicemembers, and distrust of systems regarded as overly complex and adversarial. In response to these concerns, DOD and VA jointly designed a new disability evaluation system to streamline DOD processes, with the goal of also expediting the delivery of VA benefits to servicemembers following discharge from service. The Army began pilot testing the disability evaluation system (DES) in November 2007 at Walter Reed Army Medical Center and has since expanded the program, now known as the IDES, to 16 MTFs. DOD has replaced the military's legacy disability evaluation system with the IDES.

The key features of the IDES are a single physical disability examination conducted according to VA examination protocols, a single disability rating evaluation prepared by the VA for use by both Departments for their respective decisions, and delivery of compensation and benefits upon transition to veteran status for members of the Armed Forces being separated for medical reasons. The DOD and VA continue to move towards reform of this process by identifying steps that can be reduced or eliminated, ensuring the servicemembers receive all benefits and entitlements throughout the process. Within the Army, I recently appointed a task force

focused on examining the Integrated Disability Evaluation Process in parallel with ongoing MHS efforts. The AMEDD is committed to working collaboratively with our partners across the MHS to seek solutions that will best serve those who have selflessly served our country.

I would like to close today by discussing the Army Medicine Promise. The Promise, a written covenant that will be in the hands of everyone entrusted to our care over the next year, tells those we care for what we, the Army Medicine team, believe they deserve from us. It articulates what we believe about the respect and dignity surrounding the patient care experience. The Promise speaks to what we believe about the value of the care we deliver, about the compassion contained in the care we deliver and how we want to morally and ethically provide care for those we serve. I'll share two items from the Promise with you.

"We believe our patients deserve a voice in how army medicine cares for them and all those entrusted to our care."

Our patients want to harness innovation to improve or change their health and we are empowering their efforts via our wellness centers. At our premier wellness clinics, we collaborate with patients to not only give them the tools they need to change their health but also a lifespace partner to help them change their life. Our wellness clinics are new and still evolving, but I am committed to increasing their numbers and expanding their capabilities in order to dramatically impact those more than 500,000 minutes out of the year when our patients are living life outside the walls of our hospitals. The wellness clinics allow us to reach out to those we care for rather than them having to reach in.

"We believe our patients deserve an enhanced care experience that includes our belief in their desire to heal, be well, and have an optimal life."

The warrior transition care comprehensive transition plan supports this promise by providing countless wounded warriors with a dynamic plan for living that focuses on the soldier's future across six domains of strength—career, physical, emotional, social, family, and spiritual strength. The plan empowers soldiers to take control of their lives.

In conclusion, the AMEDD has served side-by-side with our sister services in Iraq and Afghanistan, and at home we will continue to strengthen those collaborative partnerships to provide responsive, reliable, and relevant healthcare that ensures a healthy fighting force and healthy families. To succeed, we must remain ready and relevant in both our medical proficiencies as well as our soldier skills. We will continue to serve as a collaborative partner with community resources, seek innovative treatments, and conduct militarily relevant research to protect, enhance, and optimize soldier and military family well-being. Soldiers, airmen, sailors, marines, their families, and our retirees will know they are receiving care from highly competent and compassionate professionals.

I am incredibly honored and proud to serve as the 43rd Surgeon General of the Army and Commander, U.S. Army Medical Command. There are miracles happening at our command outposts, forward operating bases, posts, camps, and stations every day because of the dedicated soldiers and civilians that made up the AMEDD. With continued support of the Congress we will lead the Nation in healthcare, and our men and women in uniform will be ready when the Nation calls them to action. Army Medicine stands ready to accomplish any task in support of our warfighters and military family.

Chairman INOUYE. Thank you very much, General.

I have a question I'd like to ask the whole panel. In 2003, the Nurse Chiefs of all the services had an increase in their rank to two stars. Last month, the Congress received a directive from the DOD. In this directive, they suggested, or, in fact, mandated that this promotion be repealed and nurses will become one star again.

In 1945, when I was in my last hospital stage, the chief of the Nurse Corps in the Army was a colonel. The senior nurse in my hospital was a captain. And throughout my care, I saw the physician once a week. I saw the nurse 7 days a week, every day, every hour. And I felt, as most of the men in that ward, that something was drastically wrong. And so I was happy when the announcement was made to increase it to two stars, but now there's one

star. I want you to know that I'm against this, and I think this is not the right thing to do at this moment in our medical history.

So, I'd like to ask you, what effect will this have on the services? Will it have a negative effect? Will it affect the morale? Will it affect the service?

May I start with the Admiral?

Admiral NATHAN. Thank you for the question, Mr. Chairman. And may I echo your sentiment about military nursing and the role it plays, especially these days, as we compartmentalize house staff and physician training, and limit the hours. The military nurse is often the most steadfast provider, from a continuity perspective, of the patient.

CHIEF NURSE CORPS RANK

That said, I believe that some of the changes they have in mind don't prohibit a Navy Nurse Corps officer from obtaining the rank of two stars. While it just would not be automatically conveyed, they would compete among other one-star admirals and generals for the senior healthcare executive rank of two stars.

I think one of the things that, and, again, you may want to get this specifically from your chiefs of the Nurse Corps, but one of the benefits that it may bring with it is automatic promotion to two stars then does limit, at least in the Navy, the number of officers we can promote from captain to one star in the Nurse Corps. And so, it may limit the actual numbers who are flag officers.

But there will be—in the Navy, there will always be Nurse Corps admirals, and they will, as they have in years past, be able to compete for two stars, and many of them do. We have Nurse Corps officers who are in charge of many of our major medical facilities. They have, in the past, been in charge of our major medical centers. They run the major headquarters of the Bureau of Medicine and surgery. For those who compete successfully for the second star in different arenas, they can then relinquish chief of the Nurse Corps, and we're then at liberty to pick another one-star admiral to be the chief of the Nurse Corps.

Thank you, Sir.

Chairman INOUYE. Thank you. General Horoho.

General HOROHO. Thank you, Senator. First, I'd like to thank you very much, because you've been extremely supportive in the rank structure that we've had across our military.

This has really been a maturation process within Army Medicine. Over the last—I'd probably say the last 6 years, we have a leader development program that has allowed Army nurses to be very competitive for command, which is our stepping stone for general officer. And so we have nurses that are extremely competitive for a level one and level two command, and now very competitive for our branch and material one stars.

So, since DOD has supported the direction of reducing from two stars to one star, I believe we have a leadership development program that will allow our nurses to actually compete across the board for all of the one stars and then be competitive for two stars in the future.

Chairman INOUYE. General Green.

General GREEN. Sir, I would expand upon what Admiral Nathan said, in terms of not only are our nurses vital to the in-patient arena but in the patient-centered medical homes, and the things that we're doing with—they have much more contact with the outpatient as well, because of their roles as case managers and disease managers. And so, they do, certainly, I agree with you, is what I'm saying, have an extremely vital role.

In terms of general officers, because of the economy and the Department's decision to take efficiencies, the Air Force concurs. Actually, we're the smallest of the medical services. We will lose 1 net general officer, going from 12 to 11. If the decision is made to not go directly to two star, we will still have a one-star nurse, who will have the same responsibilities in terms of oversight of nursing and other important programs.

We also, like the Army, have a very strong leadership development program, and I believe our nurses will compete very well, because there's nothing in the proposal that's come to you that would restrict them from competition for two star, it just doesn't make that particular corps position an automatic two star.

Thank you, Sir.

Chairman INOUYE. Well, I thank you very much, but I can assure you that I will be voting and speaking against it.

TRICARE FEES

I'd like to ask this question of the Admiral. In the fiscal year 2013 budget, it is assumed that $423 million in savings will be based upon new TRICARE enrollment fees and increases in co-pay for prescription drugs. The House has just announced that this will not pass muster in the House. It will not see the light of day. What is your thought?

Admiral NATHAN. Thank you, Sir. This is clearly an issue that's front and center among many organizations, both in our Nation's leadership, the military leadership, and our beneficiary populations.

We recognize that the cost of healthcare has escalated dramatically. In 2001, the Department of Defense (DOD) spent approximately $19 billion on its Defense Health Program (DHP). And this year, it's approximately $51 billion, and expected to reach the $60 billion point in the next few years.

So, the onus is on us to look for ways to sustain the healthcare benefit, to continue to fund it, to keep faith with our beneficiaries, to keep faith with those men and women who paid with years of service, and often with sacrifice of their lives and their families to earn this benefit.

Given the resource constraints and trying to get a handle on healthcare costs, we are looking at organizational changes, governance changes, trying to find efficiencies through transparency increased efficiency, reducing redundancy among the services, and finding more joint solutions. The other was to determine if the healthcare cost to the beneficiary has kept up over the last 15 years with the total benefit package that beneficiaries receive.

Neither I nor my colleagues here were involved in the actual number crunching or the decisions of tiering or levels of tiering to the various beneficiaries, but we do understand that the cost of the

healthcare beneficiary has remained unchanged, and actually decreased in relative dollars over the last 10 to 15 years. The TRICARE enrollment fees have remained static at about $400 to $500 per year, since the 1990s. The drug co-pays have changed very little. And, in fact, there have been additional programs implemented including TRICARE For Life, and others, which have greatly increased the cost to the Government for beneficiary healthcare.

So, the bottom line, Sir, I believe this is an effort to try to find a fair increase in the participation of the beneficiaries that is commensurate or not above the benefits actually received over the last several years.

And I'll just close by saying, I recognize the emotion here. I'm an internal medicine doctor. I take care of a large population of patients for whom these changes may affect. We always worry about whether or not we're keeping or breaking faith with the commitment they made and the benefits they should receive. I'm vitally interested in making sure that we can have a sustainable program that would allow retirees and their family members to continue to get this benefit, and I believe this is part and parcel of this effort.

Thank you, Sir.

Chairman INOUYE. Thank you, Admiral.

Generals Green and Horoho, do you have any comments to make? I'm just curious. The military leadership, in general, seems to be supportive, but I'd like to know what the thoughts of families and troops may be, because they're not here to testify. Have you heard from them?

General GREEN. Sir, we're hearing from the coalition the same as I'm sure you are now, in terms of their representatives to this process, because the proposed fee increases would affect the Active Duty and their family members very minimally, in terms of some of the co-pays with pharmacy, and if they happen to be in TRICARE Prime, the change to the catastrophic cap could affect those. We're not hearing too many things from our Active Duty population.

The retirees, who bear the brunt of some of the cost increases, I think they're being very vocal, and we're hearing from all of the different agencies and representative groups telling us that they're not supporting the activities that are being proposed.

The Air Force supports the Department's position. On a personal level, obviously, I am going to be someone who is joining the ranks of retirees, and will be paying these fees.

General GREEN. And I would tell you that there is a mismatch right now, over the years, based on the inflation that is in the healthcare indexes that goes into the cost-of-living increases that's not been brought back to the beneficiaries.

And so, in other words, we've been giving cost-of-living increases to the retirement, but we haven't been increasing any of the out-of-pocket costs. And so, although you're getting money that's respective of the healthcare inflation, you're not actually paying any of the healthcare costs that have come up.

And so, I believe that the out-of-pocket costs need to increase, and on a person that would be willing to pay the fees that are proposed. I do think that, you know, there may be other ways that we could reach a similar endpoint, but the Department has put consid-

erable work and had taskforce that is basically brought this forward, which is why the Air Force supports the Department's position at this time.

Chairman INOUYE. General Horoho.

General HOROHO. Sir, in addition to what my colleagues have said, I think where we've heard back is more from the coalitions that are out there. Senior leaders that are retired have been very supportive of this, of wanting to ensure that our military benefit continues. And so, their feedback has been in support of the fee increases.

And in addition to DOD, or with the fee increases, I think really what's at stake is the need for all of us to be critically looking at our programs and our processes, and figure out where we have redundancies, so that we can look at saving dollars in other areas to offset some of the rising costs in healthcare for the future.

Chairman INOUYE. Thank you very much.

Vice Chairman.

Senator COCHRAN. I'm pleased to join you in welcoming our distinguished panel in thanking you for the responsibilities you've assumed under the jobs that you now have, and the work you are doing for our Armed Forces. We think it's very important that we provide a standard of hospital and nursing care, and medical assistance to our men and women in uniform, and we know that you're responsible in your services for seeing that that becomes a reality, and it is ministered in a way that's sensitive to the needs of our military men and women in service, and also sensitive to the retirees as they become more concerned about costs, and cost-of-living adjustments, and availability of services. And we share those concerns, and we know that you'll do your best to help meet the challenges that your official duties require.

So, that's a long way of saying thank you for doing what you do. We want to be sure that we provide the resources that are necessary to ensure a sensitive and professional standard of care that is commensurate with the sacrifice and service, and the importance of that to our Nation.

In your assessment, let me just start here, General Horoho, thank you for your comments that you've already made in your statement and in your answers to Senator Inouye's questions. What, if anything, do you think we could do in terms of targeting funding or making changes in the support that we provide as the Congress to the Army's medical needs and generally speaking to those who are responsible for managing these funds? Is the level of funding adequate to carry out our responsibilities to the men and women in the Armed Forces?

General HOROHO. Thank you, Vice Chairman, for that question.

Right up front, the funding this year is absolutely adequate for us to be able to meet our mission. The area that I think will be critical to ensure that we continue with funding will be the funding for our scholarship programs that allows us to bring in the right talent, so our physicians, our dentists, and our nurses, and our social workers, I think, that's very, very critical, so that we sustain the right talent to be able to care for our warriors in the future.

The other area that I think is critical to make sure that we have the right funding for is the care for our warriors with our warrior

transition units. As we draw down as an army, we will continue to have a large number of patients that we will need to care for for their psychological wounds, as well as physical injuries that have occurred over the last 10 years. And so, those are probably the two most important areas that I think we need to ensure that funding remains available.

Senator COCHRAN. Thank you.

General HOROHO. Thank you.

Senator COCHRAN. Admiral Nathan, what's your response to the same question?

MILITARY MEDICAL PROGRAM FUNDING

Admiral NATHAN. Thank you, Sir.

Again, we certainly believe that the funding is adequate to meet our mission from the President's budget for fiscal year 2013. The areas that we remain concerned about, as we see looming budget pressures, are, in many ways, in concert with what General Horoho said. We want to make sure that our wounded warrior programs, especially those that facilitate transition, remain intact. We want to continue to partner with not only our military but our private sector and academic partners, and finding best practices, and to engage them in programs, so that we can create a unified approach to some of the more vexing challenges from 10 years of war, including post-traumatic stress and TBI.

We're also committed to military medical engagement via humanitarian assistance disaster relief in our overseas facilities. We believe they are great ambassadors of the American passion, the American ethos, and show an American military that brings light and help as much as it can bring heat. So we're also hoping to make sure that those remain robust, and an everlasting presence of what we do in the military, as well as our support of the kinetic operations.

Thank you.

Senator COCHRAN. Thank you.

General Green.

General GREEN. And Sir, our budget is also adequate. I mean it meets all of our needs this year. All of our programs are fully funded.

I would add one thing to the scholarship request of General Horoho, and that is that I would tell you that I think we also need to be certain to fund our Uniform Services University, because they give us a highly professional officer that stays with us much longer than some of the folks who are just with the scholarships, and coming from our outside medical schools.

In addition to that, I would ask that you watch very carefully to ensure that we still have funding for research, and TBI, and PTSD. I think that we're learning a great deal, and we need to learn more because of this burgeoning problem, as we bring people home from the wars.

And finally, one thing that's kind of outside of your question, but I would tell you that to make certain that we are actually doing the best job possible with the money, I would tell you that we need to move towards a single financial accounting system for DHP dollars. Whichever one is chosen would be fine, but I think to avoid

redundancy and to make certain that we're delivering the most efficient healthcare, we need a single system that actually gives us visibility of all programs within the DHP.

Thank you, Sir.

Senator COCHRAN. Thank you.

For those of us who don't hear the terms used by the military every day, TBI means "traumatic brain injury," doesn't it?

General GREEN. Yes, Sir.

Senator COCHRAN. Okay.

General GREEN. Yes, Sir. And post-traumatic stress. And then the DHP is "Defense Health Program."

Senator COCHRAN. Good. Thank you.

Chairman INOUYE. Thank you very much.

Senator Mikulski.

Senator MIKULSKI. Mr. Chairman, after I conclude these questions, I have to go to the NIH hearing, so I just want to say to the second panel of nurses, we really salute you for your service, and echo the comments made by the chairman. And I just want to say to you and to the people who are also part of our military Nurse Corps service, you are stars. You are stars. We just want to make sure you have the chance to wear them on your shoulders. So, we want to thank you for that.

And also, Mr. Chairman, I hope, as we look at this, we continue, as we listen to our Nurse Corps, focus on workforce needs, both doctors and nurses, and then other areas of allied health, to make sure we have all that we need to do to backup.

Now, let me go right to my question. First of all, I think we want to say to all of those serving in military medicine, what stunning results we've achieved in acute battlefield medicine. I think you're breaking history books in terms of lives saved, and it's an unparalleled seamless network, General, from response on the battlefield, to the transport through the Air Force, to Germany, back home here. So, we really want to thank you for that, and General Green, for you, and all of those who serve in the Air Force.

But, let me get to my question, because it goes to, we have two challenges. War is war. So, there are those who suffer the injuries, because of the weapons of war. This is a whole genre that we're focusing on. But then there's the consequences of war, and the consequences of the military, so it's those who are Active in duty, and then their families.

Much has been said now about resiliency. Resiliency. So that no matter what happens to you, even going in that white space, General Horoho, that you talked about is there.

So, here is my question, and you refer to it in many of your testimony: The medical home. You talk about your new partnerships with Samueli Institute, headed by a former Walter Reed doc, the Bravewell collaborative. Could you share with me what this whole issue of resiliency and the use of complementary and integrative techniques, and tell me where we are, when the momentum that was created by Admiral Mullen, General Schoomaker, and other of our surgeon generals, on this whole idea of resiliency wellness that facilitated being ready for combat, support that the family embraced, and then, quite frankly, in their recovery.

Did they have a good idea? So, could you tell me what you're doing, and does it have efficacy?

General HOROHO. Thank you, Senator, for the question.

We are continuing to build upon the prior efforts of Admiral Mullen, General Casey, as well as General Schoomaker, and really looking at how do we ensure that we focus on the mind, body, spirit, and soul of our warriors and their family members. And we've learned over this 10-year conflict that we can't just treat our warriors, that we absolutely have to treat the family, because it impacts on both.

So, we've started with the platform of having patient-centered medical homes, really focusing on continuity of care, and wellness, and managing their care. We've also stood up community-based clinics, and so, we have pushed healthcare out into the communities where the patients live, with one standard of care of being very much focused on embedding behavior health in our primary care, as well as our community-based clinics.

We've stood up a pain management taskforce that is now on its second year, and last year it was nationally recognized for the work that was done. Those recommendations from the pain management taskforce are now going to be implemented this year. We'll have nine across each one of our major medical centers, and the complimentary and integrative medicine that occurs with that, so we're incorporating yoga, acupressure, acupuncture, mindfulness, sleep management, and really trying to get to more of the prevention when we look at healthcare and wellness. We've taken these concepts and integrated some of these on the battlefield.

When I was deployed in Afghanistan, we had many areas where we actually coordinated care with behavior health and concussive care, and incorporated some of the mindfulness training there, and sleep management.

Senator MIKULSKI. Has that had efficacy? I mean, you know, we make much of evidence-based medicine, and I think we're all there. We can't afford to waste time or dollars. So, could you talk about the efficacy of those efforts? Were Mullen and all of them on the right track?

General HOROHO. I do believe we're on the right track. We have seen a decrease in the reliance of poly-pharmacy.

Senator MIKULSKI. Does that mean drugs?

General HOROHO. Yes, Ma'am. Multiple drugs. We've had many of our warriors that have used yoga, and acupressure, and acupuncture vice narcotic pain medicine. So, we are seeing help in that area.

We also have a patient caring touch system that has been rolled out that's one standard of care across all of Army Medicine. And with that, we have seen a decrease in medication errors. We've seen an increase in documentation of pain management. We've seen a decrease in left without being seen in our emergency rooms. So, increase in continuity of care. So, we are seeing critical lab values that are equating to better patient outcomes. And we've got a ways to go, as we look at how do you measure wellness. What are the metrics that we should be looking at that really measures wellness and improved mental and spiritual health? So, we've got

tremendous work to do in that area, but I do believe we're moving in the right direction.

Senator MIKULSKI. Well, and I think it goes to the recovery from them, also, because that deals with many of the consequences of frequent deployments, the stresses, et cetera.

Admiral Nathan, did you want to comment on that, because you also, in your testimony, talked about body, mind, spirit medicine, which is the whole warrior, and the support of the warrior.

Admiral NATHAN. Yes, Ma'am.

Senator MIKULSKI. The family support.

Admiral NATHAN. Thank you, Senator. You made two great points in your question. One is, how do we support the warrior and the family while they're deployed in operations, undergoing warfare, and then, how do we support them as a unit when they return home as a family unit, seeking care in a garrison environment?

WOUNDED WARRIOR AND FAMILY SUPPORT PROGRAMS

Some of these things have been touched on. We have unprecedented surveys now and assessments of our personnel on deployments. We have the behavioral needs assessment study, which is done of all our individual augmentees in the Navy. The Marines have a similar program, where they are all surveyed. We've actually seen, because of this interaction, a decrease in the stigma of seeking help. We've seen a decrease in the rate of psychotropic drugs, basically antidepressants being used on the battlefield, in our populations.

Senator MIKULSKI. That's pretty big, isn't it?

Admiral NATHAN. I think so. And I think we can attribute it to the engagement that the services now have in training not only the medical professionals who are deployed but the line officers and the operators who are deployed along with our servicemembers.

In the Navy and Marine Corps, we have the combat and operational stress control (COSC) training and the operational stress control and readiness (OSCAR) training. These are embedded teams, with mental health professionals, and corpsmen and medics, who have been trained to engage and embed with the war-fighting forces.

In the Marine Corps, we've trained more than 5,000 marines who are battalion commanders, garrison commanders, squadron commanders on the signs and symptoms of stress, of depression, of looking for those first tips of somebody who's starting to bend before they break. I think that has helped us both in getting people referred earlier and in destigmatizing the scenario where somebody raises their hand and says, "I'm not doing well."

In the family units, we have now 23 Families Overcoming Under Stress (FOCUS) locations, which are centered on taking care of children, families, the warrior themselves. It has a variety of outreach programs to take care of kids who are either failing in school or suffering from the parent being deployed. These can be reached both by walking in, making appointments, and virtually by telephone.

For the Reserve community, we have the Psychological Health Outreach Program, which both can be reached by telephone or remotely walking in. We also have the Returning Warrior Work-

shops. The returning warrior from Reserves and spouse attend one of these, and they're held on the weekends. They're an intensive 72-hour program, where all the facilities and programs are made available to them.

Senator MIKULSKI. Admiral Nathan, I think in the time for the subcommittee members——

Admiral NATHAN. Yes, Ma'am.

Senator MIKULSKI. And the Chairman's being generous, if we could have kind of a white paper or something from you on this, because I think all of us want to certainly help our warriors who have endured injury from the weapons of war, and I want to be sure that we have the right resources for you to be able to do the right things, with the consequences of war. And you seem to have an excellent program. It has momentum. It has demonstrable efficacy. I'd like to have a description of it in more detail, and whether, again, you have the resources to do it.

Admiral NATHAN. Happy to do that.

[The information follows:]

Navy Medicine continues to foster a culture of support for psychological health as an essential component to total force fitness and readiness. Operational Stress Control programs provide sailors, marines, leaders, and families the skills and resources to build resiliency. We also address stigma by encouraging prevention, early intervention, and help-seeking behaviors.

We have made remarkable progress in ensuring our wounded servicemembers get the care they need—from medical evacuation through inpatient care, outpatient rehabilitation to eventual return to duty or transition from the military. Our programs of support, which are adequately resourced, continue to mature and show progress. Our emphasis remains ensuring that we have the proper size and mix of mental health providers to care for the growing need of servicemembers and their families who need care. Within Navy Medicine, mental health professional recruiting and retention remains a top priority.

Our focus continues to be embedding psychological health providers in Navy and Marine Corps units, ensuring primary and secondary prevention efforts, and appropriate mental healthcare are readily accessible for sailors and marines. The U.S. Marine Corps (USMC) Combat and Operational Stress Control program uses Operational Stress Control and Readiness (OSCAR) as an approach to mental healthcare in the operational setting by taking mental health providers out of the clinic and embedding them with operational forces to emphasize prevention, early detection, and brief intervention. More than 5,000 marine leaders and individual marines have already been trained in prevention, early detection, and intervention in combat stress through OSCAR Team Training and will operate in OSCAR teams within individual units.

We are also embedding psychological health providers in the primary care setting where most servicemembers and their families first seek assistance for mental health issues. This practice enhances integrated treatment, early recognition, and access to the appropriate level of psychological healthcare. The Behavioral Health Integration Program in the Medical Home Port is a new program that is actively being implemented across 69 Navy and Marine Corps sites.

Traumatic brain injury (TBI) care on the battlefield has improved significantly since the beginning of Operations Enduring Freedom and Iraqi Freedom. Most improvements have targeted early screening and diagnosis followed by definitive treatment. In 2010, the Department of Defense (DOD) issued the Directive-type Memorandum 09–033, which has resulted in improved diagnosis and treatment of battlefield concussion. For the Navy and Marine Corps, the primary treatment site for concussed servicemembers has been the Concussion Care Restoration Center (CRCC) at Camp Leatherneck in Afghanistan. Since its opening in 2010, CRCC staff have treated more than 930 servicemembers with concussions, resulting in a greater than 98-percent return-to-duty (RTD) rate and an average of 10.1 days of duty lost from point-of-injury to symptom-free RTD. There is also a Concussion Specialty Care Center (CSCC) at the NATO Role III Hospital in Kandahar, with a neurologist on staff.

Upon return from deployment, enhanced screening methods for TBI and mental health conditions are being piloted at several Navy and Marine Corps sites. These

efforts include additional screening and follow-up for any servicemember who was noted to have sustained a concussion in theater. Efforts are underway to increase the use of the National Intrepid Center of Excellence (NICoE) across DOD and Navy, and the development of NICoE satellite sites, to provide state-of-the-art evaluation and treatment for those patients who do not improve with routine clinical care.

Additional examples of support programs throughout Navy Medicine include:

Overcoming Adversity and Stress Injury Support.—Overcoming Adversity and Stress Injury Support (OASIS) is a residential post-traumatic stress disorder treatment program at the Naval Medical Center San Diego. It opened in August 2010, onboard the Naval Base Point Loma and is providing intensive mental healthcare for servicemembers with combat-related mental health symptoms from post-traumatic stress disorder, as well as major depressive disorders, anxiety disorders, and substance abuse problems. Care is provided 7 days a week for 1,012 weeks, and servicemembers reside within the facility while they receive treatment.

Families Over Coming Under Stress.—Families Over Coming Under Stress (FOCUS) is a family psychological health and resiliency building program that addresses military family functioning in the context of the impact of combat deployments, multiple deployments, and high-operational tempo. The application of a three-tiered approach to care: community education, psycho education for families, and brief treatment intervention for families has shown statistically significant outcomes in increasing family functioning and decreasing negative outcomes such as anxiety and depression in both parents and children. The program serves Active Duty and Reserve families. Families can access the program through a direct self-referral, referrals by military treatment facility providers, community providers such as Fleet and Family Service Centers, chaplains, and schools. There are currently 23 FOCUS locations operating at 18 installations.

Reserve Psychological Health Outreach Program.—Reserve Psychological Health Outreach Program (PHOP) was developed for our Navy and Marine Corps Reserve populations. The program provides psychological health outreach, education/training, and resources a 24/7 information line for unit leaders or reservists and their families to obtain information about local resources for issues related to employment, finances, psychological health, family support, and child care. PHOP now includes 55 licensed mental health providers dispersed throughout the country serving on 11 teams located centrally to Navy and Marine Force Reserve commands.

Returning Warrior Workshop.—The Returning Warrior Workshop (RWW) is a dedicated weekend designed to facilitate reintegration of sailors and marines returning from combat zones with their spouses, significant others. RWWs are available to all individual augmentees, both Active Duty and Reserve, and are considered the Navy's "signature event" within the Yellow Ribbon Reintegration Program. The RWW employs trained facilitators, including the PHOP teams and chaplains, to lead warriors and their significant others through a series of presentations and tailored break-out group discussions to address post-combat stress and the challenges of transitioning back to civilian life. RWWs assist demobilized servicemembers and their loved ones in identifying and finding appropriate resources for immediate and potential issues that often arise during post-deployment reintegration. As of September 2011, more than 10,000 servicemembers and their families have participated in RWWs. RWWs assist demobilized servicemembers and their loved ones in identifying immediate and potential issues that often arise during post-deployment reintegration.

Substance Abuse Rehabilitation Programs.—Navy Medicine maintains a steadfast commitment to our Substance Abuse Rehabilitation Programs (SARPs). SARPs offer a broad range of services to include alcohol education, outpatient and intensive outpatient treatment, residential treatment, and medically managed care for withdrawal and/or other medical complications. We have expanded our existing care continuum to include cutting-edge residential and intensive outpatient programs that address both substance abuse and other co-occurring mental disorders directed at the complex needs of returning warriors who may suffer from substance abuse disorders and depression or post-traumatic stress disorder (PTSD). In addition, Navy Medicine has developed a new program known as My Online Recovery Experience (MORE). In conjunction with Hazelden, a civilian leader in substance abuse treatment and education, MORE is a ground-breaking Web-based recovery management program available to servicemembers 24/7 from anywhere in the world.

Navy Medicine is committed to connecting our wounded warriors to approved emerging and advanced diagnostic and therapeutic options within our medical treat-

ment facilities and outside of military medicine. We do this through collaborations with major centers of reconstructive and regenerative medicine while ensuring full compliance with applicable patient safety policies and practices. We will continue our active and expansive partnerships with the other Services, our Centers of Excellence, the VA, and leading academic medical and research centers to make the best care available to our warriors.

Senator MIKULSKI. Thank you very much. And thank you, everybody, for what you're doing.

Chairman INOUYE. Thank you.

Senator Murray.

STATEMENT OF SENATOR PATTY MURRAY

Senator MURRAY. Thank you very much, Mr. Chairman.

General Horoho, you and I have had a number of discussions about the invisible wounds of war and the challenges soldiers are facing, seeking behavioral healthcare. And as you well know, Madigan Army Medical Center, in my home State of Washington, is dealing now with how to handle these wounds and provide our soldiers quality consistent care, especially for our soldiers who are going through the Integrated Disability Evaluation System (IDES).

Now, I think some of the issues that have been raised at Madigan are unique to that facility, but I do continue to have a number of concerns, not only about the situation at Madigan today but the implication for our soldiers, really, across the Army who may have also struggled to get a proper diagnosis, adequate care, and an honest evaluation during the integrated disability system process.

I wanted to ask you today, prior to 2007, Madigan did not use the forensic psychiatry to evaluate soldiers in the medical evaluation board process, and wanted to ask you before the subcommittee today, why was that system changed in 2007?

General HOROHO. Thank you, Senator, for the question.

The first thing that I'd like is just pick up on the word, when you said "invisible wounds." I know it has been said during this war that the signature wound is an invisible wound. I would submit that it's not invisible to the family, nor is it invisible to the soldier that is undergoing those challenges, behavioral challenges.

The reason, and I'm guessing on this, Ma'am, because I wasn't there, you know, prior to, but prior to 2007, we were a Nation that entered into war in about 2001, when we were attacked, and 2002 timeframe. And we had a very old system. That was the Medical Hold (MEDHOLD) and the Medical Holdover (MEDHOLDOVER) system, which was two separate systems on how we managed those servicemembers, Active and Reserve component. And that was the system that has been in place for many, many years.

And what we found with the large number of deployments and servicemembers that were exposed to physical wounds, as well as behavioral health wounds is that we found that the Army system was overwhelmed, and that really is what was found in the 2007 timeframe, is that we didn't have the administrative capability as well as the logistical support that needed to be there. And that's why we stood up our warrior transition units.

So, we had a large volume going through the disability process that was an old antiquated process, and we had an overwhelming demand on our Army that we needed to restructure to be able to support and sustain.

Senator MURRAY. But prior to 2007, there wasn't a forensic psychiatry that added an additional level of scrutiny. Is that correct?

General HOROHO. I honestly will need to take that for the record, because I don't know in 2006 if they had forensics or not. So, I can't answer that question for you. I would like to give you a correct answer.

Senator MURRAY. Okay.

General HOROHO. So, if I could take that one for the record.

[The information follows:]

While forensic psychiatry has been in the Army inventory for many years, there was no separate forensic psychiatry department at Madigan Army Medical Center (MAMC) prior to 2007, and they did not provide forensic evaluations in routine disability assessments unless it was determined that a forensic evaluation was specifically required. Forensic psychiatry evaluations are appropriate in civil and criminal legal proceedings and other administrative hearings, as well as independent determinations of specialized fitness for duty issues where the basis of the diagnosis in not clearly determined.

Senator MURRAY. I would appreciate that. And as I mentioned, I am really concerned that soldiers Army-wide have been improperly diagnosed and treated by the Army. What have you found, under your investigation, of soldiers getting incorrect Medical Evaluation Board (MEB)/Physical Evaluation Board (PEB) evaluations at other facilities?

General HOROHO. Ma'am, if I could just, when soldiers are getting diagnosed with post-traumatic stress (PTS) or post-traumatic stress disorder (PTSD), we use the same diagnostic tool within the Army, Navy, and the Air Force, which is the same tool that is used in the civilian sector. So, it is one standard diagnostic tool that is very well-delineated on the types of symptoms that you need to have in order to get a diagnosis of PTS or PTSD.

So, we are using that standard across the board, and we have been using that standard across the board.

Senator MURRAY. Well, we do know now at Madigan there were soldiers that were incorrectly diagnosed. And we're going back through, there's several investigations going on to re-evaluate. And my question is, there's been a lot of focus at Madigan. I'm concerned about that system-wide. And you're doing an investigation system-wide to see if other soldiers have been incorrectly diagnosed. Correct?

General HOROHO. Yes, Ma'am. So, if I can just lay things out and reiterate some of our past conversations. We have one investigation that is ongoing. Actually, it's completed. And it's with the lawyers. That's being reviewed. The Deputy Surgeon General, General Stone, initiated that investigation. And that was to look into——

Senator MURRAY. System-wide?

General HOROHO. No, Ma'am. That's the one at Madigan that's looking at the forensics.

Then, there's another investigation that was launched by the Western Region Medical Command to look into the command climate at Madigan Army Medical Center. And then what I initiated was an Inspector General (IG) assessment, not an investigation, but an assessment that looked at every single one of our military treatment facilities and the provision of care to see whether or not we had this practice of using forensic psychiatry or psychology in the medical evaluation process.

Senator MURRAY. Okay. Well, my question was whether you had found at other facilities, incorrect diagnosis. And I want you to know that I have asked my Veterans Affairs Committee staff to begin reviewing cases from throughout the country of servicemembers involved in this process, and we are just beginning our review right now. But, we have already encountered cases in which a servicemember was treated for PTSD during their military service, entered the disability evaluation process, and the military determined that the servicemember's PTSD was not an unfitting condition.

So, my concern is the significant discrepancy now between the Army's determination and the VA's finding that the soldier had a much more severe case of PTSD. Now, our review on my subcommittee is ongoing, but besides bringing individual cases to your attention, I wanted to ask you what specific measures do you look at to evaluate whether soldiers are receiving the proper diagnosis, and care, and honest evaluation.

General HOROHO. Within the Army, our role as the physicians is to evaluate the patients, not to determine a disability. So, they evaluate and identify a diagnoses and a treatment plan. And then once that is done, during the treatment, and if they are determined where they need to go into the disability system, then once they're in the disability system, now, because of Integrated Delivery Evaluation System (IDES), that occurred in 2010, they now have that evaluation done by the VA, the compensation exam. That's the compensation and pension (C&P) exam that's done by the VA.

And then they are brought back into the disability system. So, the PEB is actually where the determination for disability is made. That is not a medical. That's an administrative action that falls under our G–1. And so I just want to make sure we don't mix what we do within the medical community in treating and evaluating and what gets done in the disability process that's an administrative process, that is reviewing the evaluation from the VA, and then the evaluation from the medical to determine disability.

Senator MURRAY. My concern is that every single soldier who has mental health disability, PTSD, gets the care that they need, and that they get the support that they need, and they're adequately cared for, whether they leave the service or are sent back overseas, or whatever. So, we're going to continue to look at the system-wide, and as you know, the problems at Madigan were allowed to go on for years, and I'm really concerned that that lack of oversight over the disability evaluation system is much more broad, and really, you're going to be following to see what steps you take to ensure that this process is maintained. Not just at Madigan, where there's a severe focus right now, but nationwide.

General HOROHO. And Ma'am, what we've done so far, since I took over as Surgeon General on the 5th of December, what I've done so far is we're pulling behavior health up to the headquarters level, and making that a service line, so that we have one standard of care across all of Army Medicine, and we're able then to shift that capability where the demand is.

I've got a team that has developed clinical practice guidelines for the use of forensics, as well as clinical practice guidelines for implementation of behavior health capability across Army Medicine.

Senator MURRAY. When will that be implemented?

General HOROHO. Those are, right now, being evaluated by the experts. So, we've had them written up, and now they're being evaluated, and then we'll get that rolled out probably within the next several weeks.

Senator MURRAY. Okay. So, we have two issues. We need to go back and find every soldier that may have not gotten the proper diagnosis and evaluation, and we need to move forward quickly to make sure there is the same diagnostic tool moving nationwide.

General HOROHO. Ma'am, right now, we are using the same diagnostic tool as my Air Force, and Navy, and the civilian sector for evaluating PTSD.

Senator MURRAY. Do you believe we're using the right diagnostic tools?

General HOROHO. It's the one standard that's out in the civilian sector as well as the military. It is the best standard that's out there for diagnosing.

Senator MURRAY. Okay. And finally, I just wanted to ask you, in your testimony you said that you've created a taskforce within the Army to examine the IDES process in conjunction with the ongoing MHS efforts. What specific aspects of the IDES process are you reviewing?

General HOROHO. Yes, Ma'am. We did this first, from an Army perspective. So, prior to General Crowley leaving, we set up a taskforce that Brigadier General Lyon, who is a medical corps physician, Army, he led that, and that was with U.S. Army Forces Command (FORSCOM), the G–1, and as well as Army Medicine. So we had a collaborative process looking at every aspect within the IDES to ensure that we had metrics, and as well as standards across implementation throughout the IDES process.

After that was done, we then stood up an Army Medicine taskforce to be able to look at it then, Deepdive, from the medical piece that we're responsible for. Brigadier General Williams led that taskforce. It was multifunctional in capability. Individuals with multiple capabilities sat on that. And what we want to do is to be able to launch our standards across, so that we have no variance in every place that we have soldiers that are going through the IDES process.

Army is getting ready to put out an all Army activities (ALARACT) message Army-wide with the standard. That will be going out, I think, in the April timeframe. And then ours, we're ready now. As soon as the Army launches that, we'll be able to put our standards in that impacts our medical care.

Senator MURRAY. When will this be complete?

General HOROHO. Ma'am, right now, we're looking at starting that in the April timeframe, and the rollout of those standards across. And so I can get back with you on how long that would take.

[The information follows:]

The Army issued DA EXORD 080–12 on February 17, 2012 which provides guidance for standardization of Integrated Disability Evaluation System (IDES) across the Army. The U.S. Army Medical Command subsequently issued MEDCOM OPORD 12–33 which operationalizes three main efforts to:

—standardize the process;

—build capacity; and

—establish Soldier-Commander responsibilities.

From 2007 to 2011, the Army deployed IDES across the force to 32 sites and continue efforts to implement new IDES guidance.

Senator MURRAY. Okay. I'd really appreciate that.

General HOROHO. I can tell you that my full focus is ensuring that we do have a system, and I believe that everyone is focused on caring for our warriors. We're very committed to that. And we're looking at everywhere where we have variance, so that we can decrease that variance, and be able to ensure that we have one standard across Army Medicine.

Senator MURRAY. Well, thank you very much. Thank you to your attention to this.

Mr. Chairman, this is a serious issue. I've sat and talked with numerous soldiers and families who were diagnosed with PTSD, were getting care, and then as they went through the MEB process, were told they didn't have PTSD. They're now out in the community, and it is tragic that they're not getting the care that they need, and certainly, for the families, this has been extremely stressful, and my major attention on this, and my Veterans Affairs Committee is looking at this system-wide, and we'll continue to work with you on this.

Chairman INOUYE. I'm certain the troops and the veterans are very grateful to you. Thank you very much.

Admiral Nathan, General Green, and General Horoho, thank you very much for your testimony, and more importantly, thank you for your service to our Nation.

General HOROHO. Thank you, Sir.

Chairman INOUYE. Thank you very much.

General HOROHO. Thank you very much. Thank you.

Admiral NATHAN. Thank you, Sir.

General GREEN. Thank you.

Chairman INOUYE. I'd like to call the next panel, the panel of nurses. I'd like to welcome Major General Kimberly Siniscalchi, the Assistant Air Force Surgeon General for Nursing Services; Rear Admiral Elizabeth Niemyer, Director of the Navy Nurse Corps; and Major General Jimmie Keenan, Chief of the Army Nurse Corps.

Needless to say, I've had a great love for nurses throughout my life. They have a very special spark. And so I look forward to your testimony, sharing with us the accomplishments of your corps, also the vision for the future, and problems, if any.

So, may we begin with General Siniscalchi?

STATEMENT OF MAJOR GENERAL KIMBERLY A. SINISCALCHI, ASSISTANT SURGEON GENERAL FOR NURSING SERVICES, DEPARTMENT OF THE AIR FORCE

General SINISCALCHI. Chairman Inouye, thank you for your continued support of military nursing and for the opportunity to once again represent more than 18,000 men and women of our total nursing force. Sir, I am honored to report on this year's outstanding achievements and future initiatives.

This past year, more than 1,100 nursing personnel deployed in support of global contingency operations, comprising 47 percent of all Air Force medical service deployers. The transition from Operation Iraqi Freedom to Operation New Dawn brought many of our

troops home. Joint Base Balad Theater Hospital closed as part of this transition, marking the end of an era.

A team of our deployed medics had the honor of retiring the historic American flag that covered Balad's Heroes Highway, the entry that welcomed more than 19,000 wounded warriors into our care. As this flag, which offered hope to our wounded, was taken down, the medics stood in awe as they discovered the stars from the flag were forever imprinted on the roof of the tent covering Heroes Highway.

Our mission continues in support of Operation Enduring Freedom. This year, we introduced the tactical critical care evacuation team concept and piloted the first team for inter-theater transport. Consisting of an emergency room physician and two of our nurse anesthetists, this team moved 122 critical patients, providing advanced interventions early in the patient care continuum, and we now have five teams trained.

This past year, critical care air transport and air medical evacuation teams safely moved 17,800 patients globally. Our efforts to advance research and evidence-based practice led to new initiatives improving safe patient handoff and pain management. To continue building the next information bridge, we field tested a new electronic health record during air medical transport missions. All documented en route care can now be downloaded into the same clinical database used by our medical facilities, and can be readily visible to medical teams around the globe.

Based on lessons learned over the past 10 years, we completely transformed our air medical evacuation training into a more efficient modular format, with increased proficiency levels, based on the latest evidence-based clinical protocols. This new curriculum reduced overall training time by 130 days.

As we face current challenges, our total nursing force is well-prepared. We've established amazing partnerships with Federal and healthcare facilities whose in-patient areas and acuity levels provide the optimal environment for initial clinical training and skill sustainment. This year, we processed 39 training affiliation agreements in nursing. We also established three new 12-month fellowships: Patient safety, in partnership with the Tampa James Haley VA Patient Safety Center; magnet recognition, in partnership with Scottsdale Healthcare system; and Informatics, at our Air Force Medical Operations Agency.

This year, we launched our new Air Force residency program, aligning with the National Council of State Boards of Nursing. Our newly assessed novice nurses complete the nurse transition program, and upon arrival at their first duty station enter the nurse residency program, where they receive clinical mentoring and professional development through their first year of practice.

Whether on the battlefield or at home, our nurses and technicians are well-prepared to provide world-class care to all beneficiaries. The Federal Nursing Service chiefs have partnered in building collaborative plans to better prepare nursing teams for their integral roles in providing better health, better care, best value.

Patient-centered care is our highest priority, and high touch, high care remains our true north. As we continue the journey from

healthcare to health, we are committed to improve continuity of care, enhanced resiliency, and promote safe healthy lifestyles.

With support from the Tri-Service Nursing Research Program (TSNRP), our nurse scientists completed research in the areas of patient safety, post-traumatic stress, pain management, and women's health. These research initiatives demonstrate our commitment to advanced nursing practice by fostering a culture of inquiry.

However, an ongoing challenge is retaining our clinical experts. In an effort to explore factors affecting retention, the Uniform Services University, of the Health Sciences, conducted a study and found the number one reason influencing a nurse's decision to remain on Active Duty was promotion. The survey findings support our continued efforts to balance the Nurse Corps grade structure. Although our nursing retention rates have improved with incentive special pay program, and we've had continued success in meeting our recruiting goals, we must continue every effort to increase fill-grade authorizations in order to promote and retain our experienced nurses.

PREPARED STATEMENT

Mr. Chairman, Mr. Vice Chairman, we genuinely appreciate your support as we continue to deliver world-class healthcare anytime, anywhere. We strive to ensure that those who wear our Nation's uniform and their families receive safe, expert, and above all, compassionate care.

Again, I thank you, and I welcome your questions.

[The statement follows:]

PREPARED STATEMENT OF MAJOR GENERAL KIMBERLY A. SINISCALCHI

Mr. Chairman and esteemed members, it is indeed an honor to report to the subcommittee on this year's outstanding achievements and the future initiatives of the more than 18,500 members of our Total Nursing Force (TNF). I am proud to introduce a new team this year—Brigadier General Gretchen Dunkelberger, Air National Guard (ANG) Advisor; Colonel Lisa Naftzger-Kang, United States Air Force Reserve (USAFR) Advisor; and Chief Master Sergeant Cleveland Wiltz, Aerospace Medical Service Career Field Manager.

I extend, on their behalf and mine, our sincere gratitude for your steadfast support, which has enabled our TNF to provide world-class healthcare to more than 2 million eligible beneficiaries around the globe. Throughout the past year, Air Force nursing personnel have advanced the transition from healthcare to health through patient education, research, and evidence-based practice. Our TNF priorities are:

—Global Operations;
—Force Development;
—Force Management; and
—Patient-Centered Care.

Woven through each of these areas are new initiatives in education, research, and strategic communication. Today, my testimony will highlight the accomplishments and challenges we face as we pursue our strategic priorities.

GLOBAL OPERATIONS

Operation Iraqi Freedom has now drawn to a close, and yet our medics remain fully engaged in wartime, contingency, humanitarian peace-keeping, and nation-building missions. In 2011, we deployed more than 1,100 nurses and technicians in support of these global missions. Our TNF made up approximately 47 percent of all Air Force Medical Service (AFMS) deployed personnel.

The transition from Operation Iraqi Freedom to Operation New Dawn brought many of our troops home to friends and family. Joint Base Balad Theater Hospital closed in November 2011 as a part of this transition. During its tenure, more than 7,500 Air Force medical personnel deployed to Balad, approximately 50 percent of whom were nursing personnel. This premier trauma hospital supported more than

19,000 admissions, 36,000 emergency patient visits, and 20,000 operating room hours while sustaining a 95 percent in-theater survival rate, the highest in military medical history. Serving as the last Deputy Group Commander, Chief Nurse, and Medical Operations Commander, during the final rotation at Balad, was my USAFR Advisor, Colonel Naftzger-Kang. She and her team successfully executed end-of-mission planning and the transition of $335,000 in equipment and more than 90 personnel with facility on-time closure.

Balad's closure marked the end of an era and was bittersweet for all those who had journeyed through the hospital doors. The final rotation had the honor of retiring the American flag that covered Heroes Highway, the entry that welcomed our wounded warriors into our care. As the flag was taken down, our nurses and medics stood in awe as they discovered that the stars from the flag were imprinted on the roof of the Heroes Highway tent. This flag, which offered hope to thousands of wounded soldiers, sailors, marines, and airmen, will be proudly displayed at the new Defense Health Headquarters, Falls Church, Virginia.

No matter the setting, high-touch, high-care remains the True North of the TNF. When a soldier, who was severely injured by an improvised explosive device (IED) blast first awoke in the intensive care unit (ICU), at Craig Joint Theater Hospital, Bagram, his first concern was not for himself but for his military working dog, also injured in the blast. The soldier was being prepared for evacuation to Germany; he knew his dog would be distraught if separated from him. Recognizing the importance of this soldier's relationship with his dog, Captain Anne Nesbit, an Air Force Critical Care Nurse, went above and beyond to reunite them. She spearheaded efforts to bring the dog to his bedside. The dog entered the ICU and immediately jumped on to the soldier's bed and curled up next to his master. Those who witnessed this reunion were brought to tears. Even in the midst of war, the nurse's compassion is never lost.

Our medical technicians continue to deploy with our Army partners to Afghanistan as convoy medics to provide world-class healthcare at forward operating locations. One example, is Senior Airman Jasmine Russell, a medical technician assigned to a Joint Expeditionary Tasking as a logistics convoy medic with the Army. She traveled with her battalion more than 80,000 miles throughout 40 districts and completed more than 450 convoys in the Regional Command Southwest, Afghanistan. On January 7, 2011, while north of the Helmand Province, her convoy encountered 17 IEDs, 3 small arms fire attacks, and 2 missile attacks, killing a local national, and injuring coalition forces assigned to the convoy. Despite being injured, this junior enlisted member acted far beyond her years of experience as she began immediate triage and care, preparing the wounded for evacuation. Senior Airman Russell stated, "I wasn't even concerned about myself; my peers were my number one priority."

While initial stabilization and surgery occurs at forward locations close to the point of injury, casualties must be aeromedically evacuated for further care. In wartime, contingency, peacetime, and nation-building, our aeromedical evacuation (AE) crews and Critical Care Air Transport Teams (CCATT) continue to provide world-class care and champion advancements in enroute nursing practice. This past year, AE moved 17,800 patients globally, with 11,000 from within United States Central Command alone. Since the start of Operations Enduring and Iraqi Freedom more than 93,000 patients have been safely moved.

In 2011, we introduced the Tactical Critical Care Evacuation Team (TCCET) concept and piloted the first team in Afghanistan. Lieutenant Colonel Virginia Johnson, a certified registered nurse anesthetist (CRNA), stationed at Langley Air Force Base (AFB), Virginia, led the way in closing the gap in enroute care from initial surgical intervention to the next level of hospital care. Lieutenant Colonel Johnson and Captain Alejandro Davila, also a CRNA, took to the sky in a UH–60 Helicopter. This Air Force team of two CRNAs, and an emergency room physician moved 122 critical patients, and provided state-of-the-art enroute care. In May 2012, the Air Force will deploy two more TCCETs into Afghanistan.

This past year, the Air Force field-tested a new electronic health record (EHR) during AE missions. Our AE crews carried laptop computers, which facilitated documentation and downloading of enroute care into the same clinical database used by our medical facilities, and allowed all care provided to be readily visible to medical teams around the globe. This capability is fully operational for AE missions between Bagram and Ramstein Air Base (AB), Germany. Our teams continue to build the next information bridge by adding this capability to AE missions departing Ramstein AB enroute to Andrews AFB, Maryland and Lackland AFB, Texas.

Air Force nursing leaders are also filling critical strategic roles in the joint operational environment. Colonel Julie Stola, the Command Surgeon for U.S. Forces-Afghanistan, was instrumental in the implementation of the Central Command's mild

traumatic brain injury (TBI) training and tracking procedures for the Combined Information Data Network Exchange Database. As the theater subject-matter expert on the use of EHR for servicemembers involved in blast exposures, her exceptional leadership and guidance to users resulted in an increase of blast exposures documentation from 35 to 90 percent in 2011.

An Air Force nursing priority for 2011 was to further advance research and evidence-based practice initiatives to improve patient safety and pain management during AE transport. Lieutenant Colonel Susan Dukes at Wright Patterson AFB, Ohio and Major Jennifer Hatzfeld at Travis AFB, California, are working closely with medical teams at Air Mobility Command and leading efforts to evaluate the effectiveness of these safety initiatives and enroute pain management strategies. A team of our nurse scientists recently completed a project entitled "Enhancing Patient Safety in Enroute Care Through Improved Patient Hand-Offs." Major Karey Dufour, is member of this team, she will also be our first graduate from the Flight and Disaster Nursing Master's program at Wright State University, Ohio. She used this study as her Capstone project. One aspect of this research project was the development of a standardized checklist to facilitate communication during the preparation of patients for AE transport and at each patient hand-off. Pilot testing of this checklist demonstrated an improvement in the safety and quality of care throughout the AE system. Implementation of the checklist is ongoing across the AE community.

In our effort to optimize pain management of patients transitioning between ground and air, an in-depth review of care standards and safety was performed. As a result, all AE crews were trained in caring for patients receiving epidural analgesia. This advanced intervention ensures optimal pain management as patients move through the continuum of care. Major Hatzfeld, Lieutenant Colonel Dukes, and Colonel Elizabeth Bridges, USAFR, are currently evaluating patient outcomes from those who have received pain management through epidural analgesia and peripheral nerve blocks within the AE environment.

Our global AE force remains dynamic; 16 additional crews were added to the Active Duty inventory to support global requirements. The AFMS responded by actively recruiting new AE members. More than 75 exceptional medics stood up to the challenge and joined the AE team. Aeromedical Evacuation Squadron (AES) manning levels are at the highest rate since the beginning of the war, with flight nurses at 89 percent and AE technicians at 85 percent.

Another accomplishment this year was a major transformation of our AE training. The goal was to incorporate lessons learned from AE missions and the latest clinical protocols. We increased focus on evidence-based care, patient outcomes, safe patient hand-off, pain management, enroute documentation, and raised overall training proficiency levels. Currently, the Line of the Air Force Operations community is building a formal training unit (FTU) to be co-located with the United States School of Aerospace Medicine at Wright-Patterson AFB, Ohio. This FTU will focus on enhancing the knowledge and performance required to operate in our AE aircraft. The new modularized curriculum and the relocation of the FTU will reduce overall training time by 130 days, provide flexibility in completing the training requirements, eliminate redundancies, and save thousands of dollars in travel costs. More importantly, this initiative will standardize training across the TNF, better preparing our AE community for any operational mission.

In 2011, our strategic AE mission from Ramstein AB, Germany expanded as San Antonio, Texas was added as an additional destination for our returning wounded warriors. This new aeromedical staging facility (ASF) capitalizes on the available capacity and specialty care provided at the San Antonio Military Medical Center. It also allows wounded warriors from that region to be closer to their unit, friends, and family as they recover. The ASF staff of 57 airmen is a seamless team of Active Duty, Reserve, and Guard personnel.

While we are learning, we are also sharing the knowledge of AE execution with our global partners. Our International Health Specialists are key to building global partnerships and growing medical response capabilities. As subject-matter experts, they are part of a team that directs training and education to improve healthcare infrastructure and disaster response. Staff Sergeant Amber Weaver, an Aeromedical Evacuation Technician with the 187th, AES, Wyoming, ANG, expressed her enthusiasm as a member of a team that provided AE training for the Democratic Republic of the Congo (DRC) Air Force. Her hope is that the Congolese military medical personnel will apply the training she provided to help their wounded. Lieutenant Jodi Smith, a flight nurse with the same unit, stated, "The goal was to teach the DRC's quick response force how to safely aeromedically evacuate their patients." The Congolese training staff noted that this effort definitely strengthened the partnership and cooperation between the United States and the Congolese.

Continuing around the globe, our Joint and coalition partnerships were never more evident than on March 11, 2011, when a 9.0 earthquake and tsunami caused catastrophic damage along the eastern coast of Japan. This event also posed a potential radiological threat from extensive nuclear plant damage. In support of Operation Tomodachi, Air Force medics assisted air crews with six passenger transport missions, resulting in the safe movement of 26 late term pregnant females and their 40 family members to the U.S. Naval Hospital, Okinawa, Japan.

Another example of our international involvement took place in Nicaragua where this year 50 Air Force Reserve medics from the 916th Aerospace Medicine Squadron, Seymour Johnson AFB, North Carolina, provided medical care to more than 10,000 local citizens during their Medical Readiness Training Exercise (MEDRETE). Each day began at 4 a.m., with hundreds of patients lining the roadway to the medical site, waiting to be seen by this team. Some patients traveled for hours on horseback, while others had walked countless miles in the August heat with their families in tow. Lieutenant Colonel Dawn Moore, commander of the MEDRETE mission stated, "We are proud to collaborate with other countries and provide excellent medical care, as well as build international capacity."

Air Force nursing continues to be vital in their role as educational and training instructors for the Defense Institute for Military Operations (DIMO) in their efforts to build global partnerships and capacity. An example of educational impact was from an Iraqi Air Force Flight Nurse who reported that 78 lives were saved by Iraqi Air Force AE teams, just months after completing the Basic Aeromedical Principles Course. In another example, 10 soldiers were badly injured during an insurgent conflict west of Nepal. The follow-on forces that came to their relief the next morning were astonished when they found the badly wounded soldiers alive as a result of applying the self-aid and buddy-care techniques they learned in the DIMO First Responders Course. The DIMO medical training missions are making a profound difference in patient outcomes.

These critical partnerships grow not only through formal training and joint exercises but also through international professional forums. In 2011, we partnered with our nursing colleagues from Thailand and co-hosted the 5th Annual Asia-Pacific Military Nursing Symposium. The theme, "Asia-Pacific Military Nursing Preparedness in Global Change," reinforced partnerships to enhance nursing response to pandemics and humanitarian crises, and to advance evidence-based nursing practice. Twelve countries participated, more than 20 international colleagues briefed, and more than 30 presented research posters. During this conference, the focus on joint training initiatives in disaster response and aeromedical evacuation proved to be critical when Thailand experienced severe flooding, which impacted more than 13 million people and resulted in 815 deaths. The very concepts discussed during the symposium were later applied during the rapid deployment and establishment of an Emergency Operations Center and successful aeromedical evacuation of patients. We look forward to continuing to build our international Asia-Pacific nursing partnerships as we prepare to co-host the 6th annual conference in 2012.

FORCE DEVELOPMENT

It is imperative our TNF possess the appropriate clinical and leadership skills for successful execution of our mission. We are excited to announce three new fellowships:

—Magnet Recognition;
—Informatics; and
—Patient Safety.

The Magnet Fellowship provides the AFMS with a rare opportunity to gain first hand, up-to-date insights into the Magnet Culture; an environment that promotes nursing excellence and strategies to improve patient outcomes. Our Magnet Fellow will spend 1 year at Scottsdale Healthcare System, Arizona, a nationally recognized Magnet healthcare facility and one of our current Nurse Transition Program (NTP) Centers of Excellence (CoE). The Magnet Fellow will assume a consultant role to integrate Magnet concepts across the AFMS.

The Informatics Fellowship is critical to prepare nurses to participate in the development and fielding of computer-based clinical information systems, such as the EHR. Nursing is a major end-user of these electronic information systems and should be actively involved in the development of requirements to enhance patient safety, communication, seamless patient handoff, and ease of documentation.

The Patient Safety Fellowship is a new partnership with the Veterans Administration (VA) at the James A. Haley VA Patient Safety Center of Inquiry in Tampa, Florida. The Fellow will learn how to design and test safety defenses related to the patient, healthcare personnel, technology, and organization, to export evidence into

practice, and facilitate patient safety and reduce adverse events. This fellowship is designed to prepare nurses to lead interdisciplinary patient safety initiatives.

In last year's testimony, we previewed our plan to consolidate the NTP training sites in order to provide a more robust clinical experience. We established four CoE:

—Scottsdale, Arizona;

—Tampa, Florida;

—Cincinnati, Ohio; and

—San Antonio, Texas.

Our data shows NTP CoE offer many opportunities to practice a variety of clinical skills in an environment with a large volume of high-acuity patients, which allows us to confidently decrease our program length from 77 to 63 days. Additionally, the resulting 19 percent improvement in training efficiency allowed us to reduce NTP course instructors by 40 percent thus returning experienced nurses to the bedside.

In response to the National Council of State Board of Nursing Transition to Practice (TTP) Initiative and the Institute of Medicine Future of Nursing recommendations, we have initiated a residency program to develop our novice nurses. Beginning in September 2011, all novice nurses entering Active Duty were enrolled in the new Air Force Nurse Residency Program (AFNRP). In the AFNRP, carefully selected senior nurses mentor novice nurses through their transition from nurse graduate to fully qualified registered nurse. We were pleased to discover that 80 percent of the TTP recommended content was already incorporated into the nurses' orientation during the first year of military service, allowing us to focus our efforts on weaving the remaining content such as evidence-based practice, quality, and informatics, into the AFNRP.

One of the desired outcomes of the NTP and AFNRP is enhanced critical thinking skills. Using a validated assessment tool in a pilot study, we found a significant increase in the critical thinking skills of nurses who completed the NTP. We expanded this assessment to systematically evaluate the effectiveness of the NTP and AFNRP. We gathered representatives from these CoE to reflect on successes of these military and civilian partnerships and to discuss the way ahead.

Another area where we are working to further develop our nurses is through our Critical Care Fellowship. We identified opportunities to enhance efficiencies of this training program. After extensive research on civilian and military programs, we recommended reduction from three training locations to two and initiated a review of curriculum to standardize the didactic and clinical experiences. Additionally, we are exploring civilian training partnerships which may give our students the opportunity to work with a greater volume of high-acuity patients.

Our new mental health course is an example of our success in advancing our practice through education and training. Based on the changing needs of the mental health community, and in response to the National Defense Authorization Act, we are incorporating outpatient mental health case management training for our mental health nurses.

Advanced Practice Nurses are central to the success of a clinical career path that promotes optimal patient outcomes through critical analysis, problem solving and evidenced based decisionmaking. Building on last year's initiatives, we continue to work with our Sister Services and the Uniformed Services University of the Health Sciences (USUHS) Graduate School of Nursing (GSN) to launch a Doctorate of Nursing Practice (DNP) program. This year, the Air Force has selected five Psychiatric Mental Health Nurse Practitioner (PMHNP) DNP students and three Doctor of Philosophy students for enrollment in the USUHS GSN. In addition, we also have developed a transition plan to meet the advanced practice doctoral level requirements for our Family Nurse Practitioner and Certified Registered Nurse Anesthetist by 2015.

In 2011, we moved forward with efforts to clearly define the roles of the Clinical Nurse Specialist (CNS), Master Clinician, and Master Nurse Scientist. As part of this endeavor, we discovered significant variance in the definition and expected educational preparation of the CNS. Standardization of qualifications for the title "Clinical Nurse Specialist" were determined to be paramount for us to match qualified nurses with designated positions. As a result, the Air Force Nurse Corps Board of Directors (BOD) approved a standard definition for CNS and standard qualifications in seven areas of practice. A special experience identifier (SEI), for the CNS, was approved by the Air Force Personnel Center (AFPC). This SEI allows us to clearly identify our CNSs and streamline the assignment process to fill these critical CNS requirements. Additionally, the BOD approved standard definitions and qualifications for the Master Clinician and Master Nurse Scientist.

A new AFMS regulation governing anesthesia delivery by Air Force CRNAs was published this year, recognizing their full scope of practice. This change reflects the recommendations from the 2010 Institute of Medicine report, "The Future of Nurs-

ing: Leading the Change, Advancing Health", stating that nurses should practice to the full extent of their education and training. The president of American Association of Nurse Anesthetists, Dr. Debra Malina, CRNA, DNSc commended the Air Force for making this change.

One of our ongoing challenges is to optimize clinical training. It is imperative that our nurses and medical technicians maintain proficiency in their clinical skills not only for contingency operations but also for peacetime operations. We continue to advance our partnerships with other Federal and civilian medical facilities whose inpatient platforms and acuity levels provide the optimal environment for initial specialty development and skill sustainment. We have partnered with several civilian medical centers, as well as universities. In these partnerships, both civilian institutions and military facilities host each other's students and optimize educational opportunities available in each setting. This year, the AFMS processed 180 training affiliate agreements. Of these agreements, 39 were in nursing. These partnerships are vital to our training platforms and promote professional interaction.

As we strive to obtain efficiencies in Joint training, we are reviewing our electronic and virtual distant learning systems for ways to reduce redundancies within the Military Health System. This year, the Joint Health Education Council (HEC) facilitated shared access of 232 training programs between the DOD and the VA. In 2011, more than 113,000 DOD and VA personnel accessed these sites representing more than 800,000 episodes of training. We continue to be an active participant on the HEC. Our involvement in this council is crucial, as a significant number of training programs are nursing related.

In last year's testimony, I spoke of the opening of the Medical Education and Training Campus (METC). I can now share a few of METC's successes in 2011. METC reached full operational capability on September 15, 2011, and was recognized nationally for it's accreditation process which earns METC graduates transferable college credits. Our additional ability to support the medical enlisted educational mission will foster international partnerships, and contribute to educational research and innovation.

We are constantly seeking ways to develop our enlisted medics. In 2011, we selected two airmen to attend the Air Force Institute of Technology for graduate education in Information Resource Management and Development Management. The most recent graduate of the Development Management program, Master Sergeant Carissa Parker, lauded this program and stated, "This is by far, one of the most exciting and unexpected opportunities I've had in my Air Force career. This advanced academic degree allows me to apply the unique knowledge and skill set to best serve my Air Force." In order to align candidates for success in these programs, we continue to actively force develop our enlisted personnel.

Deliberate development of our civilian nursing personnel is ongoing. This year, we established a career path from novice to expert, which offers balanced and responsive career opportunities for our civilian nurses. We finalized two new tools, a civilian career path and a mentoring guide, to aid supervisors, both have been distributed Air Force wide. In January 2012, we conducted our second Civilian Developmental Board at AFPC, where civilian Master Clinician positions were laid in to allow for career progression and much-needed continuity in our military treatment facilities. Our next step is a call for candidates to outline the criteria and assist our civilian nurses in applying for these targeted positions, which will ultimately enhance patient care and job satisfaction.

FORCE MANAGEMENT

The Air Force continues to be successful with recruiting. In 2011, we met our recruiting goal as we accessed 113 fully qualified nurses and 46 new nursing graduates. This brought our overall end strength to 95 percent. Our flagship programs for recruiting, the Nurse Accession Bonus and the Health Professions Loan Repayment Program, remain the primary vehicles for recruiting the majority of our entry-level nurses. This year we executed 35 accession and 89 loan repayment bonuses. Other accession pipelines include the Reserve Officer Training Corps scholarship program, the Nurse Enlisted Commissioning Program, and the Health Professions Scholarship Program.

Nurse Corps retention rates have improved with the implementation of the Incentive Special Pay Program, allowing the AFMS to retain high-quality skilled nurses in targeted clinical specialties. Overall, retention has risen 13 percent since 2008 and now stands at 80 percent at the 4-year point. Historically, we found retention drops precipitously, by at least 44 percent, at the 10-year point.

In an effort to explore factors affecting retention, USUHS conducted a triservice nursing study. The total sample size was 2,574 with an overall response rate of 30

percent. The results were released in January 2012. Significant factors found to influence a nurse's decision to remain on Active Duty were promotion, followed by family relocation. Overall, deployments were not a significant decision factor in determining intent to remain in the service. Most nurses were happy to deploy and saw this as part of their patriotic duty. Noteworthy comments from the study were, "the promotion rates in the Nurse Corps are behind the rest of the Service" and "the reason for my consideration for leaving military is due to lack of promotion." Other findings, specifically related to promotion opportunity, confirmed our understanding of the grade imbalance within the Air Force Nurse Corps structure.

Over the past few years, the Air Force Nurse Corps has worked with the Office of the Deputy Chief of Staff, Manpower, Personnel, and Services, to provide consistent career opportunities for Nurse Corps Officers as intended by the Defense Officer Personnel Management Act (DOPMA). DOPMA grade tables are applied to the entire Service, not to a specific competitive category, so the challenge for the Air Force Nurse Corps is a lack of sufficient field grade authorizations for the clinical and scientific experience needed. The addition of the CNS and Master Clinician at the bedside, both of whom are educated to the masters or doctoral level has been crucial in providing the education and experience needed in the patient care arena. There is a positive correlation between advanced nursing education and experience as it relates to clinical outcomes and safety.

In a continued partnership with the Office of the Undersecretary of Defense, Personnel and Readiness, and the Assistant Secretary of the Air Force, Manpower and Reserve Affairs, we continue to pursue ways to alleviate deficits in field grade authorizations. Our goal is to improve retention of the uniquely trained experienced military nurse and increase return on investment for advanced education.

During 2011, we made significant strides in strategic communication. We launched the official Air Force Nurse Corps Web site and social network page. Our social network page has received more than 250,000 visits since inception. These Web pages are excellent recruiting and retention tools, and serve as a means to reach out to our retirees as well as the military and civilian community. In addition to the public domain, we have a targeted intra-net capability. The Knowledge Exchange (Kx) is a phenomenal information resource for all Air Force military members and Government employees to assist them with professional development at any level in their career. We launched a Kx subscriber campaign this year, highlighting the large amount of information available on this site. The number of subscribers increased 500 percent. The Kx is a venue where our nurses and medical technicians can share best practices, innovative suggestions, personal stories, accomplishments, and stay connected.

PATIENT-CENTERED CARE

Patient-centered care is at the core of all we do; it is our highest priority. Care for our patients crosses into both inpatient and outpatient arenas, and has been redefined with a more focused emphasis on providing healthcare to promoting health.

An important contribution of nursing to healthcare is exemplified by the integral role of Disease and Case Managers in our Family Health Initiative. For example, at Moody AFB, Georgia, the nurses initiated disease management interviews with their diabetic patients. The nurses used motivational interviews, a face-to-face approach, enabling them to provide education, support, and individual goal setting. This innovative strategy increased accountability for the patient and medical team, and resulted in marked improvement in adherence to the treatment plan and control of the patient's disease process.

Overall, care case manager (CCM) interventions have been found to mitigate risk. Major Don Smith, Health Care Integrator, and Director of Medical Management, Keesler AFB, Mississippi, implemented a process improvement for the identification of wounded warriors as they entered the healthcare system and enrollment of these individuals with a CCM. This initiative increased the communication and person-to-person transfer of care between facility case managers at Keesler, the VA, and Gulfport Naval Station. Additionally, Major Smith orchestrated CCM services for vulnerable populations to include military retirees, Medicare, and Medicaid patients who are eligible for care on a limited basis at Keesler, but who are at risk for fragmented care as they transition across the healthcare system. Finally, he designed a "Medical Management Database" consisting of a comprehensive set of CCM documentation tools and tracking methods for patient volume and acuity. The database captures workload, quantitative, and qualitative outcomes. The use of this database improved CCM metrics and decreased documentation workload by 200 percent. Specific outcomes such as avoidance of emergency room visits, hospital admissions, or clinic visits were assigned a corresponding and substantiated dollar amount. The re-

turn on this investment exceeded savings of $1.1 million in 2011. This database tool is currently being implemented Air Force wide.

The TBI clinic at Joint Base Elmendorf-Richardson, Alaska is advancing care for wounded warriors. This only Air Force led TBI clinic, offers wounded warriors comprehensive care, including specialized neurological assessment and testing, mental health services, pain management, and the creation of a tailored treatment plan.

Our partnership with the VA through our Joint Ventures has yielded improvements with staffing, efficiencies, and patient outcomes. One of the most recent Joint initiatives was the formation of a peripherally inserted central catheter (PICC) team from the 81st Medical Group, Keesler AFB. In the past, VA patients needing central line intravenous access were transported to Keesler for the procedure. The PICC team now travels to the VA to perform this procedure; resulting in significant cost savings associated with patient care. More importantly, patients who are too unstable for safe transport can now receive the best care in a timely manner at their bedside. Also, at the 81st Medical Group, a team of VA and military staff assisted with more than 1,500 cardiac catheterizations in 2011.

The Joint Venture working group at Elmendorf determined there was a lack of continuity of care and sharing of medical information with the VA clinic for follow-up when VA patients were discharged from the ICU. This working group developed a process by which the ICU discharging nurse contacts the VA CCM to provide an up-to-date medical history to include medication reconciliation and discharge summary. This endeavor has assured that the Primary Care Provider has the most current medical information available at the follow-up appointment. In addition, a template was developed for primary care staff to track all the required medical documentation for patients being discharged from the Joint Venture ICU. This process was replicated at the Medical Specialty Unit.

Embedded in our patient-centered care is an emphasis on resilience. The Air Force is committed to strengthening the physical, emotional, and mental health of our airmen and their families. We continuously reinforce the need for our airmen to bolster their ability to withstand the pressures of military life. Our Air Force understands that we can only be successful when the entire Air Force Community promotes the importance of resilience and early help-seeking by all airmen in distress. We continue efforts to diminish the negative connotation associated with seeking help. All airmen need to perceive seeking help as a sign of strength, not a sign of failure.

We have persevered in our campaign spearheaded by leaders, who themselves have suffered post-traumatic stress, and have come forward to openly discuss their experiences and encourage others to get the care they need from the many support services available. These leaders emphasize that their decision to seek care did not adversely affect their Air Force career; rather receiving care, made it possible for them to continue to be successful. During our nursing leadership symposium this year, one of our senior nurses presented her own personal, traumatic experiences to the audience and described what brought her to the point where she recognized the need to seek mental healthcare. Mental Health professionals were in attendance and conducted on-site discussion groups for medics with similar experiences. Feedback from those who attended the groups was overwhelmingly positive.

Air Force Nurse Scientists are conducting research to enhance the resilience of our servicemembers and their families. For example, Colonel Karen Weis, Director of Nursing Research, Lackland AFB, Texas with support from the TriService Nursing Research Program, is studying an innovative strategy using maternal mentors to build family resilience. Lieutenant Colonel Brenda Morgan, a recent USUHS graduate, identified psychological exercises that can be integrated into a daily routine to enhance resilience. We continue to seek avenues that build a resilient force, identifying at-risk airmen and treating those in need of help.

ADVANCING A CULTURE OF INQUIRY

Air Force nurses are advancing healthcare and improving patient outcomes through a culture of inquiry. The ongoing process of questioning and evaluating practice, providing evidence-based care, creating practice changes through research, and evaluating the outcomes of our care reflects our culture of inquiry. In support of this culture, the Air Force Nurse Corps sponsored a competition that highlighted research and evidence-based projects currently being implemented to improve patient care. Some of this work will be presented at this year's nursing leadership symposium, demonstrating the advancement of evidence-based care not only by our Nurse Researchers but, more importantly, by the nurses who provide direct patient care.

An excellent example of this initiative is the nursing staff of the Neonatal Intensive Care Unit (NICU), Kadena AB, Okinawa, Japan, who have taken patient safety to the next level. In 2011, 185 infants were admitted to the NICU. Often, these seriously ill neonates require the placement of a central intravenous catheter for administering life sustaining medications and fluids. Unfortunately, these central lines can be a source of infection, which can lead to life-threatening blood stream infections and even death. Although the unit's central line infection rate of 3.9 percent was well below the national average of 10 percent, the staff strived for a zero percent infection rate, due to the increased risk of mortality for these vulnerable patients. In fiscal year 2011, the nursing staff implemented a new procedure used during the care and management of central lines. Following the implementation of this innovative solution they achieved their goal: zero infections from 69 central lines (representing 393 line days).

Research initiatives completed this year demonstrate the strategic leadership role played by our nurse scientists. In January 2012, Lieutenant Colonel Susan Perry, Assistant Professor in the CRNA program at USUHS, completed her Ph.D. Her ground-breaking research identified a genetic abnormality that may predispose an individual to malignant hyperthermia, an inherited muscle disorder triggered by certain types of anesthesia. Lieutenant Colonel Perry's research advances our understanding of this potentially fatal disease and provides insight into strategies to decrease the risk for malignant hyperthermia. Her research highlights the unique opportunities given to our students who study at the USUHS, as she was able to work in one of the only laboratories in the world dedicated to malignant hyperthermia. Similarly, current Ph.D. students at the USUHS School of Nursing have their introduction to research at the renowned National Institutes of Health.

Lieutenant Colonel Karen O'Connell, who completed her doctoral studies at USUHS, identified factors associated with increased mortality in combat casualties with severe head injury. According to her research, some of these factors are modifiable, which suggests areas of care that can be targeted to improve outcomes for these patients. Colonel Marla DeJong, Dean of the School of Aerospace Medicine, served as chairperson of the Scientific Review Committee for brain injury and mechanisms of action of hyperbaric oxygen therapy for persistent postconcussive symptoms after mild TBI. She also spearheaded the creation of baseline datasets that will be used in a study to evaluate the effect of hyperbaric oxygen therapy in casualties with post-concussive symptoms after mild TBI.

The research conducted by our nurse scientists is of the highest quality. In 2011, Colonel Bridges, with assistance from the Joint Combat Casualty Research Team (JC2RT), completed a study using noninvasive methods to monitor critically injured casualties during resuscitation. This research described the minute-by-minute changes in the combat casualty's vital signs and hemoglobin using a noninvasive probe placed on their finger. The results demonstrated the potential for earlier identification of clinical deterioration and the tailoring of resuscitation. This study received the 2011 Research Poster Award at the AFMS Research Conference. Colonel Sean Collins, Commander, 104th Medical Group, Westfield, Massachusetts, ANG and a nurse scientist, was the first guardsman to serve on the JC2RT. During his deployment at Camp Dwyer, Afghanistan, Colonel Collins played a vital role in advancing operational research and in articulating the importance of nursing research in the care of our warriors. Colonel Collins completed a landmark analysis of the relationship between physical symptoms reported during deployment and emotional health. Analysis is ongoing to further identify those at highest risk for poor health outcomes to allow for targeted interventions.

Research and evidence-based initiatives also focused on readiness. Colonel Bridges completed a list of operational nursing competencies, which were validated by deployed nurses. These competencies will aid in the standardization of training for nurses across all Services. The results of this study further validated the content of the TriService Nursing Research Program Battlefield and Disaster Nursing Pocket Guide. This pocket guide was updated in 2011, and 7,000 copies of the updated guide were distributed to Army, Navy, and Air Force nursing personnel. The evidence-based recommendations summarized are now the standards for Air Force nursing readiness training.

Along with research and evidence-based practice, we are also leveraging our existing collegial partnerships. One such endeavor is our participation in the Federal Nurses Service Council. This council includes the Service Chief Nurses, Directors of Nursing, Public Health, Veterans Affairs, USUHS, the American Red Cross, and Reserve counterparts of the Army, Navy, Air Force. This year, the group developed a strategic plan that focuses on blending our efforts as a single professional voice on three strategic Federal Nursing priorities: Role Clarification, Culture of Inquiry, In-

fluence, and Collaboration. As a united force, we can tackle tomorrow's healthcare challenges today.

WAY AHEAD

The Air Force Nurse Corps is committed to achieving excellence in both the art and science of nursing. As a TNF, we will continue to invest in nursing research and foster a culture of inquiry to further advance quality patient outcomes. We will continue to advocate for and invest in academic preparation to retain the Master Clinician at the bedside. We will continue to optimize training opportunities and efficiencies within the Air Force, jointly, and with our civilian nursing colleagues. Above all, we will continue to invest in our nurses and technicians by focusing our efforts on enhancing resiliency, promotion opportunities, and education in order to retain those individuals whose experience makes military nursing the best in the world.

In closing, as Colonel Mary Carlisle, Commander Surgical Services, Misawa, AB, Japan stated, "You will know you're a military nurse when you visit the National Mall in Washington DC, and Vietnam Veterans visiting The Wall, tell you their stories of how nurses saved their lives, and then they thank you for serving. Then you swallow the lump in your throat and blink back the tears in your eyes and continue doing what you were doing without missing a beat. You can't find the right words to explain to anyone what you've just been through. You will know you're a military nurse when at the end of the day, at the end of the tour, or the career, you say, I'd do it all over again."

Mr. Chairman and distinguished members of the subcommittee, it is an honor to represent a committed, accomplished Total Nursing Force. Our Nation's heroes and their families depend on our nurses and technicians to deliver superior, safe, and compassionate care. Grounded in high-touch, high-care, our Air Force nurses and technicians proudly serve and will continue to deliver world-class healthcare anytime, anywhere.

STATEMENT OF REAR ADMIRAL ELIZABETH S. NIEMYER, DIRECTOR, NAVY NURSE CORPS, DEPARTMENT OF THE NAVY

Chairman INOUYE. Thank you very much, General Siniscalchi. May I now recognize Admiral Niemyer?

Admiral NIEMYER. Good morning, Chairman Inouye, Vice Chairman Cochran, and distinguished members of the subcommittee. I'm extremely pleased to be here and thank you for the opportunity to speak on behalf of the Navy Nurse Corps. Support of the operational forces continues as the top priority. In addition, I've remained focused on five key strategic areas: Workforce, nursing knowledge, research, strategic partnerships, and communication. My written statement has been submitted for the record, and today I will share some of Navy nurses' remarkable accomplishments in these vital areas.

The Navy Nurse Corps is comprised of 5,842 Active, Reserve, and Federal civilian registered nurses, delivering outstanding patient- and family-centered care. At the end of fiscal year 2011, our Active component was 94-percent manned, and our Reserve component was 88-percent manned. We are projecting another successful year in attaining our fiscal year 2012 recruiting goals.

People are our most vital asset, and I remain committed to recruiting and retaining nurses ready to meet the challenges of Naval service. The Nurse Accession Bonus and Nurse Candidate Programs are top recruiting programs for our Active component, while accession and affiliation bonuses, and loan repayment programs are most successful with our Reserve component.

For the past 2 years, the Navy Nurse Corps has sustained improvements and retention. The registered nurse incentive special pay, Health Profession Loan Repayment Program, and Duty Under Instruction for graduate education are key to this forward progress.

Mr. Chairman, I thank you for your continued support of these crucial programs.

This past year, 342 Active and Reserve Navy nurses served throughout the Central Command area of responsibility as members of Shock Trauma Platoons, Forward Resuscitative Surgical Systems, and other forward-operating medical units. They were also vital to medical stability operations, serving as members of embedded training and provincial reconstruction teams.

Infants and children comprise approximately 25 percent of the trauma patients treated at the Kandahar Role 3 Multinational Medical Unit. Navy nurses with advanced expertise in maternal infant, neonatal intensive care, and pediatric nursing played a pivotal role in providing outstanding trauma care, staff development, and patient and family education for this precious population.

Integral to the Navy's mission is a "Global Force for Good." Navy nurses also supported humanitarian assistance missions. In 2011, Active and Reserve Navy nurses, together with nurses from nongovernmental organizations and partner nations supported the longstanding humanitarian and civic assistance operations, continuing promise and Pacific Partnership. Their actions further strengthened regional cooperation, interoperability, and relationships with partner nations.

Our clinical and leadership roles with the Marine Corps continue to expand. For the first time, a Navy Nurse Corps officer serves as the First Marine Expeditionary Force Headquarters Group Surgeon at Camp Leatherneck, Afghanistan. Navy nurses with battlefield injury expertise are also serving as clinical advisers at Headquarters Marine Corps, Marine Corps Combat Development Command, and the Marine Corps Warfighting Lab, assisting Marine Corps Dismounted Complex Injury Teams to prevent and treat these devastating injuries.

Here at home, Navy nurses are recognized clinical experts and educators for the care of wounded warriors, with psychological health issues and TBI. Nurses are central to the new in-patient units, offering convenient, private, holistic, and coordinated care for our wounded warriors and their families.

Psychiatric Mental Health Nurse Practitioners can continue to enhance the resiliency and mission readiness of our sailors, marines, and their families. We responded to the increased demand for mental healthcare, and grew our Psychiatric Mental Health Nurse Practitioner community from 8 to 23 billets. I'm pleased to share that following the graduation of seven students this year, this vital community will be 100-percent manned.

The Navy Nurse Corps is committed to doctoral education, with 21 nurses in doctoral study, and another 12 selected this year for programs taking them directly from bachelor to doctoral degrees in advance practice specialties and Ph.D.'s in nursing research. I remain committed to increasing and diversifying our footprint in nursing research.

In 2011, the positions of executive Director of the Tri-Service Nursing Research Program (TSNRP) and Deputy Director of the Joint Combat Casualty Research Team overseeing research activities in Iraq, Afghanistan, and Kuwait were held by Navy nurses. Additionally, Navy nurses were granted $1.5 million in TSNRP

funds as principal investigators for new and diverse projects. Mr. Chairman, I'm extremely grateful, and would like to thank you again for your ongoing support of nursing research.

Joint and integrated work environments are the new order of business. As such, Navy nurses promote, build, and strengthen strategic partnerships, work with our sister services, the Department of Veterans Affairs, and other Federal and nongovernmental agencies. They also serve as individual augmentees and teach at the Uniformed Services University Graduate School of Nursing.

PREPARED STATEMENT

Navy nurses are pivotal to the success of every mission involving Navy Medicine. We remain focused on improving the health of those entrusted to us by providing a care experience that is patient- and family-centered.

Senator Inouye, Vice Chairman Cochran, and distinguished members of the subcommittee, thank you for your unwavering support of military nursing and the profession of nursing.

Thank you.

[The statement follows:]

PREPARED STATEMENT OF REAR ADMIRAL ELIZABETH S. NIEMYER

INTRODUCTION

Good morning. Chairman Inouye, Vice Chairman Cochran, and distinguished members of the subcommittee, I am extremely pleased to be here again and thank you for the opportunity to speak on behalf of the Navy Nurse Corps.

The Navy Nurse Corps is comprised of 4,059 Active and Reserve component and 1,783 Federal civilian registered nurses. Together, they are a unified and highly respected team of healthcare professionals known for their unwavering focus on delivering outstanding patient- and family-centered care for our Active Duty forces, their families, and our retired community. The clinical expertise and leadership of Navy nurses ensures a fit and ready fighting force vital to the success of Navy and Marine Corps operational missions at sea and on the ground. Navy nurses also play a key role in medical stability operations, deployment of hospital ships and large-deck amphibious vessels and humanitarian assistance/disaster relief (HA/DR) efforts around the globe. Nurses are central to the provision of outstanding care and optimal patient outcomes for beneficiaries and wounded warriors here at home serving in various clinical and leadership roles within our military treatment facilities (MTFs) and ambulatory care clinics.

I would like to share some of the remarkable accomplishments of Navy nurses over this past year, as well as discuss opportunities and challenges before us in 2012. First, I will talk about the contributions of Navy nurses serving in unique roles and environments supporting operational, humanitarian, and disaster relief missions. Second, I will highlight the significant work and resulting successes our Corps has achieved in the past year in my five key strategic focus areas of:

—Workforce;
—Nursing knowledge/Clinical excellence;
—Research;
—Strategic partnerships; and
—Information management/Communication.

Last, I will discuss our future challenges and opportunities as we remain steadfast in our commitment to ensure the provision of the highest quality of care to those entrusted to us.

OPERATIONAL, HUMANITARIAN, AND DISASTER RELIEF SUPPORT

Our commitment to operational forces remains a top priority. Over the past year, Navy nurses continued to be an invaluable presence with 223 Active and 119 Reserve component nurses actively engaged in military operations throughout the Central Command area of responsibility for Operation Enduring Freedom (OEF). Navy nurses are ready to deploy anytime, anywhere, and they continue to set the stand-

ard for excellence as clinicians, patient advocates, mentors, and leaders providing compassionate and holistic care even in the most austere conditions.

Navy nurses are an integral part of diverse units and teams throughout the Helmand and Nimroz Provinces in Afghanistan. They are key members of shock trauma platoons (STPs) and forward resuscitative surgical systems (FRSSs) assigned to Marine Corps medical battalions, expeditionary forces, and logistics groups supporting the immediate pre- intra- and post-operative phases of care for traumatically injured patients. They are also trained and qualified to provide en-route care and medical support in rotary wing airframes during the transport of injured U.S. servicemembers, Coalition Forces, Afghan military and civilian security personnel, and local nationals to higher levels of care.

A Nurse Corps officer assigned to the Alpha Surgical Shock Trauma Platoon at a Role 2 Emergency Medical Care unit located on a remote forward operating base (FOB) in Afghanistan served as the senior critical care nurse. Her expertise in critical care nursing was crucial to ensuring the 100-percent survival rate of personnel receiving immediate after injury care in this unit. Additionally, she provided exceptional leadership and was an experienced clinical resource for 22 nurses across six FOBs in the Helmand and Nimroz Provinces.

Following initial life-saving stabilization at the point of injury on the battlefield, critically injured patients are transported to comprehensive medical facilities such as the Role 3 Multinational Medical Units in Kandahar and Bastion, Afghanistan. In Kandahar's Role 3 facility, Navy nurses provide unparalleled clinical leadership and world-class care to critically injured NATO, coalition, and Afghan combat casualties. Focused on providing the best-possible care for combat wounded, they developed a comprehensive cross-training program for nurses and corpsmen serving in clinical areas outside the emergency/trauma specialty. This training gave them the clinical expertise and technical skills to competently work as members of the multidisciplinary trauma teams vital to this operational emergency/trauma environment. The ready availability of additional personnel trained in emergency/trauma significantly increased the Role 3's capability to effectively respond and provide life-saving trauma care for several casualties simultaneously. This innovation was put to the test and proved invaluable during a real mass casualty situation when Role 3 personnel were able to immediately establish seven highly functional trauma teams to successfully treat eight severely injured servicemembers transported directly from the battlefield. This training has also been credited with providing adequate numbers of trained personnel to establish additional forward surgical capability while still meeting the Role 3 mission.

A unique challenge at the Kandahar Role 3 Multinational Medical Unit is that about 25 percent of the complex trauma cases are infants and children. This necessitates a unique clinical knowledge base in which Navy nurses have shown their exceptional adaptability and flexibility. In addition to nurses with surgical, emergency/trauma, critical care, and medical-surgical backgrounds—specialties considered to be wartime critical—nurses with experience in maternal-infant, neonatal intensive care, and pediatrics are now playing a pivotal role in ensuring the provision of outstanding hands-on care, staff development, and patient and family education for this precious population. These nurses are also volunteering off-duty time serving as health educators at the Kandahar Regional Military Hospital, providing health promotion and disease education to Afghan soldiers, women, and children.

Although our mission supporting the British Role 3 Multinational Medical Unit in Bastion, Afghanistan was completed near the end of 2011, Navy nurses from all clinical backgrounds demonstrated a remarkable ability to integrate into the British medical team. They not only gained the advanced clinical skills needed to treat critical and complex polytrauma casualties, but they also provided this advanced care utilizing British trauma and treatment protocols. Among this stellar group are emergency/trauma nurses who rapidly progressed in mastering the advanced knowledge and skill required to serve as Trauma Nursing Team Leaders in the British hospital. In this role, they demonstrated exceptional leadership and nursing skills in the management of the most severely injured trauma patients. In accordance with nationally recognized trauma scales, patients treated at the Role 3 in Bastion typically have injury severities scoring twice as high as the average patient seen in a Level 1 trauma center in the United States. There is no doubt nurses are making a tremendous contribution to the unprecedented 95 percent and 98 percent survival rate of casualties treated at the British Role 3 in Bastion and Kandahar Role 3 Multinational Medical Unit, respectively.

In addition to providing cutting edge care to the wounded, Navy nurses are uniquely trained and qualified in illness prevention and health promotion. A Navy nurse assigned as a medical/surgical nurse put her graduate education in public health to use as the Infection Control Officer for the Kandahar Role 3. In her off-

duty time, she also served as the Role 3 liaison to the Army Preventive Medicine personnel at the Kandahar Air Field. In this capacity, she developed infection control policies and collaborated in the development of a clinical investigation on multiple drug-resistant organisms (MDROs) infecting the wounds of our injured servicemembers. This clinical investigation is being continued by replacement personnel and will provide meaningful data to identify, treat, and alleviate this serious health threat facing our troops.

Throughout Afghanistan, Navy nurses are primary members of medical stability operations serving with North Atlantic Treaty Organization (NATO) forces and teams led by the other Services as members of Embedded Training and Provincial Reconstruction Teams. They provide medical support and serve as healthcare system consultants for NATO forces, nonmedical United States and Afghan forces, tribal leaders, and local nationals to assist in the establishment of a healthcare infrastructure in Afghanistan. They also serve as mentors and teachers for Afghan military and civilian medical personnel in the Afghanistan National Army Hospital. Their contributions in exchange of knowledge will enhance the quality of medical care for Afghan military and police forces and the people of Afghanistan for generations to come.

Last year, I spoke of Navy nurses serving as teachers and mentors for members of the Afghan National Army Nurse Corps through a Health Service Engagement Program project called "Shana baShana" (Shoulder-to-Shoulder) at the Kandahar Regional Military Hospital. Their efforts were to support Afghan nurses' professional development and produce long-term improvements in nursing practice in the Afghan healthcare system. Mr. Chairman, I am extremely proud to report that this partnership has significantly increased the clinical knowledge and skill level of the Afghan Army nurses. The Kandahar Regional Medical Hospital is now receiving and providing medical care and treatment to nearly all Afghan Security Forces battlefield injuries with the exception of severe head and/or eye injuries, as well as conducting a weekly outpatient clinic for Afghanistan civilians.

Navy nurses also play a key role in civil-military operations and health-related activities such as those conducted by the Combined Joint Task Force Team—Horn of Africa (CJTF–HOA) whose members are involved in the local communities building and renovating clinics and hospitals and providing medical care to local populations. In support of the personnel conducting this operation in Africa, a Navy nurse assigned to the Expeditionary Medical Facility (EMF) in Camp Lemonier, Djibouti, Africa, led junior nurses in the provision of care for medical/surgical, critical care, and primary care patients. As the sole experienced perioperative nurse on the medical team, he managed clinical operations and provided perioperative care for all surgical procedures performed at the only U.S. operating suite within theater. His outstanding efforts ensured the delivery of the highest-quality care and force health protection for return to duty or transfer to higher levels of care for critical, mission essential U.S. Africa Command (AFRICOM) personnel.

In "A Cooperative Strategy for 21st Century Seapower," the U.S. lists HA/DR as one of the core components of our maritime power and an activity that helps prevent war and build partnerships. Integral to the Navy's expanding maritime strategy as a "Global Force for Good" are Navy nurses who serve in a very different role than on the battlefield but an equally important and vital role in the Navy's HA/DR mission. In this role, Navy nurses provide outstanding care and education that ensures long-term improvements in the health and quality of life by enhancing the partner nation's capacity to provide care after the Navy departs. The trusting and collaborative relationships they forge with our host nation partners strengthens U.S. maritime security and facilitates the on-going training for disaster relief scenarios, ultimately improving capability to work together with partner nations in the event of a disaster in the future.

From April to September 2011, 93 Active and Reserve component Nurse Corps officers, as well as nurses from nongovernmental organizations and partner nations embarked aboard the USNS *Comfort* (T–AH 20) for Continuing Promise providing humanitarian civic assistance to nine countries in Central and South America and the Caribbean. Navy nurses were also key members of the healthcare teams aboard the USS *Cleveland* (LPD 7) for Pacific Partnership 2011 supporting humanitarian efforts in Tonga, Vanuatu, Papua New Guinea, East Timor, and Micronesia. Nurses served in a variety of roles as direct patient care providers, case managers, discharge planners, Medical Civic Action Program (MEDCAP) site leaders, patient educators, trainers for partner nation healthcare providers, and mentors.

On March 11, 2011, mainland Japan experienced a 9.1 magnitude earthquake. In its aftermath, a catastrophic tsunami and subsequent Fukushima nuclear meltdown devastated the Pacific coastline of Japan's northern islands. Navy nurses were once again at the ready providing reassurance, advocacy, education, and compassionate

care for local nationals, Active Duty and retirees and their family members during Operation Tomodachi. In theater, nurses at sea aboard the USS *Ronald Reagan* (CVN 76), one of the first ships to arrive on station following the tsunami, and nurses assigned to Fleet Surgical Team SEVEN aboard the USS *Blueridge* (LCC 19) rapidly prepared for the possibility of a mass influx of casualties and provided care for the sailors conducting air search and rescue/recovery operations.

Navy nurses were also actively supporting our military personnel and families on the ground. A Navy Certified Nurse Midwife at U.S. Naval Hospital, Yokosuka, Japan, led the early identification and recall of expectant mothers providing timely and appropriate outreach assessment and education for this high-risk, vulnerable patient population and coordinated the medical evacuation of 19 families transferred to Okinawa, Japan. When low levels of radiation were detected, a Navy Family Nurse Practitioner led one of the five potassium iodide distribution sites with fellow nurses providing educational counseling for the remaining 200 expectant mothers and more than 2,800 parents with children under the age of 5. Labor and delivery nurses were medical attendants for expectant mothers and family members during their transport flight to Okinawa, Japan and provided assistance to U.S. Naval Hospital, Okinawa during this influx of obstetric patients.

Nurses stationed at U.S. Naval Hospital, Okinawa provided medical and emotional support for 27 expectant mothers medically unable to return to the United States and family members arriving from Yokosuka, Iwakuni, Misawa, and Camp Zama. The first birth occurred just 2 days after arriving on Okinawa with the rest of the births following over the course of the next 4 weeks. Nursing support of these families did not stop following delivery and discharge from the hospital. Over the course of their 3-month stay, the nurses ensured the delivery and coordination of the highest-quality care until their safe return home.

Fleet nurses continue to be a significant part of Navy Medicine's medical support and training to our sailors and marines at sea. On aircraft carriers, well-rounded nurses, specialized in critical care, emergency/trauma, and anesthesia provide care and safeguard the health and well-being of 4,000–5,000 crew members and embarked personnel, as well as train and prepare the ship's crew to effectively manage a disastrous event resulting in mass casualties. Their actions significantly contribute to overall mission success by ensuring total force readiness while underway.

Extremely versatile, Navy nurses also provide tremendous support to the amphibious fleet as members of Fleet Surgical Teams (FSTs) bringing medical and surgical support, inpatient care and training capability to Navy vessels for a variety of missions. For example, a FST nurse anesthetist worked alongside medical officers of the Royal Singapore Navy providing clinical training and leadership during the 3-day medical training portion of "Cooperation Afloat Readiness and Training (CARAT)," an annual exercise between the U.S. Navy, its sister services, and the maritime forces of eight Southeast Asian countries. His sharing of medical knowledge strengthened regional cooperation, interoperability and relationships between partner nations increasing regional maritime security and stability.

FST nurses aboard the USS *Wasp* (LDH 1) provided the around-the-clock medical and surgical support required to conduct flight deck operations during the 18 days of initial sea trials of the F35B Lightening II Joint Strike Fighter. They supported the 22nd Marine Expeditionary Unit aboard the USS *Bataan* (LDH 5) during Joint Task Force Odyssey Dawn, a limited military action to protect Libyan citizens during a period of unrest. FST nurses aboard the USS *Essex* (LDH 2) were integral members of the medical contingency supporting President Obama's attendance at the 19th Association of Southeast Asian Nations (ASEAN) Summit in Bali, Indonesia, providing a readily available medical platform in the event of an unforeseen crisis.

Navy nurses continue to serve side-by-side with the marines in vital clinical and leadership roles providing invaluable medical support and training. For the first time, a Family Nurse Practitioner is filling the role as the First Marine Expeditionary Force Headquarters Group Surgeon at Camp Leatherneck, Afghanistan. Nurses are now also serving in unique roles as clinical advisors at Headquarters Marine Corps (HQMC), Marine Corps Combat Development Command and the Marine Corps Warfighting Lab giving clinical input and recommendations to the Marine Corps dismounted complex blast injury (DCBI) team to prevent and treat blast injuries. Their clinical expertise, battlefield experience and knowledge of recent theater requirements contributed invaluable input for improvements in the equipment carried by marines and sailors and implementation of tactical combat casualty care (TCCC) recommendations for pre-hospital care that markedly increased the chance of survival for casualties. These nurses also collaborated with Coalition Forces through American, British, Canadian, and Australian/New Zealand Armies to imple-

ment TCCC and DCBI guidelines throughout the pre-hospital phase standardizing care across the nations.

The recently released National Defense Strategy "Sustaining Global Leadership: Priorities for the 21st Century" states, "We will of necessity rebalance toward the Asia-Pacific region" and we will "emphasize our existing alliances, which provide a vital foundation for Asia-Pacific security." Navy nurses assigned to the 3D Medical Battalion, 3D Logistics Group are essential leaders and subject matter experts in Pacific Medical Stability Operations. These nurses trained the corpsmen responding to Operation Tomodachi and provided direct medical support and training to FRSS, STP, and en-route care nurses. They also trained coalition medics and lay health providers embedded with the military medical assets involved in joint training exercises for international nation building in the Philippines, Thailand, Korea, and Cambodia. Overall, these nurses function as key leaders and planners in the development and execution of operational field training exercises that encompass Mission Essential Task List requirements for global operational readiness. The care, healthcare education, medical training, and leadership they provide while serving side by side with our marines is unparalleled.

Through these diverse examples, it is clear that Navy nurses personify the Navy's slogan, "Whatever it takes. Wherever it takes us." Navy nurses are central to the delivery of safe, comprehensive, and high-quality care often in the most demanding, challenging, and austere missions supported by Navy Medicine. Our Corps continues to make a significant impact on the long-term health and quality of life of our sailors and marines, as well as citizens of our international partner nations. Mr. Chairman, the remainder of my testimony will highlight Navy nursing's achievements in my five strategic focus areas:

—Workforce;
—Nursing knowledge/Clinical expertise;
—Research;
—Strategic partnerships; and
—Information management/Communication.

OUR WORKFORCE

The Navy Nurse Corps recognizes its people as our most vital asset, and we are committed to maintaining a force of highly skilled and adaptable nurses ready to meet the diverse challenges of Naval service. The Navy Nurse Corps Active component (AC) was 94-percent manned at the end of fiscal year 2011. The Navy Nurse Corps remains an employer of choice as evidenced by our projected successful attainment of our fiscal year 2012 AC recruiting goal. Although more challenging, our Reserve component (RC) is working very hard to attain similar recruiting success and was 88-percent manned at the end of fiscal year 2011. These recruiting achievements are attributed to continued funding support for our accession and incentive programs, recruiting activities of local Navy Recruiters, active participation of Navy nurses in local recruiting efforts, and the public's positive perception of service to our country.

The Nurse Accession Bonus and the Nurse Candidate Program remain our two most successful recruiting programs for Active-Duty nurses entering the Navy through direct accessions. For our Reserve component, officer accession, and affiliation bonuses for critical shortage or high-demand specialties such as Certified Registered Nurse Anesthetist, Psychiatric/Mental Health Nurse Practitioners, critical care, medical-surgical, perioperative, and psychiatric nursing, and loan repayment programs for Certified Registered Nurse Anesthetist and Psychiatric/Mental Health Nurse Practitioners remain the most successful recruiting tools.

Last year, the Navy Nurse Corps experienced a significant decrease in our loss rates. I am happy to report the 2011 loss rates remained consistent with the improvements seen the prior year, particularly in our mid-level officers. We will make every effort to sustain these gains through long-term retention of these highly trained and qualified nurses. The Registered Nurse Incentive Special Pay (RN–ISP) and Health Professions Loan Repayment Program (HPLRP) remain central to our retention success. Full-time duty under instruction (DUINS) offering graduate education leading to advanced nursing degrees remains a major program for attracting new nurses as well as retaining those experienced Nurse Corps officers who desire advanced nursing education. I would like to thank you, Mr. Chairman, Vice Chairman Cochran, and all subcommittee members, for your continued support of these vital recruiting and retention programs.

Although we have experienced great success in nurse recruitment and retention over the past several years, our efforts to attract and keep the best and brightest nurses is still a top priority. Navy nurses throughout the United States and abroad

are actively involved in nurse recruitment and retention efforts to ensure the sustainment of a Corps with the most talented nurses. We are currently in the middle of our second successful tour with a Nurse Corps Fellow assigned to the Nurse Corps Office to monitor recruitment and retention efforts. Her presence at professional nursing conferences and job fairs speaking with new graduates and nurses across the United States provides an invaluable opportunity for us to gain real time information for prioritizing, planning, and implementing our recruitment and retention goals.

Last year, I spoke of our focused efforts to build our psychiatric/mental health nurse practitioner (PMHNP) community in response to an ever-growing healthcare need. PMHNPs continue to have a significant impact on building resiliency and enhancing the mission readiness of our sailors, marines, and families serving in diverse roles with the 1st, 2d, and 3d Marine Divisions, in stateside and overseas MTFs and clinics, and a myriad of deployments in support of our fighting forces. I am pleased to say over the past 5 years, we have increased our PMHNP billets from 8 to 23. There are currently 17 nurses practicing in this specialty. With the anticipated graduation of seven PMHNPs in May of this year, this vital community will be 100-percent manned with several remaining in and selected for the training pipeline to maintain maximum manning levels in this critical specialty.

NURSING KNOWLEDGE/CLINICAL EXCELLENCE

Clinical excellence in the provision of holistic and compassionate patient- and family-centered care is the cornerstone of Navy nursing and remains one of my top strategic priorities. Navy nurses are respected healthcare professionals actively involved in all levels of professional nursing organizations, the advancement of nursing practice, and sustainment of clinical excellence. The National Conference of the American Academy of Nurse Practitioners inducted two Navy nurses into the prestigious Fellows of the American Academy of Nurse Practitioners and another was honored as the recipient of the Pacific U.S. Territories State Award for Excellence.

The Navy Nurse Corps remains committed to our nurse practitioners and nurse anesthetists attaining doctoral education through our full-time DUINS program. We currently have 21 nurses in the training pipeline in programs that will take them directly from Bachelor's education to doctoral study, in specialties that include Certified Registered Nurse Anesthetist, Psychiatric/Mental Health Nurse Practitioner, Family Nurse Practitioner, Pediatric Nurse Practitioner as well as Nursing Research. This year, we selected 12 more nurses for doctoral education.

Nurses new to the Navy face many unique challenges from learning the intricacies of patient care and becoming competent in the application of newly acquired knowledge, skills, and abilities (KSAs), to integrating into the Navy culture as a commissioned officer. Developing clinical expertise begins immediately upon the Nurse Corps officer's arrival at their first-duty assignment. To ensure novice nurses a smooth transition into this challenging clinical role and environment, we developed a standardized Nurse Residency Program based on the Commission on Collegiate Nursing Education's "Standards for Accreditation of Post-BSN Nurse Residency Programs" and implemented it across Navy Medicine. This program provides an avenue for new nurses to gain competence, confidence, and comfort through didactic learning. It integrates evidence-based practice concepts, a designated preceptor in each clinical rotation site and a list of expected knowledge, skills, and abilities to be achieved for competency-based learning. Although implemented at all facilities receiving novice nurses, the largest impact of the Nurse Residency Program can be felt at our medical centers. Recognized for the diverse and complex clinical training these large tertiary care facilities provide, they receive the largest numbers of novice nurses with more than 200 nurses completing the residency program at large MTFs annually.

Over the past few years, the Nurse Corps has identified nursing specialties vital to routine and operational missions, developed standardized core competencies for these specialties, and ensured the development and sustainment of clinical proficiency for nurses throughout the enterprise. This year, significant work was done to update the core competencies based on current specialty practice standards. Formal policy was also developed to provide guidance for nursing leaders to sustain the utilization of these core clinical competencies and clinical proficiency in the identified critical specialties. This work will ensure nurses sustain the necessary clinical knowledge and skills within their clinical specialties to continually meet and succeed in any mission they are asked to fulfill.

Earlier in this testimony, I gave examples of advanced nursing knowledge and clinical excellence of Navy nurses who are providing heroic care to our Armed Forces in theater at the point of injury for initial stabilization, during transport to

higher levels of care and upon receipt to Role 3 facilities. This nursing knowledge and clinical excellence is also pivotal in every facet of care we provide our wounded warriors from the time they return stateside through their return to Active Duty or medical separation from Active service. Navy nurses are essential to creating and implementing innovative approaches to convenient and comprehensive treatment that enhances the care experience for our wounded warriors.

Navy nurses serving at Walter Reed National Military Medical Center (WRNMMC) continue to do phenomenal inpatient work on the Traumatic Brain Injury/Post Traumatic Stress Disorder Unit. They are recognized subject matter experts and educators on the topic of nursing care for patients with psychological health-traumatic brain injury (PH–TBI). They serve as instructors at the Uniformed Services University of the Health Sciences (USUHS) on evidence-based nursing interventions so nurses new to this specialty have knowledge of current practice trends for PH–TBI. This past year, they also taught at Andrews Air Force Base instructing members of the Air Force Explosive Ordinance Disposal Team about the signs and symptoms of TBI to facilitate earlier identification and initiation of treatment for servicemembers.

Inpatient nurses at the Naval Medical Centers San Diego and Portsmouth led the establishment of new inpatient units focused on the care of our returning wounded warriors. These units facilitate a smooth transition to the stateside MTF and provide comprehensive, convenient care in one centralized location. The "one-stop-shop" care concepts include direct admission to the unit providing a quiet, comfortable, and private environment for initial medical evaluations and often the first-time reunions with their families. Services brought to the patient include physical and occupational therapy, Project C.A.R.E. (Comprehensive Aesthetic Restorative Effort), education, and support groups for amputees and those experiencing combat operational stress, radiography, casting, evaluation by the acute pain service, and complex wound care. The care provided on these patient- and family-centered units has a tremendous impact on the recovery of our wounded warriors and their families.

Navy nurses continually research best nursing practices and align with national healthcare initiatives in an effort to advance the outstanding care they provide to our beneficiaries. Nurses were instrumental to Naval Hospital Jacksonville's becoming 1 of only 119 hospitals throughout the United States to have earned the "Baby Friendly" designation by "Baby Friendly USA," a global initiative sponsored by the World Health Organization (WHO) and United Nations Children's Fund. To achieve this designation, staff educational and facility design requirements must be met as well as passing a rigorous on-site survey. To maintain this designation, the staff must provide 10 clinical practices that include initiating breastfeeding within the first hour of life, keeping mothers and babies in the same room, and providing support groups for women who breast feed.

Nurses at Okinawa, Japan introduced evidence-based practice initiatives endorsed by the Institute of Healthcare Improvement (IHI) and the Robert Wood Johnson Foundation's program Transforming Care at the Bedside (TCAB), a national effort to improve the quality and safety of care on medical surgical units and improve the effectiveness of the entire care team. They led the implementation of multidisciplinary patient rounds and change of shift nursing report at the patient's bedside. These changes provide an opportunity for the patient and family members to be fully engaged in their plan of care with all members of the healthcare team. They also started the practice of having patient safety huddles throughout the shift to communicate changes in patient status or plan of care so all members of the healthcare team are aware prior to the care hand-off at the change of shift. These nurse-led practices improved the effectiveness of the healthcare team's communication with the patient and with each other, increased the quality and efficiency of patient care hand-offs, and significantly reduced medication errors. These improvements have also been major contributors to the unit's overall 93 percent patient satisfaction score, the highest of any department in the hospital.

NURSING RESEARCH

Advancing the science of nursing practice through research and evidence-based practice to improve the health of our patients is a vital strategic focus for the Navy Nurse Corps. Navy nurses authored more than 30 nursing publications and provided more than 50 formal presentations at various professional forums. We remain committed to increasing and diversifying our footprint in the field of research. This year, a team of outstanding nurses completed significant work to create a culture of scientific inquiry and revitalize nurses' interest in research, as well as increase the number of submissions and selections for projects funded by the Tri-Service Nursing Research Program (TSNRP).

Fundamental to the growth and development of nurse researchers is the availability of experienced mentors to guide and teach research novices throughout the process. To address this need, a nurse researcher position was developed and filled by experienced researchers at Navy Medical Center San Diego, Naval Medical Center Portsmouth, and WRNMMC. Additionally, a nursing research network data base listing personnel with experience in research along with a list of research educational offerings was developed and placed on Navy Knowledge Online (NKO) providing a centralized location with easy accessibility for nurses throughout Navy Medicine. Last, a Nurse Corps recognition program was established to recognize and promote excellence in implementing evidence-based nursing practice.

Mr. Chairman, we are extremely grateful for your continued support of the TSNRP, and I am proud to say that Navy nurses in both the Active and Reserve component are actively involved in leading and conducting Navy and joint research and evidence-based practice projects. In 2011, a Navy nurse took the helm as Executive Director of TSNRP and for the first time in Navy Medicine's history, a Navy nurse was selected to serve as the Deputy Director of the Joint Combat Casualty Research Team (JCCRT) overseeing medical and operational research activities in Iraq, Afghanistan, and Kuwait. Navy nurses completed research projects funded through TSNRP that have provided meaningful information to improve the care of our beneficiaries. One such study entitled, "Stress Gym for Combat Casualties" explored the lived experiences of combat casualties and the military nurses who cared for them. That information was used to develop and implement a Web-based intervention called Stress Gym, which provides an anonymous and private avenue for combat wounded to learn about the effects of and methods to manage stress, anxiety, anger, post-traumatic stress disorder (PTSD), and symptoms of depression. Stress Gym is extremely valuable in assisting nurses to address the psychosocial needs of returning warriors.

Another study entitled "Psychometric Evaluation of the Triage Decision Making Inventory" resulted in findings that will assist us in preparing our nurses for deployment. This study validated the "Triage Decision Making Inventory" as a reliable tool for assessing nurses' clinical competence. Nurses working in any clinical specialty can now utilize this tool to evaluate their knowledge and target additional clinical experience and training as necessary to ensure optimal clinical readiness for operational deployments.

A recently completed Tri-service study entitled, "Factors Associated with Retention of Army, Navy and Air Force Nurses" provided invaluable insight into why nurses stay in the military. Among the most important findings revealed in this study was that deployments, originally thought to be a significant factor in determining nurses' job satisfaction and retention, were actually not a significant factor. Most servicemembers are happy to deploy and saw this as their patriotic duty. Other factors influencing job satisfaction and retention in the military are based on opportunity for promotion, relocation frequency, professional leadership/autonomy, and ongoing opportunity to work in their clinical specialty. These findings are vital to the development of policy and leadership practices that facilitate continued job satisfaction and retention of our highly educated, skilled, and dedicated nurses.

Numerous funded projects are currently in progress, and in 2011, Navy nurses were granted $1.5 million in TSNRP funds as Principal Investigators (PI) for new projects proposing to study cognitive recovery from mild traumatic brain injury, new treatments for hemorrhagic shock, elective surgery outcomes for veterans with PTSD, and the role of nurses working in Patient-Centered Medical Homes in the management of patients and/or populations with high rates of utilization of healthcare services. Mr. Chairman and distinguished members of the subcommittee, I would like to thank you again for you ongoing support of nursing research and I look forward to sharing the results of these studies in the future.

STRATEGIC PARTNERSHIPS

Collaboration is absolutely essential in today's environment of continued rising healthcare costs and limited financial resources. Joint and integrated work environments are now the "new order" of business. As leaders in Navy Medicine and the Military Healthcare System, Navy nurses possess the necessary skills and experience to promote, build, and strengthen strategic partnerships with our military, Federal, and civilian counterparts to improve the healthcare of our beneficiaries.

Currently, Navy nurses work with the Army, Air Force, the Department of Veterans Affairs (VA) and other Federal and nongovernmental agencies. They serve as individual augmentees (IAs), work in Federal facilities and joint commands, conduct joint research and teach at the Uniformed Services University Graduate School of Nursing. This past year, a nursing team was chartered to focus on exploring meth-

ods to further expand collaborative partnerships across Federal and civilian healthcare systems. Their diligent efforts resulted in the development of a standardized Memorandum of Understanding (MOU), approved by the Bureau of Medicine and Surgery (BUMED), to assist MTFs and clinics to more easily establish strategic partnerships with civilian medical and teaching institutions. These partnerships are necessary to increase collaboration and provide additional clinical experience and training opportunities for nurses to remain deployment ready.

A unique partnership has been established between Naval Health Clinic New England in Newport, Rhode Island, the Naval Branch Health Clinic in Groton, Connecticut and the Veterans Affairs Medical Center (VAMC) in Providence, Rhode Island. Navy nurses from these clinics work two shifts each month in the VAMC emergency room or intensive care unit. This partnership benefits both organizations as it provides an opportunity for Active-Duty nurses to sustain their critical wartime specialty skills while assigned in an ambulatory setting and gives the VAMC additional nurses to support the provision of outstanding care to our veterans. Nurses involved in this collaboration who have returned from deployment, believed their VAMC clinical experience enhanced their training and preparation for deployment and instilled the confidence necessary to effectively perform in their role while deployed.

Navy nurses serving at the Captain James A. Lovell Federal Health Care Center, the only VA and DOD integrated facility, work side-by-side with VA civilian nurse colleagues to provide high-quality care to Active-Duty military and their family members, military retirees, and veterans. Through this partnership, Navy nurses have increased their clinical knowledge and skills in the care of medical-surgical patients with more complex and chronic conditions seen in geriatric populations.

INFORMATION MANAGEMENT/COMMUNICATION

Strategic Communication is paramount to the successful achievement of the Navy Nurse Corps' mission. In 2008, the DOD's "The Principles of Strategic Communication" describes Strategic Communication as "the orchestration and/or synchronization of actions, images, and words to achieve a desired effect". One of the nine key principles listed in this document is that it must be leadership-driven and "to ensure integration of communication efforts, leaders should place communication at the core of everything they do". I am committed to continually improving communication in the Nurse Corps to further strengthen our effectiveness.

Today's global scope and varying degrees of technology venues are recognized variables in effective communication. This past year, I chartered a team of Nurse Corps officers to promote communication across the Nurse Corps by developing methods to sustain, advance, and evaluate current communication processes. This team conducted an environmental scan to gather data regarding the most preferred and most effective communication venues and analyzed the responses from more than 1,000 participants. Results obtained from the environmental scan survey have been operationalized into a Strategic Communication Playbook explaining the types of communication venues available, where these venues are located, and when the information is disseminated across the enterprise. Additionally, they completed the framework for a formalized Navy Nurse Corps Strategic Communication Plan. Our work in Strategic Communication will continue in the upcoming year, and I look forward to sharing our progress.

CONCLUSION

Navy nurses continually embody the highest caliber of naval officers and healthcare professionals. They remain at the forefront of clinical and military leadership, pivotal to the success of every mission involving Navy Medicine. Their commitment to clinical excellence, advanced education, scientific inquiry, operational medicine, and global health is unsurpassed. In every mission at home and abroad, our efforts remain focused on improving the health of those entrusted to our care by providing a care experience that is patient- and family-centered, compassionate, convenient, equitable, safe, and always of the highest quality.

Senator Inouye, Vice Chairman Cochran, and distinguished members of the subcommittee, thank you again for this opportunity to share the remarkable accomplishments of Navy nurses and your unwavering support of the nursing profession. I am honored to be here representing the men and women of the Navy Nurse Corps and look forward to my continued service as the 23d Director of the Navy Nurse Corps.

STATEMENT OF MAJOR GENERAL JIMMIE O. KEENAN, CHIEF, ARMY NURSE CORPS, DEPARTMENT OF THE ARMY

Chairman INOUYE. Thank you very much, Admiral.

Now, may I call on General Keenan.

General KEENAN. Chairman Inouye, Vice Chairman Cochran, it is our honor to speak before you today on behalf of the nearly 40,000 Active, Reserve, and National Guard officers, noncommissioned officers, enlisted, and civilians that represent Army nursing.

Nurses have a proud history of more than 236 years of standing shoulder-to-shoulder with and caring for this Nation's warriors. We've done this in every conflict, from the dawning days of the American Revolution, to our current operations in Afghanistan. The Army Nurse Corps remains dedicated to America's sons and daughters who selflessly place themselves in harms way to defend this Nation.

I'd like to share with you today a story from Captain Bujak. She's one of our Army intensive care unit (ICU) nurses. She was deployed to Iraq in 2009. Captain Bujak describes her experience with the patient she cared for in theater and later met back in the United States.

"During my deployment to Iraq, I took care of numerous patients, from servicemembers, to contractors, to local nationals. Two months into my deployment, our ICU received a critically injured soldier from a rocket-propelled grenade (RPG) attack. From the moment he arrived, nurses, physicians, medics on duty came together and worked as a team. He was fighting for his life, and we were fighting with him. He was stabilized and was later evacuated back to United States.

"Fast forward 2½ years. After the U.S. Army Medical Command (MEDCOM) change of command ceremony, I saw a familiar face, a face I've never forgotten. It was our soldier from Baghdad, wearing ACUs, and walking up the stairs on his prosthetics. I was honored to be able to introduce myself and speak with him about those 2 days in Baghdad.

"Speaking with the man whom I had remembered fighting for his life, and now was preparing to leave other soldiers assigned to the warrior transition command is an amazing experience. I don't have to wonder any more about that soldier from 2½ years ago. Now, I know I completed my mission."

IMPROVE PATIENT CARE

We're a globally ready medical force. Within the last year, 483 of our nurses have deployed worldwide. We go with soldiers, airmen, sailors, and marines to save lives, support healing, and provide comfort. This is demonstrated by our medical management of the movement of critically injured patients in theater. The en route critical care nurse program is a joint Army, Navy, and Air Force endeavor, providing critical care transport capabilities on fixed- and rotary-wing evacuation platforms. This en route care program is a direct result of 10 years of caring for wounded warriors.

In addition to meeting demands, we continue to work to integrate our major initiatives to improve patient care. In February 2011, Army nursing began implementing a patient-centered outcomes focus care delivery system encompassing all delivery envi-

ronments: In-patient, out-patient, and deployed. The patient caring touch system was designed to reduce clinical quality variance by adopting a set of internally and externally validated best practices. The patient caring touch system is a true enabler of our major healthcare initiative, patient-centered medical home. It enhances the quality of care delivered for America's sons and daughters.

Nurses are taking a leading role in the implementation of and partnership with the delivery of services that focus on wellness outside the treatment facility. We serve in Army wellness centers and provide lifestyle coaching, health education that focuses on the behaviors that lead to preventable diseases, empowering our beneficiaries to lead healthier lives.

As members of Army Medicine, we address the white space to impact the life space. Nurses are there at the many touch points of the comprehensive behavioral health system. We are integral in providing continuity and a standardized approach for our soldiers and families.

I envision the Army Nurse Corps' journey toward nursing excellence will continue. We in the Army Nurse Corps are dedicated to the compassionate and trusted healthcare that we provide to America's sons and daughters.

Chairman Inouye, Vice Chairman Cochran, we appreciate this opportunity to speak to you about Army nursing, and we also appreciate all of your support to Army nursing. I am very humbled and honored to represent the more than 40,000 men and women that comprise Army nursing, and also to serve as the 24th Chief of the Army Nurse Corps.

Thank you.

[The statement follows:]

PREPARED STATEMENT OF MAJOR GENERAL JIMMIE O. KEENAN

INTRODUCTION

Chairman Inouye, Vice Chairman Cochran, and distinguished members of the subcommittee: It is an honor and a great privilege to speak before you today on behalf of the nearly 40,000 Active component, Reserve component, and National Guard officers, noncommissioned officers, enlisted, and civilians that represent Army nursing. It has been your continued tremendous support that has enabled Army nursing, in support of Army Medicine, to provide exceptional care to those who bravely defend and protect our Nation.

Nurses have a proud history of more than 236 years of standing shoulder-to-shoulder with, and caring for this Nation's warriors. We have done so in every conflict from the dawning days of the American Revolution to our current operations in Afghanistan.

GLOBALLY READY NURSING SUPPORTING THE FORCE

The Army Nurse Corps (ANC) remains dedicated to America's sons and daughters who selflessly place themselves in harm's way to defend this Nation. They remain our priority, and Army nurses are an invaluable presence, with 483 Active Duty and Reserve component nurses engaged in military operations in support of Operation Enduring Freedom (OEF) and other missions worldwide in 2011.

I would like to share a story from Captain (CPT) Bujak, one of our nurses who deployed to Iraq, on a patient she cared for in theater and later met back in the United States.

"During my deployment to Iraq, I have taken care of numerous patients, from our servicemembers, contractors to local nationals. Each patient was unique and my fellow nurses, medics and I provided them with the best care we could deliver. Two months into my deployment, our intensive care unit (ICU) received a critically injured soldier from an rocket-propelled grenade (RPG) attack. Upon arrival to the

emergency room (ER), he was quickly taken to the operating room and after couple hours of surgery, he was transferred to the ICU for recovery and stabilization. From the moment he arrived in the ICU, all of the nurses, physicians and medics on duty came together and worked as a team. Everyone was calm and focused, yet you could sense the concern, whether we can make a difference and get this soldier home. He was fighting for his life, and we were fighting with him. [The patient was stabilized and evacuated back to the United States].

"For the next couple of months, we would get updates from Walter Reed Army Medical Center on the status of 'our soldier', but once I redeployed back, I lost the ability to follow up. From time to time, I would reflect on that day, my teammates, the hard work and of course 'our soldier'. Two-and-a-half years later, after the Army Medical Command (MEDCOM) Change of Command ceremony, I saw a familiar face; a face I have never forgotten. It was 'our soldier' from Baghdad, wearing Army combat uniforms (ACUs) and walking up the stairs on his prosthetics. He looked as healthy and strong as any other soldier in the room. I was overcome with peace and joy. I was honored to be able to introduce myself to him and speak with him about those 2 days in Baghdad. Speaking with a man whom I remember fighting for his life and was now preparing to lead other soldiers assigned to the Warrior Transition Command is an amazing experience. I wanted to call the rest of my deployment ICU team and let them know 'We did make a difference'. I don't have to wonder anymore about that soldier from 2 years ago. Now I know, I completed my mission."

The ANC is dedicated to the care of our warriors and continues to incorporate lessons learned from supporting over a decade of war. We are structuring our capabilities and skill sets to meet the latest strategic imperatives of Army Medicine. Let me share with you several examples of how we are meeting the needs of the Army.

As a globally ready medical force, we go with the soldier, airman, sailor, and marine to save lives, support healing, and provide comfort. This is demonstrated by our medical management of the movement of critically injured patients in theater. The Enroute Critical Care Nurse Program (ECCN) is the direct result of 10 years of caring for wounded warriors. Its legacy is in the over-70-years of aero-medical evacuation. Enroute Care is the transport of critical patients via helicopter in theater. It is based on a research identified capabilities gap for the safe transportation of critically injured patients from point-of-injury (POI) to forward surgical resuscitation (Level II); from post-operative care Level II facilities to more definitive care at our Combat Support Hospitals (Level III); and from Level III facilities to the Strategic Evacuation platforms for transport to more definitive care in Europe and continental United States (CONUS). It encompasses strategically placed critical care nursing transport assets across the Combined Joint Operational Area—Afghanistan (CJOA–A).

The Army nurses providing this battlefield capability face many challenges. They must first meet the rigorous physical challenges required for the training and mission support. They must hold the 66H (8A) critical care nursing career field identifier and complete flight nurse training at the Joint En-route Care Course (JECC). The challenges to be overcome in training are minimal to the practice adaptations that must be made to provide in-flight care to critically wounded patient on life-support in the confined cabin of a rotary wing aircraft at altitude in hostile airspace, connected to an aircraft communication systems at night. Yet these nurses overcome these challenges, provide quality care under sub-optimal conditions and execute precision patient hand-offs between levels of care on the battlefield.

The ECCN program is a joint Army, Navy, and Air Force endeavor providing critical care transport capabilities on both fixed and rotary wing evacuation platforms. The Army ECCN personnel requirements are mission dependent. However, there are currently nine Army nurses and an Air Force Team of one Physician and two Certified Registered Nurse Anesthetists (CRNA) assigned to the mission. They are attached to aviations assets across the CJOA–A supporting the movement of critically ill and injured across the battle space. In the last calendar year, these flight nurses transported 1,192 patients between levels of care within the Afghan theater. Two hundred eighty-two (27.5 percent) of these transfers were United States service personnel; 303 (29.5 percent) were Afghan Security Forces; 41 (4.1 percent) were coalition partners; 336 (32.7 percent) were Afghan civilians; and 37 (3.1 percent) were detained personnel.

ECCN personnel do more than transport the critically ill or injured while in theater; they also ensure that they remain relevant and ready not only for themselves but insure their team is ready as well. Captain (CPT) Ritter and First Lieutenant (1LT) Bester are shining examples of this within their aviation companies, as they ensure sustained competence of the enlisted flight medics. They are truly integrated

members of the MEDEVAC team with a vested interest in the team's collective mission success.

We have continued to develop full-spectrum capability to manage critical trauma patients in all environments responding to the Army's needs, broadening our scope across the battlefield, and consistently meeting unprecedented challenges while providing care to America's injured and ill sons and daughters. The first Trauma Nurse Course (Pilot course) was completed in February 2012, and 15 students completed an 18-week program at San Antonio Military Medical Center (SAMMC). The Trauma Nurse is a multifunctional Army Nurse with critical care theory, knowledge, and highly developed nursing expertise capable of optimizing patient outcomes. This nurse will have the foundation to care for patients across the continuum of care both in the emergency and intensive settings, and during patient movement regardless of the environment. This pilot is critical to determine the skill sets required to continue to be an agile and flexible medical force for our warriors.

In addition to the trauma skill set, the ANC is developing other clinical skills to meet the Army's current and future needs. One of our new initiatives is the development and utilization of Psychiatric Nurse Practitioners which will be adopted as an area of concentration (AOC) for the Army. The Army Psychiatric Nurse Practitioner provides the assessment and diagnosis of mental illness and any medical problem that may account for or exacerbate a mental illness. They treat mental illness through medication management and psychotherapy. Treatment also includes the appropriate ordering of diagnostic tests and medical consultation/referral when indicated.

Army Psychiatric Nurse Practitioners serve in as direct provider in the outpatient and inpatient behavioral health arena. Additional roles in a fixed facility include officer-in-charge of outpatient behavioral health clinics or the Chief of Department of Behavioral Health at a medical activity (MEDDAC) or medical center (MEDCEN). The senior Army Psychiatric Nurse Practitioner currently serves as the Psychiatric Nurse Practitioner Consultant to the Surgeon General (TSG). This senior Psychiatric Nurse Practitioner works with the other Behavioral Health Consultants to address behavioral health policy and procedures.

Army Psychiatric Nurse Practitioners have deployed since the beginning of the Global War on Terrorism primarily to combat operational stress control (COSC) units, but also to Combat Support Hospital (CSH) in support of detainee care missions. Psychiatric Nurse Practitioners provided care to detainees and the soldiers, sailors, airman, and marines assigned to this mission. Army Psychiatric Nurse Practitioners have served as commander(s) of COSC unit(s) in Iraq and Afghanistan.

One provider, Colonel (COL) Yarber, served as the Chief of Behavioral Health for a detainee care mission in Iraq for more than 20,000 detainees and military/civilian support. Upon redeployment, he provided full-time direct outpatient care and served as the officer-in-charge (OIC) for a 3-week intensive outpatient post-traumatic stress disorder (PTSD) treatment program (Fort Hood). Consequently, he was selected to serve as the OIC for the Outpatient Behavioral Health Clinic at Fort Hood while serving as the Behavioral Health Care manager for more than 1,000 soldiers and civilians identified as "high risk" after the November 5, 2009 SRP shooting incident at Fort Hood. He managed the ongoing assessment and coordinated care as required for both soldiers and civilians. Later he was selected to serve as the Chief, Department of Behavioral Health and subsequently deployed in support of OEF. COL Yarber is the Consultant to the Surgeon General for Psychiatric Nurse Practitioners, and is a shining example of our specialty addressing behavioral health needs of our warriors.

Despite our efforts in theater, working with our coalition partners, the journey of our wounded warriors does not end in theater. Army Nurse case managers have been engaged in warrior care efforts since June 2003, when as a result of the wars in Iraq and Afghanistan, the demand for support and assistance for wounded, ill, and injured servicemembers began increasing exponentially. The Warrior Care and Transition Program has continued to make improvements to warrior care and nurse case managers have been at the forefront of those improvements. In December 2011, the Warrior Transition Command published the Comprehensive Transition Plan Policy and Execution Guidance. The comprehensive transition plan provides a tool that supports a soldier's goals to heal and successfully transition back to the force or to separate from the Army as a Veteran.

The primary role of the nurse case manager is to assist each wounded, ill, or injured soldier in the development of personal goals, and then to oversee the coordination of his clinical care to ensure achievement of these goals. Nurse case managers are at the forefront of care managed by Triad of Care teams (which are comprised of a nurse case manager, primary care manager, and a squad leader or platoon sergeant), planned with the input of an interdisciplinary team, and outcomes focused

on return to duty and the creation of informed and prepared Veterans who are armed and confident as they begin a new life out of uniform. Today, the Army has more than 500 nurse case managers assisting a warrior transition unit population of nearly 10,000 wounded, ill, and injured soldiers. Case management efforts have facilitated the transition of 51 percent of this population back to the force.

While our warrior transition units focus on our most severely wounded, ill, and injured soldiers, the number of soldiers requiring care for conditions that result in a medically nondeployable condition continues to grow. We recognized that there is a value add to provide this group of soldiers with nurse case managers in order to maintain a force that is ready to fight. The result has been the development of Medical Management Centers to facilitate a rapid return to the force of these soldiers. We have aligned Nurse Case Managers with our combat units in garrison to work with teams of Licensed Practical Nurse (LPN) Care Coordinators to quickly identify and coordinate care for our "medically not ready" soldiers. These are soldiers who have temporary profiles for ongoing medical conditions that will take 30 days or greater to resolve. The Nurse Case Managers and LPN Care Coordinators partner with the soldier, the soldier's unit and the patient-centered medical home (PCMH) team to develop and execute a soldier-centered plan of care. This plan of care focuses treatment to return the soldier to full medical readiness as soon as the soldier is able. When a full return to duty is not possible, the nurse case manager facilitates the soldier's care and transition through the Integrated Disability Evaluation System (IDES).

Our effort toward ensuring a globally ready medical force was further realized with the assignment of a senior nurse at U.S. Army Africa. As the first Chief Nurse for U.S. Army Africa, COL Armstrong is responsible for establishing nursing's role in support of the DOD's newest command. This includes researching the "State of Nursing" in 55 African nations, ascertaining the medical activities of governmental/nongovernmental agencies to eliminate any overlap of Army programs, and serving as a medical "strategist" to identify opportunities for future engagements. Other activities include serving as a clinical expert and facilitator for military to military medical exchanges, surveying host nation medical facilities, and ensuring that personnel have the appropriate credentials for all Army-led medical missions on the continent.

COL Armstrong also served as the Surgeon for Joint Task Force (JTF) Odyssey Guard in support of Libya during its "Arab Spring" uprising. As the senior medical advisor to the JTF Commander, COL Armstrong and her staff played a key role in the joint planning and oversight of ground, sea, and air medical assets, coordinated the medical evacuation of 26 Libyan war wounded to facilities in the United States and Europe, and supported the re-establishment of the United States Embassy in Tripoli.

ENHANCING THE CARE EXPERIENCE

In February 2011, Army nursing began implementing a patient-centered, outcomes focused care delivery system encompassing all care delivery environments; inpatient, outpatient, and deployed. The Patient Caring Touch System (PCTS) was designed to reduce clinical quality variance by adopting a set of internally and externally validated best practices. PCTS swept across Army Medicine, and the last facility completed implementation in January 2012. PCTS is a key enabler of Army Medicine's Culture of Trust and nests in all of Army Medicine's initiatives. PCTS is enhancing the quality-of-care delivery for America's sons and daughters.

PCTS has improved communication and multidisciplinary collaboration and has created an increased demand and expanded use of multidisciplinary rounds (Patient Advocacy—Care Teams). In one large Medical Department Activity (MEDDAC), a provider was concerned with gaps that he saw in the discharge planning process that he had on a one of his wards. He said "I think that all would agree that the PCTS has been a huge success in improving physician/nurse communication. Personally, I love being able to round with the nurse taking care of my patients and have already seen improvements with accountability and performance . . . Mr. F. approached me this morning with a fantastic way to extend this same system of communication to discharge planning." This provider facilitated the necessary changes, partnering with nurses to ensure that the patient remained the focus of the change. Several facilities have reported that bedside report, hourly rounding, and multidisciplinary rounding are so much a part of the routine that they cannot recall a time when it was not part of their communication process. During one facility site visit, when the team walked into the patient room, the patient was overheard to say, "Hello Care Team! It is so good to see your familiar faces—time to

update my white board and for me to tell you what kind of day I had and what my priorities are tonight!"

For the first time in the history of Army nursing, we have outcome data obtained through the systematic tracking and reporting of 10 priority metrics, benchmarked against national standards. (Evidence-Based Practices—Optimized Performance). This has served to increase individual and collective accountability, and the use of evidence-based practices. In three of our largest military treatment facilities (MTFs) we were having challenges in pain reassessment—we knew that it was being done, but it was not being documented. Pain reassessment (in the inpatient) and pain assessment (in the outpatient) environment is 1 of the 10 priority metrics of PCTS. It is also a focus area for the Pain Management Task Force, the Joint Commission, etc. We found that just by tracking this metric, there has been a significant improvement (on average 50–90 percent compliance within the first 60 days) to 98-percent compliance within 90 days. Staff in these facilities were very excited, and instituted simple, cost neutral interventions such as using a medication administration buddy system, door signs in the shape of a clock, use of hourly rounds, and pager systems to support pain reassessment processes. In the outpatient areas, visual cues regarding the "fifth vital sign," referring to perceived pain, were created, and a modified buddy system was used to support pain assessment processes. These interventions have supported pain reassessment rates and assessment rates of 98–100 percent which have a positive outcome impact for patients. We are seeing decreased rates of falls with injury, medication errors and medication errors with injury since implementation of PCTS, and are continuing to monitor these data monthly.

PCTS increases the continuity of care by decreasing staff absenteeism and reducing staff churn. We have been tracking facility absentee rates monthly since PCTS was implemented, and have noted a decrease in many facilities. As part of PCTS, we conduct Practice Environment Scale of the Nursing Work Index (PES–NWI) surveys, completing one in January 2011 and one in July 2011. When we compared the data for intent to leave, there saw improvements in the data postimplementation. These data are very promising and warrant close evaluation. We will continue to monitor absentee rates, and we will conduct the survey again in April 2012. We expect this trend continue and to be able to link these data to PCTS.

PCTS increases nurse engagement which positively impacts patient outcomes. (Healthy Work Environments—Shared Accountability) At a recent site visit to a MTF a registered nurse when asked why she was actively engaged in PCTS said, " . . . for the first time in a long time I feel that what I have to say matters, and that nurses are seen as an equal part of the healthcare team—that feels good." One nurse said, "PCTS has given the practice of nursing back to nurses—others used to tell us what we could and could not do and we let them—we have to know what our scope of practice is and PCTS has made us have to be much smarter about it."

Facilities across Army Medicine have implemented shared accountability in the development of unit practice councils and facility nurse practice councils. This has allowed each to create real time examination of practice, to ensure that it is standards based, innovative and current, and aligns with the ANA Standards of Practice and Professional Performance and Code of Ethics. Several of the products from these councils are being prepared for review by the Army Nurse Corps Practice Council (ANPC) for consideration as an ANC-wide best practice. The ANPC has fielded two Army nursing-wide clinical practice guidelines since PCTS implementation; patient falls prevention and nursing hourly rounding. Both directly support one of the 10 priority outcome based metrics and illustrate another first for Army nursing.

PCTS supports licensed personnel to perform at their fullest scope of their licensure, and for nonlicensed personnel to perform at their fullest scope of competence. In a recent site visit, a 68D Noncommissioned Officer shared that he is the Core Component Leader for Shared Accountability, and is the leader for the Unit Practice Councils. He said that before PCTS, he would never have been able to have this role. He now has a better understanding of licensed practice, and the scope of competence of unlicensed personnel. He believes that this has increased the understanding of exactly what the 68D (operating room technician) can do and what the 68W (medic can do). This has really helped all across the facility—medics are doing more than just taking vital signs. This makes the medics feel valued in their role in the clinics.

PCTS ensures that our patients know that their best interests drive all of our care decisions, and that they are part of those decisions. As PCTS moves into sustainment, we expect that we will continue to have positive impacts in each of the 10 priority metrics and that these results will enable similar changes in Army Medicine.

Another healthcare initiative is the patient-centered medical home (PCMH). Nursing engagement and commitment to in the PCMH transformation process have been impressive. The PCMH transformation process has been a grassroots and top driven endeavor from the regional medical command level down to each individual MTF to provide comprehensive and continuous healthcare to our beneficiaries.

Nurses have been on the forefront of PCMH transformation and while many had unique PCMH nursing stories the following were ones that are the most memorable. Major (MAJ) Gray, Officer-In-Charge Military Readiness Clinic and Family Nurse Practitioner (FNP) states that the continuity of care that PCMH provides has allowed her, as an FNP, to put patients back into the center of care and allowed patients to trust that the system works. One story she shared was how a wounded warrior was able to decrease his pain meds from four to one over the past 6 to 9 months. She stated that continuity of care between herself and the patient allowed the patient to trust that "you will take care of me". For the nurses that work in her clinic, "the spark has been reignited . . . you can see it in their eyes" and in the nursing care that they deliver. Often the nurses remark that, "This is why I got into nursing—this is why I went to nursing school. PCMH helps me to make a difference and helps me to improve my patient's lives." One of MAJ Gray's nurse's, Ms. Ingram, a licensed vocational nurse (LVN), states that PCMH allows her to be considered a nursing professional. She didn't feel as if others regarded her as a professional because she was a LVN. She stated, "Now my patients know me and the team. We have a personal relationship. They feel like we care, and we do. When we ask them how they are doing, they tell us. They trust the system. Even when I am not at work, like the other day I was at Wal-Mart after work, my patient call out to me, 'Hey! You are my nurse!' PCMH is not about numbers but about our relationship with our patients."

Nurse Case Managers play a large role in the coordination of all phases of patient care in this system. Nurse case managers are having a direct impact on savings within our PCMHs. The case manager's early identification and care coordination of high-risk patients reduces hospitalizations and emergency room visits, improves medication adherence and closes care gaps that trigger or exacerbate health conditions. The return on investment of embedding Nurse Case Managers into the Primary Care Clinics and the Medical Management Centers directly supports the MEDCOM's initiatives.

We recognized a need to educate Army Nurse Case Managers in all practice settings. In November 2011, we launched a new nurse case management qualification course directed toward the novice case manager but open to any case manager joining the Army Medical Department (AMEDD) team. Military graduates are awarded the M9 identifier. Additionally, graduates should have the core skills to sit and pass a national certification exam once they have obtained the clinical practice hours to be eligible to take either the certified case manager (CCM) or American Nurses Credentialing Center (ANCC) exam.

During the week of February 6, 44 nurse case management students assigned to warrior transition units, community-based warrior transition units, and PCMH practice settings worked alongside warrior transition unit squad leaders and platoon sergeants at the resident course in San Antonio, Texas to practice skills in communication and collaboration. The case managers watched a movie outlining the journey of four Operation Iraqi Freedom soldiers and their families from deployment through recovery. They formed teams and developed care plans using the Comprehensive Transition Plan process for one of the four soldiers and presented it to the group. That same week, a group of 28 nurses participated in guided discussions on effective documentation and the integrated disability evaluation system from around the country. They used Defense Connect Online technology to facilitate their discussion, share ideas and continue to develop a standard skills set as case managers.

The Army also recognized a need for ongoing professional development of our nursing case managers. To facilitate the education of Supervisor Nurse Case Managers, the Warrior Transition Command developed a 4.5 day Clinical Leader Orientation Program. This program focuses on key leader competencies and provides attendees with 13 hours of continuing education. In August of this year, MAJ Steimle will begin a course of study to obtain a Master of Science in Nursing Case Management. She is our first ANC officer to receive funded graduate education support for a Masters in case management. Beginning in fiscal year 2013, we have programmed funds to send two nurses to graduate case management programs annually.

Under the direction of Ms. Roberts, the Womack Army Medical Center Medical Management team developed a process to examine the essential components of appropriately sized caseloads for case managers in MTFs. The team developed a model

that not only takes into account patient/family acuity and nurse case manager abilities but also provides for capture of quality metrics, return on investment data, utilization management data, and peer review.

The result was the development of the Nurse Case Manager Workload and Acuity Tool. This process improvement initiative has had a statistically significant and measurable impact on the role of case management in patient care, individual and department goal-setting, the supervisory process, and performance expectation. The MEDCOM has recognized this initiative as a best practice model in caseload calculation and the resulting quality implications. As a result the tool is being tested Army-wide.

As we expand the utilization of Nurse Case Managers, so, too, do savings generated by their efforts. The case manager's early identification and care coordination of high-risk patients reduces hospitalizations and emergency room visits of the chronically ill, improves medication adherence, return's soldiers to Full Medical Readiness and closes care gaps that trigger or exacerbate health conditions.

UNITY OF EFFORT THROUGH JOINT TEAMS AND COALITION PARTNERSHIPS

As they have selflessly served in the past, Army nurses stand today on freedom's frontiers in Afghanistan supporting the International Security Assistance Forces (ISAF), our partners in the North Atlantic Treaty Organization (NATO), and as members of United States Forces—Afghanistan. One hundred thirty-six Army nurses from all three Army components make up the Army Nursing Care Team—Afghanistan. Ninety-nine represent the Active component, 30 represent the U.S. Army Reserves, and two represent the Army National Guard. These nurses are delivering world class care to our warriors, our NATO partners, Afghan Security Forces, and the people of Afghanistan. They provide care in 39 different facility-based locations, at the four distinct roles in the spectrum of battlefield care, at the five theater regional command levels, and along the entire continuum of combat care—from point-of-injury to evacuation from the theater of operation. This care includes reception of Afghan casualties, treatment, and responsible discharge planning to the Afghan National Care System.

Multinational partnerships are part of the shared vision for a stable, independent, sovereign Afghanistan. This includes the coordinated application of all of the available instruments of power to aid in stabilizing and legitimizing the Afghan system. Partner countries engage in activities to win the hearts and minds of the Afghans and a peaceful end to war and enhance efforts toward national stability. This includes helping the Afghan people meet their basic need for clean food and water, health and security; while simultaneously ensuring the health and welfare of the International Security Assistance Forces. In September 2011, 87 members of the 10th Combat Support Hospital from Fort Carson Colorado joined forces with the 208th Field Hospital and a Danish Forward Surgical Teams to provide comprehensive Role 3 combat health service support at Camp Bastion in Helmand Province, Afghanistan.

This first ever joint U.S. Army and UK Army health service delivery partnership has been an innovation in the responsiveness, flexibility, adaptability, and battlefield capabilities supporting coalition forces, Afghan Security Forces, and providing much needed trauma support for severely injured Afghan civilians. While the partnership is largely about the enhanced healthcare capabilities and building reliance on the Afghan system of care, it has also transformed how we train, deploy, and sustain medical forces in a combat zone.

The 87 members of the 10th Combat Support Hospital, including 43 Army Nurses, began their road to war by joining 143 British counterparts from the 208th Field Hospital to take part in a 2-week Mission Support Validation (MSV) Hospital Exercise (HOSPEX) in Strensall, England. The assembled team was specifically formed to provide enhanced polytrauma surgical capabilities to care for the emerging complexities of blast injuries from improvised explosives devices (IEDs) encountered by coalition forces during dismounted patrols in south and southwest Afghanistan. This first ever US/UK joint training exercise conducted in Strensall, England was a model for mission specific team training for deployed operation. During this HOSPEX, the newly established team was collectively exposed to the mission expectations and facilities at Camp Bastion, including every aspect of care from casualty reception to evacuation. Forming teams with their specific practice areas the primary focus was on team development, familiarizing the team with the equipment and processes of care. This collaborative environment provided the healthcare teams with the opportunity to share evidence based clinical practice guidelines, train on procedures, and rehearse trauma procedures prior to deploying to ensure that every-

body on the team knew, understood, and was validated with every protocol under combat like conditions prior to deploying.

The joint US/UK support mission at Bastion/Camp Leatherneck is a critical one and the 43 Army nurses assigned there play an essential role in the combat health service support to the more than 54,650 coalition soldiers at risk within Regional Commands South-West and West. They provide compassionate nursing care in the 6-bed emergency/trauma suite, the operating theater, the 16-bed intensive care unit, and the 50-bed intermediate care ward. And while they do so they are innovating nursing practice, streamlining the discharge planning process, and supporting the Afghan healthcare system.

HEALTH SERVICE SUPPORT

The ANC is fully engaged in joint operations with our sister services. One example of the synergy we have created with dedicated effort of the Navy and the Air Force is the Joint Theater Trauma System (JTTS). The ANC has been providing officers to function as trauma nurse coordinators in the JTTS since 2004. These critical care nurses serve jointly with Navy, Air Force, and Canadian nurses to collect trauma data in-theater and conduct performance improvement at the three U.S.-staffed military hospitals. In the past year, six Army nurses have filled this role in southern and eastern Afghanistan, working closely with British forces and the air medical evacuation units in those regions. In 2011, these nurses entered more than 2,000 records in the military trauma registry, documenting the medical care given to all casualties, military and host nation, cared for by Coalition forces from point-of-injury to hospital discharge.

In addition to deployed personnel, the ANC has recently positioned two field grade officers at the Joint Trauma System in San Antonio. These officers were assigned following postgraduate fellowships at the RAND Corporation. Using the analytic skills learned in their training, they have completed system-wide performance improvement and evaluation projects on a variety of urgent trauma issues, including pre-hospital medical evacuation, blood product utilization, en route critical care, clinical practice guidelines, and surgical complications. Whether it's optimizing care at the bedside in-theater, ensuring the best care at each stop on a wounded warrior's journey home, or at the enterprise level monitoring delivery of the most current evidence-based care, nurses continue to be integral parts of the trauma system of care.

Another successful example of joint operations is the Walter Reed National Military Medical Center (WRNMMC) Inpatient Traumatic Brain Initiative/Post-Traumatic Stress Disorder Unit (TBI/PTSD). The TBI/PTSD unit, (7 East) is a 6-bed acute care unit with medical/surgical and behavioral health capability. Conceptually, it is a short stay unit (2–3 weeks) where functional deficits are evaluated among wounded and injured servicemembers, while simultaneously engaging in early interventions for TBI complications. This multidisciplinary approach is a major collaborative effort among nurses, therapists, physicians, patients, and family members, and it continues to be one of the essential pillars that navigate and shape care provided to this complex population.

One of the success stories from this venture was patient J.B. who initially came to 7 East with increasing behavioral issues that prevented his ability to live unassisted in the community after sustaining injuries from an IED blast and a subsequent automobile accident. After multiple failed hospitalizations, the family turned to WRNMMC for help. The patient's recovery improved with highly specialized collaborative treatment interventions including medication adjustments and behavioral therapy. A full article was published on this patient's case in the September 2011 Washingtonian Magazine.

We are following the Institute of Medicine's (IOM) recommendation to prepare and enable nurses to lead change and advance health through the assignment of Army nurses to warrior transition units and our focus on public health and behavioral health. I believe that my assignment as Commander of USA Public Health Command shows that the Army recognizes the importance of nursing in advancing health from a healthcare system to a system of health.

In America, we in DOD spend an average of a 100 minutes each year with our healthcare team. The other 525,500 minutes of the year our patients are not with us—the same amount of time our environment influences the behaviors that determine our health occur. Nurses are taking a leading role in the implementation of and partnership with the delivery of services that focus on wellness outside the treatment facility. They serve in Army Wellness Centers and provide lifestyle coaching and health education that focus on the behaviors that lead to the manifestation

of diseases (e.g., hypertension, diabetes, cholesterol) thus reducing dependency on treatment and empowering them to lead healthier lives.

Another initiative to support America's sons and daughters wellness outside the treatment facility is the Army healthy weight campaign—a comprehensive framework to increase physical activity, redesign how we eat and the environments that support both. It is a plan to achieve a unified vision of an Army family leading the Nation in achieving and maintaining a healthy weight through surveillance, clinical prevention, and community prevention. This campaign supports two strategic priorities of the National Prevention Strategy, signed by President Obama on June 16, 2011. Public health executive nurse leaders were instrumental in the development of this National Prevention Strategy, and continue to serve as national leaders in the implementation of this roadmap for our Nation's health.

When prevention is insufficient to protect our warriors from health threats across the globe, the USA Public Health Command created the structure for enhanced public health nursing capability that provides centralized oversight with decentralized health protection and wellness services world-wide. This public health nursing capability exceeded all expectations when tested in September as part of the Rabies Response Team efforts when more than 9,000 warriors, DOD civilians and contractors across the globe received medical screening and treatment services—the majority within 72 hours of notification. Initially, Army Public Health nurses reached out to these warriors during the Labor Day holiday to provide the human touch that allayed their fears and synchronized follow-on care regardless of their remoteness to military healthcare facilities.

The ANC is also engaged with the latest initiatives in the AMEDD. Recognizing the magnitude and impact of women's health, the Surgeon General identified the need for a Women's Health Task Force (WHTF) to evaluate issues faced by female soldiers both in theater and garrison. We have several Army nurses assigned to the task force, the Executive Officer MAJ Perata is an obstetrics/gynecology nurse. The Task Force is currently working on a number of initiatives for Women Health, to include research and development on the fit and functionality of uniform and protective gear for female body proportions, research of the psychosocial affects of combat on women, and to investigate the integration of Service policies on sexual assault prevention and response programs in theater. Given the large percentage of women in our Army, we fully support the TSG initiatives in women's health.

DEVELOPMENT OF NURSING LEADERS

The Nurse Corps is dedicated to the support of lifelong learning by providing numerous continuing education opportunities. We created the Nursing Leaders' Academy to provide the developmental leadership skills within our nursing officers to mold them into future healthcare leaders. We send Nurse Corps officers for advanced degrees in clinical, research, and administrative degree programs to build our profession. We also support contact hours for lectures, conferences, and seminars to maintain our officer's licensure.

We believe that providing a residency program to our novice nurses is essential to the training of new graduates. We implemented a Clinical Nurse Transition Program which last 6 months and prepares our novice nurses for clinical practice. This program, in its third year, has resulted in an increase in our novice nurses intent to stay in the ANC beyond their initial obligation as well as favorable comments from patient surveys. We also have developed a Clinical Nurse Leader pilot program and support clinical residency programs for a number of our graduate education programs and clinical specialty programs.

The ANC is also following IOM's recommendation to increase the number of nurses with a doctorate. Our advanced practice nurses will possess a Doctor of Nursing Practice (DNP) as the standard degree in our training and education programs by 2015. We currently fund five nurses a year through our robust Long-Term Health Education and Training Program for Ph.D. studies.

An example of one of our recent Ph.D. students is MAJ Yost who earned her Ph.D. degree in nursing from the University of Virginia. Her dissertation was titled, "Qigong as a Novel Intervention for Service Members With Mild Traumatic Brain Injury". The purpose of the study was to determine the level of interest in and perceived benefit of a program of qigong, a Chinese health system that has been practiced for thousands of years. In addition to perceived improvements in quality of life and pain management, the active meditative movements of qigong allowed servicemembers to enjoy benefits of meditation without experiencing troublesome flashbacks commonly seen in those with mild traumatic brain injury (mTBI) and comorbid PTSD.

The ANC also values the contributions of our Department of the Army civilian nurse leaders. Our consultant for Nursing Research, Dr. Loan, is one of our many valued civilian members. Dr. Loan, Ph.D., RNC, just completed her second year as the Consultant to the Surgeon General for Nursing Research. Her recent contributions include: AMSUS November 2011 Speaker: Army Nursing Research Evidence-Based Priorities Breakout Session; Nursing Research Advisory Board Meeting November 2011 to establish 2012 EBP/Research priorities. She recently was published in the AMEDD Journal related to the transformation from Nursing Research Service to Centers for Nursing Science and Clinical Inquiry October–December 2011. Dr. Loan was inducted into the Fellows of the American Academy of Nursing (FAAN) in October 2011.

The total civilian nurse (registered nurse (RN), licensed practical nurse (LPN), and certified nursing assistant (CNA)) inventory constitutes 23 percent of the MEDCOM civilian workforce and 34 percent of the civilian medical occupations in Career Program 53—Medical. Civilian nurses work in all nursing care settings to promote readiness, health, and wellness of soldiers, their family members, retirees, and other eligible beneficiaries across the lifespan. It is the dedicated civilian nurse workforce that enables and complements the ANC to meet full mission requirements by serving as the fibers in the network of continuity at fixed facilities. Civilian Nurse Career development has been on the forefront of the Nurse Corps agenda for the past decade in support of integrated Talent Management and Leader Development. This integration fosters development of adaptive leaders and further building of highly trained, educated, and confident leaders and followers to construct required high-performing integrated teams.

The ANC has diligently worked to establish sustainable career life-cycle management strategies such as Student Loan Repayment Program, Accelerated Training and Promotion Program, standardized nurse titling, nurse competencies, and nursing position descriptions (some dating back to the 1970s), and Career Maps which have either been implemented or are in progress. For example, the student loan repayment program has supported 955 individuals with 299 of them supported for multiple years. This has resulted in 85-percent retention rate of these for retention purposes and improved educational status of the workforce. The Accelerated Training Program allows for new RN placement and accelerated promotion of two grades within 1 year with successful completion of each phase of training. Fifty-three personnel have successfully completed this program which has resulted in advancing academic accomplishments and career entry for nursing personnel. The DOD Civilian Healthcare Occupations Sustainment Project (CHOSP) has been a multiphased initiative that has resulted in updated qualification standards for civilian RN and LPN nursing positions and the creation of an advanced practice registered nurse (APRN) standard to support a relevant and dynamic workforce. These, along with standardized titling and competencies, promote value by reducing unnecessary variance leveraging the full capabilities of a trained workforce, and enhancing unity of effort. The feasibility and functionality of Professional Standards Boards (PSBs) continue to be explored as a culmination of the nurse career development and progression.

I envision the ANC will continue compassionate care and innovative practice in healthcare. Through the PCTS and the PCMH we will consistently and reliability meet the needs of our patients and their families. We will continue to grow and develop our nurses to fill the gaps in our health system while anticipating future needs. The ANC is positioned for the changes in our Army and in Military Medicine. We will continue to embrace our proud past, engage the present challenges, and envision a future of seamless improvement in quality care. We in Army nursing are truly honored to care for America's sons and daughters. Senator Inouye, Vice Chairman Cochran, and distinguished members of the subcommittee, thanks again for the opportunity to highlight Army nursing. I am humbled and honored to represent the more than 40,000 men and women who comprise Army nursing and serve as the 24th Chief of the Army Nurse Corps.

Chairman INOUYE. Thank you very much, General Keenan. Before I proceed, I'd like to assure all of you that your full statements are part of the record, and then we will be submitting our more technical questions for your responses in writing.

CHIEF NURSE CORPS RANK

I have one question with two parts: Any comments you'd like to make on the reduction of rank from 08 to 07, as Chief of new

nurses? Do you do have any problems with recruiting and retention?

May I start with the Admiral?

Admiral NIEMYER. Thank you, Senator. On the first question, first and foremost, we are very grateful for your continued support of leadership opportunities for nurses in both the profession of nursing as well as military nursing.

I have had the unique experience among my peers to serve as a one star. When I was selected as a one star, it gave me the opportunity to have a position that I believe was extremely competitive in a leadership role, overseeing the TRICARE contract for the western region, a $17 billion contract. I believe that opportunities like that, at the one-star level, could, in fact, make our nurses continue to be competitive in a selection process for a second star.

NURSE RECRUITMENT AND RETENTION

I do not disagree with the efficiencies that have been directed by the Department. I would like to say that having an important leadership path and competitive support for nurses getting exposure to various assignments that will, in fact, make them competitive both at the rank of selection for one star as well as two is extremely important. And I think as we see a group of nurses coming forth, who have the same battle-tested expertise, fleet assignments and assignments with the Marine Corps, we will continue to grow a very competitive group of nurses who can compete in any environment.

In the second question, recruitment and retention, we are doing extremely well in both of those areas in the Navy Nurse Corps. We have met our recruiting goals in the Active component for the last 6 years, and I believe that we have the right incentives with special pays and accession bonuses that you've been quite instrumental in helping us to attain. That has been extremely useful for us in our retention as well, with special pays for registered nurses and our advanced practice nurses. So, we are doing quite well.

We do recognize that there is a time where we may not have the same kind of economy, where we may see people leaving the military, and we look continually for programs and opportunities to continue that exposure to the military and develop our staff along the way, so that the choice will be retention and not movement to the civilian sector.

Thank you.

Chairman INOUYE. General Keenan.

General KEENAN. Yes, Sir. On the first question, I will tell you that I do agree with Lieutenant General Horoho. We have developed a very robust leadership development track in Army Medicine that truly allows our nurses to compete at any level or command. And with that, we want to thank you for your continued support to expand fair opportunities for us in military medicine to have those abilities to compete for those types of inmaterial command.

But, we do believe that with the leadership opportunities that we do have available in military medicine to compete for combat commands, in combat support hospitals, we've had several nurses who have led combat support hospitals in Iraq and Afghanistan. We have Army nurses who have led at the level-two medical center level, and then we have the opportunities to command other branch

and material areas. We believe there is a system in place that would support our progression.

Chairman INOUYE. Thank you very much.

General Siniscalchi.

General SINISCALCHI. Sir, first, I would like to thank you for your continued advocacy for nursing. Words just can't express how much we appreciate the value that you have placed on our profession. And regarding the two-star billets, you know, I have just been honored and blessed to serve at this rank, and it has served our Air Force Medical Service very well.

However, recognizing the need for efficiencies, the Air Force does support the Department's decision. However, until the legislation is changed, the Air Force will continue to fill this position of responsibility with the two-star.

And, Sir, in regards to your question on recruiting and retention, like my sister services, we also are doing very well in recruiting. However, the majority of our recruits are new nurses. They're new graduates. Novice nurses. We have great opportunities for them to advance professionally and to transition into their new profession and into military nursing.

The incentive special pay has helped a tremendous amount in our retention, and we do have professional opportunities for advanced academic education and for fellowships. Also like my partners, we are very excited about the opportunity to offer our nurses the new Director of Nursing Practice (DNP) program. We have the new graduate program at the Uniform Services University for mental health nurse practitioners. And so that is serving as an incentive for our nurses to stay. However, we do experience problems with retaining our clinical experts at the bedside, tableside and litter side, because of our constrained promotion opportunity.

But, I am very pleased to say that we have received tremendous support from the Air Force, and our sister services are supporting us in this endeavor. And so we continue to work with the Assistant Secretary of the Air Force for Manpower and Readiness, as well as the Office of the Secretary of Defense for Personnel and Readiness in exploring various policy options to help us correct the great constraints that we currently have.

So, we are very hopeful that we will be able to open the aperture for promotion and have the grade that we need at the field-grade rank, so that we can retain the clinical experts that we need in order to grow and mentor our novice nurses coming up through the ranks.

Chairman INOUYE. Thank you very much.

General SINISCALCHI. Thank you, Mr. Chairman.

Chairman INOUYE. I asked that question, because as you're aware, in the civilian sector, nursing shortage is a major problem, and we're trying our best to resolve that, but it's very expensive. Thank you very much.

The Vice Chairman.

Senator COCHRAN. Mr. Chairman, thank you.

I may ask this question of all of our witnesses. We have information about a new system called "Care Case Manager System" that was implemented in my State at Keesler Air Force Base Hospital, and it involves supporting patients with a communication case

manager at both Keesler and the VA Hospital in Biloxi. I'm told that this has really helped define needs in a unique way, that the Care Case Manager System that was implemented at Keesler is innovative and is a big success.

I wonder if you've heard about this, or if this is something that is being replicated at other treatment centers or hospitals around the country.

I'll ask each of you.

General KEENAN. Yes, Sir. We do have nurse case management in the Army, and actually, we've had case management. Historically, it was in disease management. So, if you looked at asthma or high-risk disease processes. In 2007, when we stood up the warrior transition units, one of the key components that we found was missing in the care of our wounded, ill, and injured soldiers was case management, because they really provided that holistic support to the soldier and their family to coordinate their care.

From our lessons learned with case management, and also with our patient caring touch system, and how we have now focused on our major platform of our patient-centered medical home, we have implemented not only case management in our warrior transition units, but we've also implemented it in our patient-centered medical homes, also in our embedded behavioral health teams that support our brigade combat teams, as well as in our medical management centers for our soldiers, and we truly believe, as you do, Sir, that this really empowers our patients. It ensures they're getting quality safe care, and it coordinates their care, and it gives them a safety net, someone that they can go to, they can help them understand what is going on in the care process.

We really envision in Army nursing the next step is in our Army wellness centers when we talk about the white space, the 525,500 minutes that people are not directly in our purview, our care, and our Movement Tracking System (MTS), that this is really going to give us the ability to affect diet, exercise, well-being for their mental and spiritual health. So, we totally embrace the concept of our nurse case managers and truly see it as an enabler for all we do, not only in Army nursing but also in Army Medicine.

Senator COCHRAN. Thank you.

Admiral Niemyer.

Admiral NIEMYER. Thank you, Senator.

Nurse case management is the very fabric of communication and integration for across the enterprise for our wounded warriors, for our family members, from pediatrics, to geriatrics, to our wounded warriors in between. And it is the weaving together of a multidisciplinary effort to take a holistic approach with a patient, including that transition, perhaps, out of our system, as you recognized, into the VA. The Federal recovery coordinators for the VA are in our system, are in our MTS, to assist with that warm handoff, so we don't lose a patient in that transition.

NURSE CASE MANAGEMENT

Nurse case management, as well as nonmedical case management, is so important to helping our patients guide through the multitude of administrative systems they have as wounded warriors. So we're equally as engaged and partnered in ensuring that

all of our facilities have robust case management programs across the enterprise.

Senator COCHRAN. Thank you. General Siniscalchi.

General SINISCALCHI. Yes, Sir. Keesler Air Force Base is a great example. So, I'd like to thank you for sharing that.

Actually, once they initiated the program with case management, they were able to notice a difference within the first 6 months. And we've seen significant impact as we've moved forward the Air Force's pathway to patient-centered medical home has been the family health initiative. And within that staffing model, we laid in case managers as well as disease managers, but we found the impact of the role of the case manager has been phenomenal with this process. We've seen decreased emergency room and urgent care visits. We've seen increased provider as well as patient satisfaction. Better communication amongst the team, the family health team, as well as increased communication with the nurse, the technicians, and the patient. And, you know, in essence, the case manager has really been able to step in and navigate, help the patient navigate through the healthcare continuum.

So, if I may share just a few data points, as we've been trying to actually monitor and track the success of our family health initiative and the role of the case manager in that. The case managers have coordinated care for more than 66,000 patients in fiscal year 2011. And this actually was an increase from fiscal year 2010 of more than 6,000. And we have seen their coordinated care with our wounded warriors. Their care has touched more than 3,200 since fiscal year 2011. So, they're having a very significant impact and a strategic reach across the healthcare continuum.

So, as we've tracked several data points, we found that in healthcare costs that the impact they're making has actually resulted in $2.6 million in savings. So, we've been very pleased with the initiative of putting the case management model and that role in our patient-centered medical home.

Thank you.

Senator COCHRAN. It's a very impressive report and we congratulate you on the initiative and also the leadership in all of our healthcare centers throughout the armed services.

Your leadership, all of you, is really remarkable. It sets the United States apart from every other country in the success that we've had in managing the care, delivering healthcare services to our men and women who have served, and have been injured, or become ill in the military service of our country. Thank you all.

ADDITIONAL COMMITTEE QUESTIONS

Chairman INOUYE. On behalf of the subcommittee, I thank the Surgeons General, and the Chief of the Nurses Corps, and we look forward to working with you in the coming months.

[The following questions were not asked at the hearing but were submitted to the Department of response subsequent to the hearing:]

QUESTIONS SUBMITTED TO GENERAL CHARLES B. GREEN

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUYE

Question. General Green, since 2003 the Nurse Corps Chief position for each of the Services has been authorized as a two-star billet. The Department recently sent over a legislative proposal that would reduce the Corps Chief position to the one-star level. What would be the negative effects on the Nurse Corps if the Chief positions were converted back to one-star billets?

Answer. A two-star billet, as the Nurse Corps Chief, has served the Air Force Medical Service well. Recognizing the need for efficiencies, the Air Force supports the Department of Defense's decision. Nurse Corps officers receiving in-depth professional development will complete well for two-star positions available in the Air Force Medical Service without the congressional mandate for the Corps Chief to be a two star. Until the legislation is changed, the Air Force will continue to fill this position of responsibility with a two star.

Question. The Department's fiscal year 2013 budget assumes $452 million in savings based on new TRICARE enrollment fees and increases in co-pays for prescription drugs. General Green, I understand that military leadership supports these changes, but what are you hearing from troops and their families? Do you believe this will impact recruiting?

Answer. Our retiree population actively shapes perceptions of the value of military service. Any action that discourages our retiree population can adversely impact recruiting activities. Healthcare benefits for Active Duty military personnel are minimally impacted under the current proposal. TRICARE standard caps will affect the small number of Active Duty family members not enrolled in Prime. Pharmacy co-pay increases only affect those who do not get their prescription filled at a military treatment facility. Although increases in healthcare fees may be perceived as a loss of benefit to our beneficiaries, the increases are not expected to negatively influence retention of Active Duty military personnel.

Question. General Green, I understand the Air Force has begun using vending machine-like kiosks on bases to help alleviate pharmacy wait times. What other initiatives are under way?

Answer. The most significant initiative underway to improve pharmacy operations and reduce wait times is the development and implementation of the pharmacy staffing model. The model helps us balance pharmacy manpower across the Air Force Medical Service (AFMS) based on workload. Changes in the long-term program using this model begin taking effect in fiscal year 2013, but we are also using it now to address the most egregious staffing imbalances with current year funding. The Air Force Manpower Agency has also recently begun conducting a formal manpower study to more precisely quantify pharmacy manpower requirements utilizing management engineering techniques. This study will result in a new official manpower standard for Air Force Pharmacy.

We are engaged in a continuing effort of sharing and implementing lessons learned from Air Force Smart Operations for the 21st Century (AFSO21) events (and other best practices) from site visits and regular communications with pharmacy leadership to optimize workflow and facility design. We are currently reviewing the results to ensure we are taking advantage of what we have learned already and targeting future efforts at expanding our knowledge base of best practices for application across Air Force pharmacies.

An additional system-wide initiative is the upgrade of pharmacy automation and patient queuing technology. We are working towards a full technology refresh Air Force Medical Service wide within the next 3 years. The new automation equipment will include telepharmacy capability, which allows remote review of prescriptions to assist pharmacies, particularly smaller ones, during their busiest times or when Active Duty pharmacists are deployed. Recent efforts to improve wait times have included adding manpower, shifting manpower as needed to problem areas (e.g., from in-patient to out-patient pharmacies), workflow process improvements, and the addition of or upgrading of current patient queuing systems and pharmacy automation equipment. Facility expansion and improvements are also underway at several Air Force pharmacies.

Question. General Green, part of the challenge of recruiting medical professionals is the divide between private sector and military compensation for health specialties. Given the increasing fiscal constraints the Department is facing in the coming years, how will you manage your resources to sustain the medical professionals required to care for servicemembers and their families?

Answer. AFMS continually reviews current and projected healthcare needs and directs appropriate changes within the allocated force structure in order to meet our

ever-evolving missions. With total personnel inventory slightly below our total funded authorizations, the AFMS meets the Nation's critical mission needs by apportioning the current inventory to meet requirements in the near-term and relying on the purchased care system from our TRICARE partners for the noncritical mission needs of the Air Force. The AFMS is utilizing Federal service employees and contractors within our Medical Treatment Facilities in addition to our TRICARE partners to supplement shortfalls of our uniformed staff as we provide quality healthcare to our entire beneficiary population.

Even as Air Force retention in general is high, recruiting and retention of highly-skilled health professionals is improving with our long-term program strategies, albeit tenuously, through a three-prong approach. The Air Force continues to fund all available authorities to stabilize ailing health professions career fields by:

—fully utilizing scholarship and educational programs for our long-term shortages;
—effectively targeting accession bonuses and other special and incentive pay programs for our immediate needs; and
—providing emphasis and support for other nonmonetary programs to retain our quality staff.

Question. General Green, the Services continue to transition patients to a medical home model. This concept organizes health professionals into teams to provide a more comprehensive primary approach. Each patient's personal physician leads the team and serves as a continuous point of contact for care. Has the Air Force seen improvements in patient satisfaction or cost control with this initiative?

Answer. Over the course of the past year, we have completed the enrollment into Patient-Centered Medical Home (PCMH) for our Air Force Family Health and Pediatric clinics. Now more than 945,000 patients are currently being cared for under this model. We have seen a steady improvement in the satisfaction of our patients seen in a PCMH with the percent rating satisfied or completely satisfied with their care rising from 91.9 percent in May 2011 to 93 percent in December 2011. Likewise, we have seen substantial cost avoidance with notable decline in our patients' utilization of Emergency Room/Urgent Care Clinic (ER/UCC) care. Over the similar May–December 2011 time period, ER/UCC utilization from patients enrolled to a PCMH in the Air Force has decreased from 6.87 visits per 100 enrollees per month to 5.59 visits per 100 enrollees per month.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

MEFLOQUINE

Question. In 2009, the Department of Defense (DOD) published research that showed that approximately 1 in 7 servicemembers with mental health contraindications had been prescribed mefloquine contrary to the instructions in the package insert guidance, including to servicemembers taking antidepressants and with serious mental health conditions such as post-traumatic stress disorder. This research went on to highlight that such use may have significantly increased the risk of serious harm among those who had been misprescribed the drug.

What research has the Air Force undertaken to determine whether this trend has been reversed, and what efforts has the Air Force undertaken to identify and follow-up on those who were misprescribed the drug, to determine whether they may be suffering from the adverse effects of its use? Can the Air Force assure us that this group has not experienced more significant problems associated with this misprescribing?

Answer. The Air Force began enforcing the Food and Drug Administration's warnings and precautions regarding mefloquine in 2005, several years before the Assistant Secretary of Defense for Health Affairs memorandum was issued in 2009. Air Force utilization of mefloquine declined considerably between 2005 and 2009. In 2009, the Health Affairs memorandum about mefloquine was sent to every Air Force medical treatment facility, and subsequently the Air Force mefloquine utilization declined an additional 90 percent from 2009 to 2011. Only 458 prescriptions for mefloquine were issued in 2011.

Mefloquine is one of the medications that have annual drug utilization review requirements from each Air Force medical treatment facility, as directed in the 2005 Air Force memorandum. Reviews cover, at a minimum, the following:

—not prescribing mefloquine to those on flying status or with contraindications;
—correct dosing and directions within prescriptions;
—patient counseling and documentation;
—completing the DD 2766; and

—providing the printed Food and Drug Administration's MedGuide at the pharmacy.

The reviews from the last quarter of 2011 demonstrated that no mefloquine was prescribed to flyers or patients with contraindicating conditions, and that the pharmacy provided the patient medical guide 100 percent of the time.

Question. What epidemiological research is currently underway to investigate the short- and long-term effects of exposure to mefloquine? Can you tell me what is the total amount of funding devoted to these projects?

Answer. The Air Force does not currently have any active epidemiologic research on the short- and long-term effects of exposure to mefloquine. However, the Department of Veterans Affairs Medical Follow-up Agency maintains the records and approves research using the clinical and laboratory specimens for one of the longest cohort studies of servicemembers, the Air Force Health Study. The participants in the study may have included members who had received mefloquine for malaria prophylaxis. Additionally, the Army and Navy have ongoing research into antimalarials through the Walter Reed Army Institute of Research, the Naval Medical Research Center, and the overseas laboratories. The Department of Veterans Affairs Medical Follow-up Agency, the Army, and the Navy can provide figures for the total amount of funding devoted to these projects.

Question. The Department of Defense has specialized centers to address traumatic brain injury (TBI) and post-traumatic stress disorder (PTSD), including the National Intrepid Center of Excellence and other centers within the Centers of Excellence for Traumatic Brain Injury and Psychological Health. The Centers for Disease Control and Prevention has recently noted that the side effects of mefloquine may "confound the diagnosis and management of posttraumatic stress disorder and traumatic brain injury". Given that the adverse effects of mefloquine may often mimic those of TBI and PTSD, has the Air Force provided training to those who work within the National Intrepid Center of Excellence and Defense Centers of Excellence to include the diagnosis, management, and research of mefloquine toxicity?

Answer. All providers sent by the Air Force to any Center of Excellence are fully qualified and expected to practice in accordance with current clinical standards such as the Department of Veterans Affairs/Department of Defense practice guidelines for TBI and PTSD. The symptoms of TBI are nonspecific, thus any evaluation of symptoms associated with TBI includes consideration of other causative or contributing factors including medications. Likewise, a diagnosis of Acute Stress Disorder or Post Traumatic Stress Disorder requires that the treating provider reach the conclusion that the observed "disturbance is not due to the direct physiological effects of a substance (e.g., a drug of abuse, a medication)" among other factors. Therefore, consideration of the effects of any medications the patient is currently taking, or has taken recently, are integral to the screening and diagnostic processes at the National Intrepid Center of Excellence, Defense Centers of Excellence and Air Force medical treatment facilities worldwide. When Air Force nonphysician mental health providers such as social workers, psychologists, and psychiatric nurse practitioners have questions regarding the potential effects of any medication, they are encouraged to seek consultation and collaboration with psychiatrists or other physicians.

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

HYPERBARIC OXYGEN THERAPY

Question. General Green, I understand that $8.6 million is included to fund a clinical trial using hyperbaric oxygen therapy to diagnose and treat brain injury. What is your experience with this therapy? Do you think it has merit in treating traumatic brain injury?

Answer. Anecdotal case reports and open-label studies suggest benefit of hyperbaric oxygen (HBO_2) for treating chronic symptoms associated with traumatic brain injury (TBI). However, anecdotes and open-label studies cannot discriminate between the effects of the HBO_2 and the indirect, or placebo, effects of study participation. Further, TBI is not endorsed by the Undersea and Hyperbaric Medical Society or approved by the U.S. Food and Drug Administration as a medical indication for HBO_2. The Department of Defense and the Air Force are committed to an evidence-based approach to developing policy on HBO_2 use to ensure it is safe, effective, and comparable or superior to standard care for symptoms associated with TBI. Several recent studies, including the Air Force study in San Antonio suggest that HBO_2 is safe in servicemembers with chronic symptoms associated with TBI. The Air Force study found no statistical difference between the treatment group and the sham group. Improvements in some test measures, however, were seen in both

groups. Additional data analysis is underway to determine if there are similar demographics in subgroups that showed improvement. We continue to support a robust research effort on hyperbaric oxygen for chronic symptoms associated with TBI, and data from those studies will be frequently re-assessed for evidence of safety and efficacy.

QUESTIONS SUBMITTED TO VICE ADMIRAL MATTHEW NATHAN

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUYE

NURSE CORPS CHIEF RANK

Question. Admiral Nathan, since 2003 the Nurse Corps Chief position for each of the Services has been authorized as a two-star billet. The Department recently sent over a legislative proposal that would reduce the Corps Chief position to the one-star level. What affect would a reduction in rank have on the Navy Nurse Corps?

Answer. We support the decision to standardize the rank of the Director of the Navy Nurse Corps to the grade of 07, and believe this change will have no adverse impact on the Nurse Corps. Navy Medicine places a priority on our leader development programs, and our Navy Nurses continue to demonstrate they have the experience, skill and motivation to succeed positions of great responsibility and trust. We have Nurse Corps officers in command of our medical treatment facilities, serving in senior operational medicine assignments with the Fleet and Marine Forces, and managing vital headquarters-level responsibilities. The Director of the Navy Nurse Corps will have the skills, experience, and opportunity to succeed as a one-star flag officer; and correspondingly, be highly competitive for selection to two-star. If Director is selected for promotion to two-star, this would allow an another flag officer opportunity for the Nurse Corps as an officer would then be selected to serve as a one-star flag officer and the Director.

TRICARE FEES

Question. Admiral Nathan, the Department's fiscal year 2013 budget assumes $452 million in savings based on new TRICARE enrollment fees and increases in co-pays for prescription drugs. Will these increased fees affect care for servicemembers and their families? How are servicemembers and retirees reacting to these proposals?

Answer. The Department of Navy supports these proposals and believes they are important for ensuring a sustainable and equitable benefit for all our beneficiaries. The TRICARE fee proposals do not affect our Active Duty servicemembers, and specifically exempt medically retired servicemembers and their families, as well as survivors of military members who died on Active Duty. While the proposed increases will primarily impact our retired beneficiaries, military medicine provides one of the most comprehensive health benefits available. These changes will help us better manage costs, provide quality, accessible care, and keep faith with our beneficiaries.

PHARMACY WAITING TIME

Question. Admiral Nathan, the structure of the proposed TRICARE pharmacy co-pays strongly incentivizes members to fill their prescriptions at pharmacies within military treatment facilities. Yet, we continue to hear concerns about the current wait times at numerous pharmacies. How is the Navy addressing the problem of lengthy pharmacy wait times?

Answer. Our Navy Medical Treatment Facilities (MTFs) strive to efficiently balance the staffing of the pharmacy (and other clinical areas) with expected demand, while expanding the service and/or hours of access provided. Understanding that increases in demand are expected in the future and improvements in access could be realized, Navy Medicine has engaged in a relook of the outpatient pharmacy workflow process as part of the acquisition to replace our existing pharmacy automation, which is close to 10 years old.

Through a review of the existing workflow at our larger sites by pharmacy workflow experts (i.e., industrial engineers, operations research specialists, and pharmacists), we have developed pharmacy workflow and automation requirements. These requirements will support up to a doubling of the existing workload while striving for a 90th percentile wait time of 30 minutes or less. This goal reflects an approximate 50-percent decrease in our current 90th percentile waiting time. Moving forward, we will continue to invest in pharmacy automation which allows us to address any expected increase in demand at our MTF pharmacies and maintain outstanding customer services.

SUICIDE PREVENTION

Question. Admiral Nathan, the Services are seeking to provide early identification and treatment of psychological health through a number of initiatives; yet, suicides throughout the military continue to rise. In 2011, Active Duty, Guard, and Reserve soldiers took their lives at a record high rate. How are the Services working together to learn from one another and combat the continued rise in suicides?

Answer. The Services work together closely in the area of suicide prevention by sharing lessons learned, research, and promising practices in formal and informal mechanisms of suicide prevention. The Navy continues to integrate efforts related to personal and family readiness programs, not only across the Navy enterprise but in collaboration with the other Services, DOD, the VA, and various Federal agencies, with the shared goal of reducing the number of suicides. Some specific ways the Services have worked together include:

Suicide Prevention and Risk Reduction Committee

The DOD Suicide Prevention and Risk Reduction Committee (SPARRC) with representation from all Services (including Coast Guard) and DOD, has now expanded to include VA and Substance Abuse and Mental Health Services Administration (SAMSHA) participants. Over the years the SPARRC has worked to standardize the process for determining suicide numbers and rates, developed a common data collection mechanism (the DOD Suicide Event Report), conducted an annual conference, and provided a forum for the sharing of observations, promising practices, and lessons learned regarding the prevention of military suicides. The SPARRC chairmanship moved from its original home in DOD Health Affairs to the Defense Center of Excellence, and at the end of 2011, to the new OSD Suicide Prevention Office under the Undersecretary of Defense for Readiness.

Department of Defense/Department of Veterans Affairs Suicide Prevention Conference

The Department of Defense (DOD)/Department of Veterans Affairs (VA) Annual Conference has grown into the largest meeting of its kind in the world. This weeklong conference has multiple tracks that include clinical, research, and practical tools for suicide prevention. It brings together many of the Nation's leading suicidology theorists and researchers, along with military leaders, care providers, and policymakers.

Task Force

The congressionally mandated (Fiscal Year 2009 National Defense Authorization Act) Task Force on the Prevention of Suicides Among Members of the Armed Forces published its report in the fall of 2010. The Services are continuing to implement many of these recommendations and one key outcome has been the establishment of an office within OSD.

PHYSICIAN STAFFING

Question. Admiral Nathan, some medical specialties are severely understaffed, particularly in the Reserve component. How is the Navy ensuring that it has the number of Reserve physicians it needs?

Answer. Reserve physician recruiting remains one of our greatest challenges; our manning at the end of March 2012 was at 55 percent of requirements. High Active component physician retention rates are a positive for the Navy; however, the second order affect is a decreased pool of medical professionals eligible for Reserve affiliation. Consequently, there is a greater reliance on attracting civilian physicians in a highly competitive Direct Commission Officer (DCO) market.

We have developed strong partnerships with our key Navy stakeholders and are exploring a plethora of action items in our efforts to recruit and retain the right physician skill sets in our Reserve physician inventory. Examples include a Medical Leads Assistance Program; affiliation, specialty, and incentive pay initiatives; and a change in paygrade billet requirements under an Officer Sustainability Initiative. We are optimistic that these initiatives as well as a continued reduction in Reserve Individual Augmentee assignments will incentivize potential Reserve physician recruits.

Navy Medicine has representation on the Tri-Service Medical Working Group that has reviewed the results of the Joint Advertising, Market Research and Studies (JAMRS) Physician Recruit Study (Recruiter Guide) released in September 2011 and work continues to augment incentive capabilities to address the challenges all Services are experiencing in recruiting Reserve physicians.

MILITARY HEALTH SYSTEM STRUCTURE

Question. Admiral Nathan, earlier this month the Department released its final decision on the structure of the Military Health System. The Department decided on a proposal to combine the administration and management of the Military Health System into a Defense Health Agency. Can you please share with the subcommittee any concerns you may have about the final recommendations?

Answer. Navy Medicine fully supports a joint solution that will enhance interoperability of medical care across the MHS both operationally and within Services' medical treatment facilities. We must, first and foremost, not break a highly functioning patient care continuum that can bring a warrior from the point-of-injury to definitive care at a level four MTF in 48–72 hours. A thorough outcomes-based analysis of any major changes in governance that impacts meeting Service operational commitments must first be completed and then presented to the Service Chiefs. Although the belief may be that consolidation of services or support will be cost effective, an in-depth effects-based analysis for each shared service prior to consolidation must be completed to set a baseline cost to assess the need for change or to evaluate future return on investment of system changes. The bottom line is that the MHS must proceed in a deliberate and measured manner to ensure that our readiness to support our Services' missions and core warfighting capabilities will be maintained and our excellence in healthcare delivery will be sustained.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

MEFLOQUINE

Question. In 2009, the Department of Defense (DOD) published research that showed that approximately 1 in 7 servicemembers with mental health contraindications had been prescribed mefloquine contrary to the instructions in the package insert guidance, including to servicemembers taking anti-depressants and with serious mental health conditions such as post-traumatic stress disorder (PTSD). This research went on to highlight that such use may have significantly increased the risk of serious harm among those who had been misprescribed the drug.

What published research has the Navy undertaken to determine whether this trend has been reversed, and what efforts has the Navy undertaken to identify and follow-up on those who were misprescribed the drug, to determine whether they may be suffering from the adverse effects of its use? Can the Navy assure us that this group has not experienced more significant problems associated with this misprescribing?

Answer. In 2006, medical researchers at the Naval Health Research Center in San Diego published a peer-reviewed paper describing a retrospective study of health histories of 8,858 Active Duty servicemembers who had been prescribed mefloquine between 2002 and 2004. The health history outcomes of these members were compared against a full analysis of the health histories of 388,584 servicemembers not prescribed mefloquine during the same period. The results of that study showed a significantly decreased proportion of mefloquine prescribed individuals hospitalized for mood disorders when compared to servicemembers assigned to Europe or Japan and no difference in mood disorders or mental disorders compared to servicemembers in deployed status. These data demonstrated no association between mefloquine prescriptions and severe health effects as measured by hospitalizations across a wide range of disorders, including mental health outcomes.

Navy Medicine is aware of two articles published in 2008 and 2009 describing analysis of military medical records of a cohort of 11,725 servicemembers progressively deployed to Afghanistan over a 6-month period in early 2007 of which 38.4 percent had been prescribed prophylactic use of mefloquine. Of those so prescribed, 13.8 percent had recorded medical history which would pose a relative contraindication to its use.

Navy Medicine has not performed a follow-up on the data or subjects described in the 2008 and 2009 articles as this analysis did not provide information as to adverse outcome, nor did it break out information from the analysis of records that included servicemembers from all services which would have identified what proportion of the cohort records analyzed pertained to Navy or Marine Corps personnel. Navy Medicine stands by the medical outcome data described in the Naval Health Research Center study of 2006.

Question. What epidemiological research is currently underway to investigate the short- and long-term effects of exposure to mefloquine? Can you tell me what is the total amount of funding devoted to these projects?

Answer. At this time, there is no epidemiological research currently underway which would add to or test the findings of the 2006 published study of prescription of mefloquine to 8,858 Active Duty servicemembers which demonstrated a decreased proportion of mefloquine prescribed individuals hospitalized for mood disorders when compared to servicemembers assigned to Europe or Japan and no difference in hospitalizations across a wide range of disorders, including mental health outcomes in combined data from individuals assigned to Europe, Japan, or otherwise deployed.

Question. DOD has specialized centers to address traumatic brain injury (TBI) and PTSD, including the National Intrepid Center of Excellence and other centers within the Centers of Excellence for Traumatic Brain Injury and Psychological Health. The Centers for Disease Control and Prevention has recently noted that the side effects of mefloquine may "cofound the diagnosis and management of posttraumatic stress disorder and traumatic brain injury". Given that the adverse effects of mefloquine may often mimic those of TBI and PTSD, has the Navy provided training to those who work within the National Intrepid Center of Excellence and Defense Centers of Excellence to include the diagnosis, management, and research of mefloquine toxicity?

Answer. Navy Medicine has not specifically provided training on the diagnosis, management, and research of mefloquine toxicity to the professional staff at the Defense Centers of Excellence (DCoE). However, the DCoE staff has reviewed reports, guidance, and DOD policy related to the use of mefloquine. Additionally, their staff has actively completed reviews of the current science on the use of mefloquine for malaria chemoprophylaxis and neuropsychiatric adverse reactions, as well as reviews of mefloquine, TBI, and psychological health conditions. As reported to Navy Medicine, DCoE staff continues to monitor emerging science as it relates to mefloquine, TBI, and psychiatric conditions and will work to revise clinical guidance and provide input to DOD policy should emerging science indicate clear detrimental effects.

With respect to mefloquine confounding the diagnosis of mild TBI and/or PTSD, staff members from the National Intrepid Center of Excellence (NICoE) have also not undergone specific training. However, personnel who comprise the White Team—the triage team which screen all prospective NICoE candidates—include two experienced medical officers with extensive combat/deployment experience who understand the potential neuropsychiatric contraindications and have utilized mefloquine appropriately in the deployed environment. The White Team is also backed up by a neurologist and neuropsychologist who, similarly, have comprehensive knowledge of compounds, drugs, and exposures which may impact the nervous system. Additionally, all members presented to NICoE go through an exhaustive medication review, supported by a Doctor of Pharmacy (Pharm D).

Finally, Navy Medicine is currently developing a mefloquine training module to serve as a refresher on FDA requirements and DOD policy for all providers and pharmacists. This training is expected to be implemented by June 2012.

QUESTIONS SUBMITTED BY SENATOR BARBARA A. MIKULSKI

NONMEDICAL CAREGIVERS

Question. Military family members already make incredible sacrifices to support both the soldier deployed and the wounded warrior at home. Since 2001, nearly 2 million troops have deployed in support of Operation Enduring Freedom and/or Operation Iraqi Freedom; of those, nearly 800,000 have deployed more than once. There are nearly 48,000 wounded warriors from the 10 years of war. For many wounded warriors, their spouses and extended families become the front line of care for their rehabilitation and recovery. These nonmedical caregivers have to choose between their critically injured relative and their careers, children, and financial well-being.

What has the Navy done to enhance care for family members of wounded marines and sailors?

Answer. The Navy's Project FOCUS (Families Over Coming Under Stress) is a family psychological health and resiliency building program that addresses family functioning in the context of the impact of combat deployments, multiple deployments, and high-operational tempo. The application of a three-tiered approach to care via community education, psychoeducation for families, and brief-treatment intervention for families, has shown statistically significant outcomes in increasing family functioning and decreasing negative outcomes such as anxiety and depression

in both parents and children. The program takes a de-stigmatized approach to care and is integrated within the community context.

Additionally, the Marine Corps realizes that family members are essential to the successful recovery of our wounded, ill, and injured (WII) marines. Accordingly, we work to ensure our WII marines' families are part of the recovery process, to include supplying them with support programs and services. Since the Wounded Warrior Regiment (WWR) stood up more than 5 years ago, we have continually enhanced our services to ensure that the unique needs of our families are addressed. Examples include:

—Family readiness and support staff at all locations;
—Recovery Care Coordinators to help WII Marines and their family members map out and attain their recovery goals;
—The Wounded Warrior Call Center, a 24/7 outreach and reach-back resource and referral capability;
—District Injured Support Coordinators (DISCs) who help transitioning marines and families in remote locations away from military or Federal resources;
—Our Medical Cell, a cell that provides medical subject matter expertise, advocacy, and liaison to the medical community; and
—Enhanced communication efforts to ensure family members receive the right information when they need it through easy-to-understand fact sheets, a Marine Corps-customized "Keeping It All Together" Handbook, and a new mobile WWR App.

Question. What training does the nonmedical caregiver receive to ensure continuity of care for their wounded warrior once that marine or sailor makes a transition to home?

Answer. The WWR is working with the Office of Wounded Warrior Care and Transition Policy to ensure all caregivers of Marines who are receiving Special Compensation for Assistance with Activities of Daily Living receive caregiver training materials developed by the Easter Seals Foundation (also used by the Department of Veterans Affairs for their Caregiver Stipend Program). WWR also provides "Care for the Caregiver" Workshops as well as FOCUS, the resiliency training program referred to above. FOCUS is designed to assist and promote strong Marine Corps families to better equip them to contend with the stress associated with multiple deployments, combat stress, and physical injuries. Additionally, the WWR's DISC Program collaborates with Navy-Marine Corps Relief Society visiting nurses to make home visits to our WII marines and families in need. These nurses can provide a myriad of services, to include evaluate of home safety and adaptability, emotional support to families, and advocacy for the patient and family as they adjust to the enormous life changes resulting from their injuries.

Question. What support do they receive to ensure they can maintain their own psychological health and well-being through this process?

Answer. The WWR's capabilities mentioned above provide reach-back resource and referral capabilities for family members to maintain their psychological health and well-being. More specifically, the WWR Medical Cell is skilled at providing family referrals to the appropriate psychological health service, depending upon their needs and requirements.

Question. What has the Navy done to leverage the help the private sector can provide?

Answer. Many individuals and organizations routinely offer gifts to the Department of Defense, units, military personnel, and their families. The WWR's Charitable Giving Office works within the confines of Federal law and policy to ensure WII marines and families benefit from private sector help when and where it is appropriate. Support includes, but is not limited to, respite opportunities, child care, travel assistance, lodging/housing, and social activities.

MEDICAL PAIN MANAGEMENT

Question. Reliance on prescription cocktails to handle mental and pain management is having serious negative consequences amongst our military servicemembers. Recent studies have found that veterans with PTSD were most likely to be prescribed opioids as compared with vets with no mental health disorder—33.5 percent compared with 6.5 percent. Accidental drug deaths have doubled from 2001–2009, while prescriptions for painkillers are up 438 percent since 2001. The "Defense Survey of Health-Related Behaviors" found "dangerous levels" of alcohol abuse and the illicit use of drugs such as pain killers by 12 percent of military personnel.

Should the military medical community examine its reliance on narcotics to control pain among wounded warriors?

Answer. The Services are aware and concerned about alarming national trends in increased use of opioids and secondary complications, including misuse, dependence, higher care cost, and adverse outcome (including death). The Fiscal Year 2010 National Defense Authorization Act (section 711) directed the Secretary of Defense to develop and implement a comprehensive policy on pain management. In August 2009, the Army Surgeon General chartered the Army Pain Management Task Force to make recommendations for a comprehensive pain management strategy that was holistic, multidisciplinary, and multimodal in its approach. Task Force membership included representatives from the Navy, Air Force, TRICARE Management Activity, and the Veterans Administration. The Task Force developed 109 recommendations. The Office of the Secretary of Defense (Health Affairs) released a Policy for Comprehensive Pain Management in March 2011.

Navy Medicine has designed the Navy Comprehensive Pain Management Program (NCPMP) to improve and expand pain management resources for all servicemembers. Key specific NCPMP objectives are to meet NDAA requirements and Joint Commission (JC) standards, by providing standardized and optimized care in accordance with recently published clinical practice guidelines. The current state-of-the-art for management of chronic and complex pain is based on the biopsychosocial model, which promotes a paradigm of comprehensive, multidisciplinary, and multimodal care. In that capacity, an important focus of the NCPMP is the expansion of access to health psychologists, physical therapists, exercise physiologists, and integrative medicine physicians to ensure the effective fusion of mainstream treatments like cognitive behavior therapy with Complementary and Alternative Medicine (CAM) approaches, including the use of acupuncture. The specific stated mission of the NCPMP is "To aid in the restoration of function and relief of pain by broadening access to state-of-the-art, standardized, multimodal, and interdisciplinary pain care across Navy Medicine, ensuring treatment efficacy through practice guidelines, education, and analysis of treatment outcomes."

To diminish reliance on narcotics to control pain, Navy Medicine is focusing on three general paradigms. First, decrease development of pain via prevention of injury (e.g., ergonomics, occupational safety) and disease precursors. Second, educate members and healthcare providers about risks of opioids and best practices when they are prescribed. Two videos are to be released shortly for required training of all Navy and USMC personnel (The War Back at Home) and providers (Do No Harm). Interim guidance and a subsequent Pain Instruction are to be released by BUMED as well, educating providers about up-to-date best practices for opioid use (e.g., routine screening for appropriateness, sole provider agreements, informed consent, and a multimodal approach). Third, provide capability for healthcare providers to utilize a multimodal biopsychosocial approach by employing alternative capabilities and assets. To that end, the NCPMP will utilize provider assets in pain medicine, integrative medicine, CAM, mental health and addiction medicine, case management, exercise physiology, physical therapy, and athletic training. These pain care assets, functionally integrated into Medical Home and SMART Clinics, will enable and promote comprehensive management of complex acute and chronic pain throughout Navy Medicine. A key component of NCPMP's Concept of Operations is tiered rollout of system wide acupuncture capability based on systematic and consistent training, certification, and credentialing throughout the healthcare enterprise.

Question. What alternative options of pain management does the Navy have in place to give doctors a choice to lessen the use of prescription pain killers?

Answer. Please see answer above. The following is a listing of key pain management modalities available to Navy doctors:

—Disease-specific measures:
  —Tighter glucose control in diabetes;
  —Disease-modifying agents in MS and other inflammatory disorders;
  —Surgery, chemotherapy, radiation therapy for nerve compression;
  —Infection control (HIV, herpes zoster, lyme disease); and
  —Ergonomics and occupational safety.
—Local and regional treatments:
  —*Regional Anesthetics (Pain Specialists):* sympathetic, epidural, intrathecal, and selective nerve root blocks; epidural and intrathecal pumps;
  —*Stimulation-Based:* TENS, spinal cord stimulation, acupuncture (licensed, medical);
  —*Complementary and Alternative Medicine (CAM):* acupuncture, Osteopathic Manipulation, therapeutic massage;
  —*Physical Rehabilitation:* PT/OT, splinting, manipulation, assistive devices, range-of-motion exercises, ergonomics; and

—*Ablative Procedures:* phenol/alcohol nerve ablation, cordotomy/rhizotomy, radiofrequency nerve root ablation.

—Systemic treatments:

—*Pharmacological:* Tricyclic antidepressants, SNRIs, clonazepam, atypical antipsychotic medications, gapapentin, pregabalin, anticonvulsants, NSAIDs, corticosteroids, opioids, mu-opioids (e.g., tramadol), muscle relaxants/antispasmodics, and benzodiazepine receptor antagonists (e.g., zolpidem); and

—*Behavioral:* Addiction Medicine counseling, Psychologic counseling (cognitive behavioral therapy, biofeedback, guided imagery, other relaxation techniques).

Question. Does the Navy track rates of addiction to prescription pain killers among wounded warriors—how would you know if you had a problem?

Answer. The EpiData Center at the Navy and Marine Corps Public Health Center (NMCPHC) in Portsmouth, Virginia, currently provides a monthly prescription burden report for Marine specialty groups, and provides this report for the Navy and Marine Corps on a semiannual basis. The report includes an assessment of chronic prescription pain medication use. The report does not define addiction to prescription pain medications, but rather is used by local units to determine at their level if further action is needed.

The Navy Health Research Center (NHRC) in San Diego, California, is also able to look at trends in diagnoses for opioid addiction and may be able to cross-reference this with prescription reissuance patterns as that capability continues to build through NHRC's new pharmaceutical use project.

Question. Peer-reviewed studies demonstrate that servicemembers who incorporate complementary medicine for pain management rely less on prescriptions for pain management. Do you see promise for a more widespread application of this program?

Answer. As noted, Navy Medicine is committed to expansion of Complementary and Alternative Medicine (CAM) to enable and promote a comprehensive biopsychosocial approach to management of pain by Navy healthcare providers. Please see above answers for details.

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

HYPERBARIC OXYGEN THERAPY

Question. Admiral Nathan, I understand that $8.6 million is included to fund a clinical trial using hyperbaric oxygen therapy to diagnose and treat brain injury. What is your experience with this therapy? Do you think it has merit in treating traumatic brain injury?

Answer. The study for which this referenced funding will provide support is being administered and managed by the U.S. Army Medical Research and Material Command. Naval facilities at Camp Pendleton and at Camp Lejeune are participating in this study as centers where enrolled volunteers will be evaluated. To date, there is no outcome data available from this study.

Naval facilities at Camp Lejeune, as well as at Pensacola and Panama City, Florida, are also participating in a DARPA-funded dose ranging study, conducted by the Naval Operational Medical Institute (NOMI), the McGuire VA Medical Center in Richmond, and the Virginia Commonwealth University. The study has recruited 60 percent of its volunteers, essentially all from Marine Corps Base Camp Lejeune. The target completion date is October 2012.

As of March 28, 2012, there are no data to report from either of these two studies. There is, therefore, still no outcome information from well-designed, adequately controlled medical research which would support the safety and efficacy of use of hyperbaric oxygen for traumatic brain injury.

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL PATRICIA HOROHO

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUYE

CORPS CHIEF POSITION LEGISLATIVE PROPOSAL

Question. Since 2003, the Nurse Corps Chief position for each of the Services has been authorized as a two-star billet. The Department recently sent over a legislative proposal that would reduce the Corps Chief position to the one-star level. General Horoho, how has the increase in rank benefited the Army Nurse Corps?

Answer. The rank of Major General afforded the Corps Chief the greater impact to sponsor great strides in the advancement of our mission in serving America's sons

and daughters. A change in the Corps Chief's rank will not change the mission nor the importance of Army Nursing and our commitment of excellence in nursing care to our servicemembers and families will remain steadfast. There are many opportunities within the U.S. Army Medical Department (AMEDD) for nurses to cultivate leadership experience. The Army has a strong developmental path for its leaders, regardless of area of concentration.

TRICARE

Question. The Department's fiscal year 2013 budget assumes $452 million in savings based on new TRICARE enrollment fees and increases in co-pays for prescription drugs. General Horoho, did the Department consider more modest fee increases for enrollment and prescription drugs than the significant fees proposed in the budget? Realizing the current difficult fiscal environment, is it fair to levy these prescription drug fees on our uniformed men and women who have been at war for more than 10 years?

Answer. I must defer to the Department of Defense (DOD) to comment on any alternative strategies they may have used to develop this proposal.

The proposal to raise pharmacy retail and mail order co-pays does not affect the Active Duty servicemember. The co-pays apply only to retirees and family members in order to encourage the use of mail order and generic drugs. Understanding the concern for the rising cost of medications to beneficiaries and realizing that a continual rise in medication costs to DOD jeopardizes the benefit for all, Army Medicine is developing a plan to promote beneficiaries' return to the military treatment facility for prescription fills for no or low medication costs. Increasing formularies, improving access to pharmacies, and providing pharmacists for medication counseling are a few steps towards accomplishing this goal.

Question. General Horoho, the structure of the proposed TRICARE pharmacy co-pays strongly incentivizes members to fill their prescriptions at pharmacies within military treatment facilities. Yet we continue to hear concerns about the current wait times at numerous pharmacies. What steps are being taken to alleviate wait times, and will current facilities be able to process an increase in prescriptions?

Answer. Initiatives currently underway that ease military treatment facility wait times include workflow process changes, permitting patients to drop off prescriptions and return at later times, and physician-faxed prescriptions. These are a few ways that allow the pharmacies to increase workload without affecting wait times. Plans are in place to expand pharmacy staffing as workload increases. Expansion of Community Based Medical Homes (CBMH) will shift workload from the main pharmacies providing the opportunity to recapture prescriptions at the current facilities. The pharmacies in CBMH can also provide support to beneficiaries in their community, offering another avenue for filling prescriptions.

SUICIDE RATE

Question. General Horoho, the Services are seeking to provide early identification and treatment of psychological health through a number of initiatives; yet suicides throughout the military, and especially in the Army, continue to rise. In 2011, Active Duty, Guard, and Reserve soldiers took their lives at a record high rate. What more can we be doing for our servicemembers to ensure they are receiving the necessary behavioral and mental healthcare in order to reverse this disturbing trend?

Answer. The Army's Behavioral Health System of Care continues to explore ways to improve behavioral health services. The BHSOC currently has an extensive array of behavioral health services and wellness resources available to address the strain on servicemembers and their families throughout the Army Force Generation Cycle. Soldiers and family members have additional counseling options and other avenues to deal with stress through Army Chaplain services, Military One Source, in-theater combat and operational stress programs, psychological school programs, Army Community Service programs, and the Comprehensive Soldier Fitness program. Included in the BHSOC is the roll out of new and innovative evidenced based programs such as Embedded Behavioral Health in Brigade Combat Teams, Patient Centered Medical Homes and School Behavioral Health that will significantly change how we provide support to our soldiers and families.

RECRUITMENT AND RETENTION OF MEDICAL PROFESSIONALS

Question. General Horoho, part of the challenge of recruiting medical professionals is the divide between private sector and military compensation for health specialties. Given the increasing fiscal constraints the Department is facing in the coming years, how will you manage your resources to sustain the medical professionals required to care for servicemembers and their families? Beyond the com-

pensation gap, what other challenges do you face in recruiting and retaining a sufficient number of both military and civilian healthcare personnel?

Answer. Entry into the future fiscally constrained environment will present challenges to any increase in the scope or dollar amounts of special pays. However, by targeting accession and retention bonuses, in coordination with sister services, the Army anticipates success in the recruitment of health professionals. DOD has recently delegated the authority to use an expedited hiring authority for 38 medical occupations. We are working to implement this new appointment authority.

Nationwide shortages of highly trained health professionals remain a top challenge to the U.S. Army Recruiting Command (USAREC) in the recruitment of physicians, dentists and behavioral health professionals. Our student programs continue to be the lifeblood of our accession pipeline and accessions into these programs are doing well. We continue to partner with USAREC to insure all avenues are addressed with regard to recruitment of the necessary personnel to sustain the force.

MILITARY HEALTH SYSTEM

Question. General Horoho, earlier this month the Department released its final decision on the structure of the Military Health System. The Department decided on a proposal to combine the administration and management of the Military Health System into a Defense Health Agency. What advantages and challenges do you see to the jointness among the Services proposed in the new governance strategy?

Answer. This recommendation represents an opportunity to achieve cost savings through reduction of duplication and variation, while accelerating the implementation of shared services, identify and proliferate common clinical and business practices, and develop entirely new approaches to delivering shared activities. I am encouraged by the potential benefits achieved by this plan and support the DOD's plan to move iteratively towards increased jointness.

MEDICAL HOME

Question. General Horoho, the Services continue to transition patients to a medical home model. This concept organizes health professionals into teams to provide a more comprehensive primary approach. Each patient's personal physician leads the team and serves as a continuous point of contact for care. The Army's new community-based medical homes are located off-post in communities in order to provide increased capacity for primary care. What are the Army's plans to expand this program, and when will it be available service-wide?

Answer. The Army currently has 17 medical home practices in operation in our military treatment facilities (MTF) and 13 community-based medical homes open in the communities where our Army families live. By the end of this calendar year, 49 additional MTF-based medical home practices and 5 more community-based medical homes will open. The Army will ultimately transform 100 percent of its primary care to the medical home model by the end of calendar year 2014. We are also implementing this capability in our TO&E facilities.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

MEFLOQUINE

Question. In 2009, the Department of Defense (DOD) published research that showed that approximately 1 in 7 servicemembers with mental health contraindications had been prescribed mefloquine contrary to the instructions in the package insert guidance, including to servicemembers taking anti-depressants and with serious mental health conditions such as post-traumatic stress disorder. This research went on to highlight that such use may have significantly increased the risk of serious harm among those who had been misprescribed the drug.

What research has the Army undertaken to determine whether this trend has been reversed, and what efforts has the Army undertaken to identify and follow-up on those who were misprescribed the drug, to determine whether they may be suffering from the adverse effects of its use? Can the Army assure us that this group has not experienced more significant problems associated with this misprescribing?

Answer. The U.S. Army Pharmacovigilance Center (USAPC) conducts continual review of data for:

—the potential mis-prescribing of mefloquine with psychiatric medications;

—the potential mis-prescribing in those servicemembers with a diagnosis of psychiatric illness; and

—the acceptable use of mefloquine in those patients with a recent (within 1 year) history of psychiatric medication use.

The USAPC will evaluate the risk of mefloquine use and subsequent psychiatric medication prescription or a psychiatric diagnosis.

Question. What epidemiological research is currently underway to investigate the short- and long-term effects of exposure to mefloquine? Can you tell me what is the total amount of funding devoted to these projects?

Answer. There is no funded epidemiology research at this time by the U.S. Army Medical Research Material Command to investigate the short- and long-term effects of exposure to mefloquine. The Army Medical Department has not provided training on mefloquine to Defense Center of Excellence or National Intrepid Center of Excellence.

QUESTIONS SUBMITTED BY SENATOR BARBARA A. MIKULSKI

SUPPORT FOR NONMEDICAL CAREGIVERS

Question. Military family members already make incredible sacrifices to support both the solider deployed and the wounded warrior at home. Since 2001, nearly 2 million troops have deployed in support of Operation Enduring Freedom and/or Operation Iraqi Freedom; of those, nearly 800,000 have deployed more than once. There are nearly 48,000 wounded warriors from the 10 years of war. For many wounded warriors, their spouses and extended families become the front line of care for their rehabilitation and recovery. These nonmedical caregivers have to choose between their critically injured relative and their careers, children, and financial well-being.

What has the Army done to enhance care for family members of wounded soldiers?

Answer. Caregivers are authorized medical care in a military treatment facility (MTF) while in nonmedical attendant (NMA) status. The Army recognizes the difficulties our wounded warrior primary caregivers face on a daily basis. If NMA is a dependent of the wounded warrior, they are entitled to the full range of behavioral health services the Army has to offer to support their needs. Additionally, the spouse, son, daughter, parent, or next of kin of the covered servicemember are entitled to take up to 26 workweeks of leave during a "single 12-month period" to care for a seriously injured or ill covered servicemember under new military family leave provisions.

Additionally, on August 31, 2011, the Department of Defense authorized the Special Compensation for Assistance with Activities of Daily Living (SCAADL). The Army issued its SCAADL implementing guidance on November 21, 2011. The program is applicable to all soldiers—Active, National Guard, and Army Reserve. The SCAADL stipend provides a monthly payment to the soldier to support the caregiver. The basis for the level of payment is the severity of the soldier's wound, injury, or ailment, the amount of caregiver support required, and the geographic location of the soldier. Since implementing the SCAADL stipend, the Army has made payments to 347 families. As of May 4, 2012, 310 soldiers are currently receiving the SCAADL stipend, with an average payment of $1,473 per month.

Question. What training does the nonmedical caregiver receive to ensure continuity of care for their wounded warrior once that soldier makes a transition to home?

Answer. In early April 2012, the Office of the Secretary of Defense Wounded Warrior Care and Transition Policy drafted a memorandum of understanding between the Under Secretary of Defense for Personnel and Readiness and the Under Secretary of Veterans Affairs, Veterans Health Administration (VHA) for the purpose of having VHA, through their contract provider (Easter Seals), provide training for the caregivers assisting eligible catastrophic servicemembers in the SCAADL program.

Also in early April 2012, the Easter Seals mailed training workbooks and CDs to each Army Warrior Transition Unit for distribution to the caregivers of soldiers in the process of transition from the Army to the VA. Before the VA will certify a caregiver, the caregiver must pass a test and the VA will conduct an in-home visit of the location where the soldier and caregiver will reside.

The training workbooks have six modules:

—caregiver self-care;

—home safety;

—caregiver skills;

—veteran/servicemember personal care;

—managing changing behaviors; and

—resources.

Question. What support do they receive to ensure they can maintain their own psychological health and well-being through this process?

Answer. The Army recognizes the difficulty of wounded warrior primary caregivers. If a nonmedical attendant is a dependent of the wounded warrior, they are entitled to the full range of behavioral health services the Army has to offer to support their needs. Additionally, the spouse, son, daughter, parent, or next of kin of the covered servicemember are entitled to take up to 26 workweeks of leave during a "single 12-month period" to care for a seriously injured or ill covered Servicemember under new military family leave provisions.

Many family members who serve as nonmedical caregivers are eligible for care in the military health system. These family members have access to direct and purchased care providers to address their personal psychological health and well-being. Members of the soldier's extended family who would not normally be eligible for care in the direct care system and who do not have private healthcare coverage may apply for access to care through the Secretary of Defense.

Licensed Clinical Social Workers and Nurse Case Managers are required to assess potential family issues with each wounded warrior encounter as part of their standard of practice. Both Licensed Clinical Social Workers and Nurse Case Managers encourage family/caregiver participation in the rehabilitation and recovery process which enhances the ability to assess the needs of the nonmedical caregiver.

Every Warrior Transition Unit has a Family Readiness Support Assistant. This individual is charged with reaching out to nonmedical caregivers to assess their needs and provide resiliency and support activities for spouses and extended families.

We acknowledge that additional emphasis must be placed on the care of the caregiver. In November 2011, Army Family Action Plan Conference participants raised caregiver support as a formal issue for the Army to address. The Army Family Action Plan recommendation was to implement formal standardized, face-to-face training for designated caregivers of wounded warriors on self-care, stress reduction, burnout, and prevention of abuse/neglect. In June 2012, all Army Nurse Case Managers will begin receiving training in Caregiver Support. Nurse Case Managers will be educated on how to assess and train caregivers using the same training required by VA prior to receiving caregiver compensation in order to enhance lifelong learning and further reduce the training burden on caregivers. Following the training, Nurse Case Managers caring for wounded warriors will be required to invite caregivers in for an individual assessment, education using the Easter Seals training workbook, and potential referral to the Licensed Clinical Social Worker and/or other appropriate resources.

Question. What has the Army done to leverage the help the private sector can provide?

Answer. The Army recognizes the difficulty of wounded warrior primary caregivers. Dependents of wounded warriors are entitled to the full range of services the Army has to offer to support their needs. These services include those services available to Army beneficiaries in the private sector. Additionally, the spouse, son, daughter, parent, or next of kin of the covered servicemember are entitled to take up to 26 workweeks of leave during a "single 12-month period" to care for a seriously injured or ill covered servicemember under new military family leave provisions.

MENTAL HEALTH CARE PROVIDER GAP

Question. Former Vice Chief of Army, General Chiarelli has recently talked about a shortage in behavioral/mental healthcare providers. A 2011 report by American Psychological Association found a 22-percent decrease in uniformed clinical psychologists and further characterized the approach to helping soldiers and families as a "patchwork." There are not enough behavioral health specialists and those who are serving are completely overwhelmed by the level of work they have. Furthermore, the Guard and Reserve forces have been hit particularly hard by mental health issues. A 2011 study found nearly 20 percent of returning reservists had mental health problems serious enough for follow-up. Guard and Reservists are 55 percent more likely than Active Duty members to have mental health problems. Compounding the problem, Reservists lack access to the system or networks that experts say are needed to assess and treat their injuries.

Do you have the workforce you need; whether it's mental healthcare providers or integrative medicine practitioners—such as acupuncturists?

Answer. Behavioral health remains one of the Army's hardest to fill specialties. Specific shortage areas include psychiatrists, social workers, and technicians. Emerging capability needs related to integrative medicine, the Integrated Disability Evaluation System, Patient Centered Medical Homes, and brigade combat team embedded behavioral health will require additional providers.

Question. Does the military health budget address the behavioral health providers?

Answer. Yes, the Defense Health Program provides funding for Behavioral Health (BH) providers. The Army Medical Command has an historic base budget of more than $125 million for civilian BH providers. The fiscal year 2013 President's budget sustains an additional $184 million in funding for psychological health requirements that includes BH providers (among other BH operating costs, including facilities). Further, there is an additional $20.8 million for BH providers as part of our Patient Centered Medical Home initiative; $24 million for our Embedded Behavioral Health initiative; and another $21 million for BH providers supporting the Integrated Disability Evaluation System.

Question. What are you doing to attract and retain more mental healthcare providers?

Answer. There are numerous programs to attract mental health providers to the Active military force. The Critical Wartime Skills Accession Bonus allows us to offer a psychiatrist an accession bonus of $272,000 for a 4-year commitment. There are accession and retention bonus programs for Clinical Psychiatrists and the Accession Bonus Program for Social Work officers. We have expanded our training programs to attract more recent graduates into service to accomplish the years of supervision required to become independent practitioners. Certified Psychiatric Nurse Practitioners are eligible for Incentive Special Pays.

The MEDCOM has been successful in civilian recruiting and retention efforts by focusing on recruiting and retention incentives, an aggressive outreach recruitment program, and the addition of civilian students in the Fayetteville State Masters of Social Work Program. The MEDCOM has centralized the recruitment process for mission critical specialties, and that effort has reduced the fill time for hiring.

ADDICTION TO PRESCRIPTIONS

Question. Reliance on prescription cocktails to handle mental and pain management is having serious negative consequences amongst our military servicemembers. Recent studies have found that veterans with PTSD were most likely to be prescribed opioids as compared with vets with no mental health disorder—33.5 percent compared with 6.5 percent. Accidental drug deaths have doubled from 2001–2009, while prescriptions for painkillers are up 438 percent since 2001. Furthermore, nearly 30 percent of Army suicides between 2005 and 2010 included drug and/or alcohol use.

Should the military medical community examine its reliance on narcotics to control pain among wounded warriors?

Answer. The 2010 Army Pain Management Task Force examined not only military medicine's but U.S. medicine's overreliance on medication-only treatment for pain. The Pain Management Task Force Report made more than 100 recommendations to provide a comprehensive pain management strategy that was holistic, multidisciplinary, and multimodal. The Army has been implementing these recommendations through the Army Comprehensive Pain Management Campaign Plan which includes efforts to ensure proper use/monitoring of medication use and significant expansion of nonmedication pain treatment modalities.

In June 2011, the Institute of Medicine released the report entitled, "Relieving Pain in America: A Blueprint for Transforming Prevention, Care, Education, and Research". The IOM report confirmed that overreliance on medication-only management of pain was an issue plaguing medicine in the U.S. and certainly not unique to the military. In addition to referencing the Army Pain Management Task Force, the IOM report's findings and recommendations largely paralleled those contained in the Army Pain Management Task Force Report.

Question. What alternative options of pain management does the Army have in place to give doctors a choice to lessen the use of prescription pain killers?

Answer. The Army's Comprehensive Pain Management Campaign Plan is operationalizing the Army Pain Management Task Force recommendations to move toward a more holistic, multidisciplinary, and multimodal treatment of pain. This includes standardizing availability and utilization of traditional treatment modalities such as medications, interventional procedures (injections, nerve blocks, and surgeries) and several nontraditional complementary modalities (acupuncture, movement therapy (Yoga), Biofeedback, and medical massage therapy).

Army Medicine is developing capability and experience in providing multidisciplinary and multimodal pain management at eight interdisciplinary pain management centers and their subordinate pain augmentation teams.

Question. Does the Army track rates of addiction to prescription pain killers among wounded warriors—how would you know if you had a problem?

Answer. The Army tracks rates of positive urine drug screens among soldiers that represent abuse of illicit and prescription medications. The Army also tracks the number of soldiers enrolled for treatment of substance use disorders. In addition, the Army has put into place policies and practices to provide closer monitoring and support of our wounded warriors who require treatment for their multiple medical and behavioral health conditions, which often includes medications such as painkillers and anti-anxiety medications that have abuse potential. Because these policies and practices are in place, we have a better chance of detecting prescription drug abuse and identifying soldiers in need of intervention and treatment.

Question. Peer-reviewed studies demonstrate that servicemembers who incorporate complementary medicine for pain management rely less on prescriptions for pain management. Do you see promise for a more widespread application of this program?

Answer. Yes, the Army is developing capability and experience in providing multidisciplinary and multimodal pain management at eight interdisciplinary pain management centers (IPMC) and their subordinate pain augmentation teams. The Army's Comprehensive Pain Management Campaign Plan (CPMCP) is operationalizing the Army Pain Management Task Force recommendations to move toward a more holistic, multidisciplinary, and multimodal approach to the treatment of pain. This includes standardizing availability and utilization of traditional treatment modalities such as medications, interventional procedures (injections, nerve blocks, and surgeries), and several nontraditional complementary modalities (acupuncture, movement therapy (Yoga), Biofeedback, and medical massage therapy).

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

HYPERBARIC OXYGEN THERAPY

Question. General Horoho, I understand that $8.6 million is included to fund a clinical trial using hyperbaric oxygen therapy to diagnose and treat brain injury. What is your experience with this therapy? Do you think it has merit in treating traumatic brain injury?

Answer. Case reports have suggested symptomatic improvement and more modest cognitive improvement in some individuals, but properly designed clinical trials results are still lacking. Departments of Defense (DOD), Veterans Affairs (VA) leaders, and medical professional societies such as the Undersea and Hyperbaric Medical Association and recently the American Psychiatric Association have cautioned that the results of randomized, controlled trials are needed before merit in treating mild traumatic brain injury (mTBI) can be established. In order to evaluate the merit of this potential therapy, the DOD is continuing to fund and execute a series of clinical trials to evaluate hyperbaric oxygen in the rehabilitation of mTBI.

QUESTIONS SUBMITTED TO MAJOR GENERAL KIMBERLY SINISCALCHI

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUYE

JOINT NURSING ISSUES

Question. General Siniscalchi, how are lessons-learned from joint experiences being leveraged to improve the military health system and ultimately improving health outcomes?

Answer. Lessons learned from Joint experiences have enabled us to focus our efforts on improving the Military Health System and health outcomes by enhancing interoperability through continued partnering with our Sister Services, Veterans Administration, Civilian Healthcare facilities, and other Federal agencies. The Federal Nursing Chiefs are meeting on a regular basis to address common nursing challenges and have developed a strategic plan to advance nursing practice and improve health outcomes, acting as a single voice with a common mission. We continuously strive to decrease variance in patient care delivery as we focus on efficiencies to reduce redundancies to advance the Quadruple Aim: Ready, Better Health, Better Care, and Best Value.

Lessons learned from these experiences also refocused our attention on clinical currency, competency, and sustainment. We built enhanced partnerships with Federal and civilian healthcare facilities to ensure our nurses have robust clinical sustainment training platforms. In 2011, we established 180 training affiliation agreements, 39 of which were specifically for nursing. We are working to enhance clinical sustainment training at our Sustainment of Trauma and Resuscitation Skills Program sites. Training on burn care and pediatric critical care was added to our Center for Sustainment of Trauma and Readiness Skills Centers. To further improve health outcomes based on lessons learned, we changed our clinical skill mix by increasing critical care, emergency/trauma, mental health, and aeromedical evacuation capability. Our 1-year critical care and emergency/trauma fellowships are undergoing major transformations and will be ready to implement in 2013. Our overall number of mental health nurses and mental health nurse practitioners were increased and new roles developed in both the inpatient and outpatient settings. The new mental health course was established at Travis Air Force Base and the mental health nurse practitioner program was established at Uniformed Services University of the Health Sciences.

Our most significant changes, based on lessons learned, were in the area of aeromedical evacuation. Overall requirements for flight nurses and aeromedical technicians were increased. The aeromedical evacuation training platform was redesigned into a modularized, efficient training pipeline with increased proficiency levels and overall reduction in training by 130 days. New clinical protocols for the use of epidural pain management in aeromedical evacuation were established and fielded. New research projects in collaboration with Wright State University, Dayton, Ohio, Air Mobility Command, and the USAF School of Aerospace Medicine were started to improve safe patient hand-offs.

NURSING RESEARCH ISSUES

Question. General Siniscalchi, the TriService Nursing Research Program (TSNRP) has supported innovations in nursing care through competitive grant programs such as the Military Clinician-Initiated Research Award and the Graduate Evidence-Based Practice Award. What are some of the military unique topics that have benefited from these grant programs?

Answer. The TSNRP is the only program with the primary mission of funding military unique and military relevant nursing research studies. Since its beginning in 1992, the TSNRP has funded more than 315 nursing research and evidenced-based practice projects. Under Air Force Colonel Marla De Jong's leadership, the TSNRP established the Military Clinician-Initiated Research Award and the Graduate Evidence-Based Practice Award. The Military Clinician-Initiated Research Award is targeted to nurse clinicians who are well-positioned to identify clinically important research questions and conduct research to answer these questions under the guidance of a mentor. The Graduate Evidence-Based Practice Award is intended for Doctor of Nursing Practice students who will implement the principles of evidence-based practice and translate research evidence into clinical practice, policy, and/or military doctrine. It is critical that the award recipients disseminate the results of their studies so that leaders, educators, and clinicians can apply findings to practice, policy, education, and military doctrine as appropriate. The goal of this grant is to enhance the dissemination and uptake of evidence.

Some of the areas in which research was conducted this year include:

—pain management;
—patient safety;
—post-traumatic stress; and
—women's health.

Research initiatives in patient safety and pain management demonstrated improvement in the safety, quality of care, and management of pain as patients move through aeromedical evacuation continuum. TSNRP is invaluable to these research initiatives that display our commitment to advance nursing practice by fostering a culture of inquiry.

PATIENT-CENTERED MEDICAL HOME

Question. General Siniscalchi, how are nonadvanced practice nurses being utilized in advancing the Air Force Family Health Initiative to realize the DOD focus on Patient-Centered Medical Home (PCMH) as a strategy aimed at improving health outcomes while improving efficiencies in care delivery within military treatment facilities?

Answer. The focus of PCMH is to create a partnership between the patient and their healthcare team while empowering the patient with increased responsibility

for self-care and monitoring to achieve their goals for health. Our nonadvanced team nurses are integral to the care management and the coordination of patients and focus on prevention and improved health outcomes. The team nurse ensures a smooth care transition as patients pass through the continuum of care. Additionally, they vector high-risk patients to be followed by disease or case managers. The expanded team nurses' roles include disease or case managers; who manage and coordinate care for a target population, or the more complex patients, to improve quality and health outcomes for these defined populations while advocating and incentivizing healthy behaviors. Implementation of PCMH has resulted in decreased emergent and urgent care visits; increased provider, patient, and staff satisfaction; increased provider continuity associated with better health outcomes; and an uncomplicated early transition from a focus on healthcare to health.

TRANSITION FROM WARTIME

Question. General Siniscalchi, what specific retention strategies are being developed to entice the best junior and mid-level nurses to continue their nursing careers in uniform?

Answer. We offer many programs to inspire our junior and mid-level nurses to remain on Active Duty. The Incentive Specialty Pay program continues to have a positive impact on retention. We have a robust developmental program for our nurses as they transition from novice to expert. The nurse residency program develops our nurse graduates into fully qualified registered nurses and prepares them for success in their new profession and military nursing. The Nurse Transition Program for new graduates is conducted at one of four Centers of Excellence, two of which are Magnet hospitals. Our developmental career path offers three tracks—clinical, command, and academia—giving nurses the ability to focus in any one of these three areas, while still allowing them to weave in and out at the junior and mid-level points in their career.

Additional force development opportunities include fellowship programs such as critical care, trauma, patient safety, magnet recognitions, leadership, education and training, administration, strategic planning, resourcing, informatics, research, and aeromedical evacuation. We offer advanced academic degree programs such as clinical nurse specialist (CNS), nurse practitioner, and nurse scientist. We partnered with Wright State University, Ohio, in developing a Master's program for a Flight and Disaster Nursing CNS. Our first student graduates in May 2012. Nurses now have the opportunity to pursue a Doctorate of Nursing Practice in the of areas Mental Health, Family Nurse Practitioner and Certified Registered Nurse Anesthetist, in partnership with the Uniformed Services of the Health Sciences. Deployment opportunities provide unique experiences, which were cited as "the most rewarding experience" in the 2010 Tri-Service Nursing Retention Survey. We continue to pursue training affiliations with our Federal partners, civilian institutions, and international partners in order to advance interoperability and skill sustainment.

QUESTIONS SUBMITTED TO REAR ADMIRAL ELIZABETH S. NIEMYER

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUYE

JOINT NURSING ISSUES

Question. Admiral Niemyer, in recent years we have witnessed the unprecedented alignment of efforts among service medical departments, between Department of Defense (DOD) and Department of Veterans Affairs (VA) medical departments, and between governmental and nongovernmental nurses to deliver care across the spectrum of military treatment facilities, during humanitarian assistance/disaster relief efforts, and wartime missions. What is being done to ensure lessons learned from these opportunities are embedded in future training evolutions?

Answer. Joint and integrated work environments are now the "new order" of business. Navy Medicine enjoys strong collaborative relationships with the Army and Air Force, as well as VA and civilian counterparts. As leaders in Navy Medicine and the Military Healthcare System, Navy nurses possess the necessary skills and experience to promote, build and strengthen strategic partnerships with our military, Federal, and civilian counterparts to improve the healthcare of our beneficiaries.

Within the military treatment facilities (MTFs), lessons learned are shared and implemented into various training evolutions. Nurse Residency Programs for newly accessioned nurses and command orientation programs are integrated and nurses new to military medicine and/or a joint facility are introduced into a joint culture from day one. The Directors for Nursing Services assigned to our joint facilities have

provided video teleconferences throughout Navy MTFs to share lessons learned throughout the enterprise and respond to questions from the field which has also proven to be a vital educational format as we continue to refine a unified culture focused on clinical excellence and professionalism.

A decade of war has resulted in numerous advancements in military medicine from lessons learned by all of the Services. These advancements are incorporated into clinical and operational training evolutions. Examples are the use of tourniquets and procedures for resuscitating casualties such as earlier use of blood products, medications such as QuikClot and Combat Gauze. The Tactical Combat Casualty Care Course has curriculum committee involvement for all Services, as well as civilian experts. Improvements in critical care transport and rapid Medical Evacuation (MEDEVAC) to definitive care has also been incorporated into training. Implementing lessons learned from the Air Force's Critical Care Air Transport Team (CCATT), the Navy is also training and using critical care physicians and nurses in theater to provide critical care transport.

NURSING RESEARCH ISSUES

Question. Admiral Niemyer, in last year's testimony you provided an overview of the Navy Nurse Corps' efforts to regionalize nursing research efforts and implement research training to junior officers. How have these efforts impacted current research activities?

Answer. Fundamental to the growth and development of future nurse researchers is the availability of experienced mentors to guide and teach our junior nurses throughout the research process. To this end, we aligned our senior nurse researchers regionally to serve in this role. We have continued our efforts to "invigorate nursing research" at all levels of the organization; however, we have focused additional efforts to promote a culture of clinical inquiry in our junior nurses.

A team is completing the development of a 2–3 day course on implementing evidence-based practice which we plan to present in all three regions by July of this year. This course will educate junior nurses on the process of evaluating the existing body of nursing knowledge and apply this knowledge to improve their nursing practice and advance their skills in the care of patients at the bedside ultimately enhancing patient outcomes. Following this course completion, our regional researchers will mentor the course participants in the initiation of three multisite, regional evidence-based practice projects. The first annual Navy Nurse Corps recognition program to promote and acknowledge excellence in implementing evidence-based practice was launched in February of this year.

As a result of these on-going efforts, we are seeing an increased level of interest in evidence-based practice and increased level of participation in nursing research projects among our junior nurses. Throughout our organization, there continues to be an overwhelming number of nurses participating in the Tri-Service Nursing Research Program Research (TSNRP) Development Course. Navy nurses authored more than 30 publications and provided more than 50 formal presentations at various professional forums and were awarded $1.5 million in TSNRP funds as principal investigators for numerous projects.

PATIENT-CENTERED MEDICAL HOME

Question. Admiral Niemyer, how are advanced practice nurses being utilized to forward the Navy Medical Homeport to realize the DOD focus on Patient-Centered Medical Home to improve health outcomes while improving care delivery within military treatment facilities?

Answer. Transformation to the Navy Medical Homeport (MHP) has changed how patients, team members and providers interact with one another. It uses an integrated healthcare team to deliver the right care, at the right time, by the right person leveraging the skills of all team members to deliver timely, easily accessible quality care.

Advanced practice nurses are at the forefront of MHP implementation across our enterprise. As experienced Primary Care Managers within Navy Medicine, advanced practice nurses are expertly prepared to deliver the highest quality care with the tenets of wellness and preventive care at the center of every encounter. Many are serving as MHP Team Leaders and command champions. In these roles, they are leading the efforts towards achieving National Center for Quality Assurance (NCQA) recognition, the gold standard for recognition of medical home practices in the United States.

Advanced practice nurses have always practiced patient- and family-centered care and will continue to be recognized leaders in this cost-effective, high-quality healthcare delivery model.

TRANSITION FROM WARTIME

Question. Admiral Niemyer, Navy Medicine has been involved in several humanitarian assistance/disaster relief (HA/DR) operations utilizing hospital ships, combatant ships, and land forces over the past year. How has the Navy Nurse Corps applied wartime experiences to these noncombat missions?

Answer. Navy nurses are integral members of diverse medical units throughout the Helmand and Nimroz Provinces in Afghanistan. They serve in medical units at forward operating bases, Shock Trauma Platoons (STPs), Forward Resuscitative Surgical Systems (FRSS), and the Multinational Medical Units in Bastion and Kandahar supporting the immediate pre-, intra-, and post-operative phases of care for injured combat casualties.

In accordance with nationally recognized trauma scales, patients treated at the Role 3 in Bastion typically had injuries scoring twice as high as those seen in a Level 1 trauma center in the United States. The advanced clinical expertise and technical skills of nurses gained through their wartime experience have significantly contributed to the unprecedented survival rates of greater than 95 percent. The expertise from wartime experience of our emergency/trauma, critical care, medical/surgical, pediatrics, neonatal intensive care, nurse anesthesia, and nurse practitioner specialties is also vital to the provision of outstanding patient care during HA/DR missions.

Navy nurses are also trained and supported the theater's enroute care mission providing medical support in rotary wing airframes during the transport of casualties to higher levels of care. This skill set is also necessary for the critical care transport and rapid medical evacuation necessary in HA/DR missions.

Navy nurses are primary members of medical stability operations on Embedded Training and Provincial Reconstruction Teams and served as mentors and teachers for Afghan military and civilian medical personnel. They gained experience in working with NATO members and other services, as well as Afghanistan civilians forging collaborative and trusting relationships to improve healthcare delivery systems. This is also a crucial skill set gained through wartime experience invaluable during HA/DR missions to build relationships with our host nation partners and strengthen U.S. maritime security and ultimately improving capability to work together with partner nations in the event of a future disaster.

QUESTIONS SUBMITTED TO MAJOR GENERAL JIMMIE O. KEENAN

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUYE

PATIENT CARE TOUCH SYSTEM

Question. General Keenan, the Army Nurse Corps launched the Patient Care Touch System in February 2011. How has this approach to nursing practice been integrated with the Army Patient-Centered Medical Home (PCMH) delivery model?

Answer. Patient Caring Touch System and PCMH are complimentary systems. Facilities that are implementing PCMH report that they integrate well and report that the similarities of the team concept facilitate transition of other members of the team, and nursing becomes an important advocate of change. Shared accountability and the unit practice councils help the PCMH team to develop policies and practices and processes that are common to both systems and enables improvements in communication and multidisciplinary collaboration.

TRAINING ARMY NURSE CORPS

Question. General Keenan, how has the Army Nurse Corps been changed by 10 years of war and what steps are being taken to ensure the best of the experiences are capitalized upon in training tomorrow's Army Nurse Corps?

Answer. Based upon lessons learned and data in theater, Army Nurses are prepared for deployment by completing individual clinical training. We have developed new nursing skill sets and capabilities such as revision of our critical care nurse training to improve trauma care as well as training our nurses to provide MEDEVAC transport. To ensure capability gaps are addressed in future operations, Army nurses have developed a comprehensive set of policies that address training, equipping, sustainment and practice protocols. The Army Nurse Corps assigns a senior nurse to the Medical Task Force, who is responsible for collaborating with nurses to ensure standards of nursing care are in compliance in a deployed environment.

The Army Nurse Corps has transformed Army Nursing Leader Training through the design and implementation of a career-long iterative group of courses, guided by nationally accepted nurse leader competencies and the Patient Caring Touch System, and gauged by the Leader Capability Map.

NURSES: SERVICE INTEGRATION

Question. General Keenan, focusing specifically on the treatment facilities impacted by base realignment and closure (BRAC), how are nurses from the different services being integrated to deliver seamless care to beneficiaries?

Answer. The joint facilities created by BRAC offer the opportunity for the services to collaborate in improving patient care just as we have in 10 years of war together. Many of our officers served in a joint environment overseas and can leverage that experience working at our joint treatment facilities in the continental United States.

Nurses are integrated at all levels of the organization and are delivering seamless care to beneficiaries. Army, Navy, and Air Force nurses work side-by-side in clinical environments at Fort Belvoir Community Hospital and Walter Reed National Military Medical Center. From orientation programs, ongoing training, committee work, and process improvement teams to middle and executive level leadership, nurses from all services collaborate in a very deliberate and integrated environment to provide the best quality care.

Question. General Keenan, over the course of history nurses have risen to the challenges of war providing invaluable contributions that have had long-lasting impacts on healthcare. As our Nation has been at war for the past 10 years, what are some of the significant research findings military nurses have contributed to the body of professional knowledge with applications away from the battlefield?

Answer. The Army Nurse Corps is fully engaged in military research related to war. We have nurses assigned to the U.S. Army Institute of Surgical Research (USAISR) which is working to develop lessons learned from the data they have collected from 10 years of war. At USAISR, there is a cell dedicated to Combat Casualty Care Nursing Research.

We also have nurses deployed with the Joint Theatre Trauma System team and the Deployed Combat Casualty Research Team. LTC Elizabeth Mann, of the USAISR, recently co-authored a study on mortality associated with sepsis in burn and trauma patients, which is one of many studies she has been involved with dealing with the challenges with the critically ill patients we have seen return from theatre. The Army Nurse Corps is proactively changing and improving our nursing practice based on the lessons learned.

SUBCOMMITTEE RECESS

Chairman INOUYE. The subcommittee will reconvene on Wednesday, April 18, at 10:30 a.m. to receive testimony from the Missile Defense Agency. Until then, we stand in recess.

[Whereupon, at 11:44 a.m., Wednesday, March 28, the subcommittee was recessed, to reconvene at 10:30 a.m., Wednesday, April 18.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2013

WEDNESDAY, APRIL 18, 2012

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:32 a.m., in room SD–192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Cochran, Shelby, and Alexander.

DEPARTMENT OF DEFENSE

MISSILE DEFENSE AGENCY

STATEMENT OF LIEUTENANT GENERAL PATRICK J. O'REILLY, DIRECTOR, U.S. ARMY

OPENING STATEMENT OF CHAIRMAN DANIEL K. INOUYE

Chairman INOUYE. Good morning. Today, we are pleased to welcome Lieutenant General Patrick O'Reilly, Director of the Missile Defense Agency (MDA) to discuss the administration's fiscal year 2013 budget request.

While we scheduled this year's hearing several months ago, it could not be more timely given the events that transpired last week. The attempted North Korean rocket launch serves as a stark reminder of potential threats to our homeland. I know the operational demands the Nation places on you.

In fiscal year 2013, MDA is requesting $7.75 billion, a reduction of more than $650 million from amounts appropriated in the last fiscal year. This request supports a viable homeland defense, enhances European regional defenses, continues testing the current system, and develops new capabilities to address new threats.

Like all of our defense and other Federal Government agencies, we're asking you to continue to perform your vital mission in a fiscally constrained environment. Your agency has several significant programs underway that I'm certain you will address this morning.

In particular, I look forward to hearing an update on progress you have made after two successive test failures of the Ground-based Midcourse Defense (GMD) system. As you well know, the threat to our Nation is not static, and this subcommittee will continue to fully support your efforts to return to flight successfully.

In addition to the regional defense of our deployed troops and allies, MDA has begun implementation of a phased adaptive ap-

proach (PAA) by placing a forward-based radar in Turkey and deploying an Aegis ballistic missile defense ship in the Mediterranean.

You have also made progress in the next phases of the PAA by negotiating important postnation agreements and by continuing to upgrade our Aegis ships.

Therefore, we are concerned to hear about the Navy's proposed plans to prematurely retire some of its ships that were slated to be upgraded to a ballistic missile defense (BMD) capability. This will result in six fewer BMD capable ships than what you had projected just 1 year ago. I believe this is alarming given the evolving threat, and we would like to hear your thoughts on that proposal.

The year 2012 marks the 10-year anniversary of MDA, and over this time, you have made technical progress to secure our homeland and our allies. As we look forward to future challenges coupled with limited resources, our Nation will continue to rely on your foresight and technical expertise.

Before I proceed, I would like to recognize the Vice Chairman, Senator Cochran, for his remarks.

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, thank you, and thank you, General O'Reilly, for being here with us today to review the President's budget request with respect to the next fiscal year for the Department of Defense (DOD).

We, of course, are interested in trying to do our part to hold back on wasteful Government spending. That's kind of the word of the day, and constrains us, as we review the request being submitted to the Congress this year for DOD.

But we know we have no more important undertaking than to safeguard the security of the citizens of the United States and to help protect our interests around the world.

We do need to practice fiscal discipline, but our adversaries continue to develop medium- and long-range ballistic missiles that threaten our security, as well as the security of our deployed forces around the world. And our friends and allies are threatened as well.

So we hope to explore with our witnesses before the subcommittee at our hearing the technological and fiscal challenges we face and undertake to do what is thoughtful and necessary to help continue to provide a multi-tiered, missile defense system to help protect these security interests.

Thank you for being here today, and we look forward to our discussion about the MDA and what we can do to help support your best efforts.

Chairman INOUYE. Senator Shelby.

STATEMENT OF SENATOR RICHARD C. SHELBY

Senator SHELBY. Mr. Chairman, I ask that my opening statement be made part of the record. I look forward to hearing from General O'Reilly. We had a nice meeting yesterday. Thank you for calling this hearing.

Chairman INOUYE. Senator Alexander.

STATEMENT OF SENATOR LAMAR ALEXANDER

Senator ALEXANDER. Thanks, Mr. Chairman. I'm here to hear the General, and I have no opening statement.

Chairman INOUYE. Thank you, Sir.

General.

SUMMARY STATEMENT OF LIEUTENANT GENERAL PATRICK J. O'REILLY

General O'REILLY. Good morning.

Chairman Inouye, Vice Chairman Cochran, and other distinguished members of this subcommittee. Thank you for the opportunity to testify today on the MDA's $7.75 billion fiscal year 2013 President's budget request to further develop our missile defenses against the increasing ballistic missile threat to our homeland, armed forces, allies, and international partners.

This request balances our policies as documented in the 2010 Ballistic Missile Defense Review, U.S. Strategic Command's Integrated Air and Missile Defense priorities, the MDA's technical feasibility assessments, affordability constraints and current intelligence community estimates of the ballistic missile threat.

I describe our past year's accomplishments and detailed justification of this year's budget request in my written statement submitted to this subcommittee. However, I would like to highlight now that last year our homeland defense improvements included activating a new missile field and an additional fire control node at Fort Greely, Alaska, activating a newly upgraded early warning radar in Thule, Greenland, and upgrading the reliability of three ground-based interceptors (GBIs).

This year, we continue to aggressively pursue the agency's highest priority, to conduct a missile intercept with the newest version of the GBI's exo-atmospheric kill vehicle (EKV) after two previous flight test failures.

We conducted a failure review board comprised of Government and industry experts, redesigned critical GBI EKV components, and established more stringent manufacturing and component requirements.

These requirements had previously not been encountered anywhere in the aerospace industry. As a result of these stringent manufacturing requirements, we have encountered delays in preparing for our next flight test.

MDA is fully committed to test the GMD system as soon and as often as possible. But we will not approve the execution of a flight test until our engineers and independent experts are convinced that we have resolved all issues discovered in previous testing.

We will fly a nonintercept test by the end of this year to verify we have resolved all issues, and then we will conduct our next intercept flight test early next year to reactivate the GMD production line.

We will also activate our hardened power plant at Fort Greely, Alaska, this year, and we will increase the firepower of the fielded GBI's by continuing to test and upgrade the reliability of GBI components.

Finally, we will continue to increase the capability of the Sea-Based X-band Radar (SBX). But we have cost effectively limited its

operation to flight testing and operational contingency support under the control of the U.S. Navy Pacific Fleet.

Our regional defense highlights over the past year include the on-time deployment of the first phase of the European phased adaptive approach (EPAA) consisting of a command and control node in Germany, a forward-based radar in Turkey, and an Aegis missile defense ship on station in the Mediterranean Sea.

During the past year, we demonstrated the first Aegis intercept of a 3,700 kilometer target using a remote forward-based radar and we demonstrated the simultaneous intercept of two missiles by the Terminal High Altitude Area Defense (THAAD) system.

This year, the first two THAAD batteries will be available for deployment, increasing the number of Aegis capable ships to 29 and conduct of three Standard Missile 3 (SM–3) Block 1B flight tests to demonstrate the resolution of last year's flight test failure.

And we will conduct the largest missile defense test in history involving the first simultaneous intercepts of multiple short- and medium-range ballistic missiles and cruise missiles by Patriot Advanced Capability 3, THAAD and Aegis BMD systems integrated with a forward-based radar.

Finally, we continue to work with more than 20 countries including our Cooperative Development Programs with Israel and Japan, and our first foreign military sale of THAAD to the United Arab Emirates. And we continue to support technical discussions with the Russians on missile defense.

While Phases 2 and 3 of the EPAA to missile defense are on track to meet the 2015 and 2018 deployment dates, the Government Accounting Office (GAO) has criticized concurrent production of prefabricated buildings to house the Aegis Ashore System for Romania prior to the completion of flight testing with the Aegis Ashore at the Pacific Missile Range in Hawaii.

While I concur with the GAO that programs of high concurrency between testing, production and fielding such as the initial fielding of the GMD system have associated risks, I deem the risk of proceeding with the production of prefabricated buildings for the Aegis Ashore System, while flight testing, is a low risk, since all the functions of the Aegis Ashore System are identical to the functions of the Aegis System that have been thoroughly tested at sea.

However, the cost of suspending Aegis Ashore production until all flight testing is completed will greatly increase the production costs, needlessly delay the deployment of the second phase of the EPAA production protection of Europe, and negatively impact the industrial base supporting the Aegis program.

Finally, I'm concerned about delivering the critically needed and cost-effective missile defense sensor capability of the Precision Tracking Space System (PTSS) and the need to develop a second independent layer of homeland defense with the SM–3 IIB Interceptor due to past congressional funding reductions to both programs.

PREPARED STATEMENT

I request your support for these programs so that our homeland benefits from the same layered missile defense approach that we successfully employ in our regional defenses.

Three industry teams are developing the SM–3 IIB Interceptor concepts that expand the forward edge of our homeland defense battle space and provide our war fighters a highly effective Shoot-Assess-Shoot anti-intercontinental ballistic missiles (ICBM) capability as endorsed by the recent Defense Science Board Study.

Thank you, and I look forward to the subcommittee's questions.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL PATRICK J. O'REILLY

Good morning, Chairman Inouye, Vice Chairman Cochran, other distinguished members of the subcommittee. I appreciate the opportunity to testify before you today on the Missile Defense Agency's (MDA) $7.75 billion fiscal year 2013 budget request to develop protection for our Nation, our Armed Forces, allies, and partners against the proliferation of increasingly capable ballistic missiles. The Department developed the fiscal year 2013 President's budget request in accordance with the February 2010 Ballistic Missile Defense Review, which balanced war fighter needs as expressed in the U.S. Strategic Command (STRATCOM) Integrated Air and Missile Defense (IAMD) Prioritized Capability List (PCL) with technical feasibility and affordability constraints and intelligence community updates. We continue to demonstrate and improve the integration of sensor, fire control, battle management, and interceptor systems that transforms individual missile defense projects into a Ballistic Missile Defense System (BMDS) capable of defeating large raids of a growing variety of ballistic missiles over the next decade. For homeland defense, last year we completed the construction of the Ground-based Midcourse Defense (GMD) infrastructure for protection of the U.S. homeland against future limited intercontinental ballistic missile (ICBM) threats from current regional threats including the activation of our newest hardened missile field at Fort Greely, Alaska (FGA). This year, we will continue to aggressively pursue the MDA's highest priority—successful return to flight and intercept tests of the Capability Enhancement II (CE II) version of the ground-based interceptor (GBI). We will prepare for the next GMD nonintercept flight test by the end of this year and our next intercept early in the following year, activate the hardened power plant at FGA, prepare to restart the GBI production line, and aggressively conduct component testing and refurbish currently deployed missiles to test and improve their reliability. For regional defenses, last year we deployed phase 1 of the European phased adaptive approach (EPAA) consisting of a command and control, battle management system in Germany, forward-based radar in Turkey, and an Aegis ballistic missile defense (BMD) ship in the Eastern Mediterranean Sea. This year, we will have two operational Terminal High-Altitude Area Defense (THAAD) batteries, convert 5 Aegis ships and upgrade 1 for a total of 29 ships with BMD capability installed, and increase the number of associated Standard Missile 3 (SM–3) interceptors. In our test program, we will conduct three flight tests of the SM–3 Block IB to demonstrate resolution of last year's flight test failure and its ability to intercept complex short-range ballistic missile (SRBM) (up to 1,000 km) targets. Finally, this year we will demonstrate the maturity of our layered regional defense with the first simultaneous intercepts of three short- and medium-range ballistic missiles and two cruise missiles by an integrated architecture of PATRIOT Advanced Capability 3 (PAC–3), THAAD, and Aegis BMD systems assisted by a remote Army/Navy Transportable Radar Surveillance 2 (AN/TPY–2) forward-based radar—the largest, most complex, live fire missile defense test in history.

ENHANCING HOMELAND DEFENSE

MDA's highest priority is the successful GMD intercept flight test of the newest GBI exo-atmospheric kill vehicle (EKV)—the CE II EKV. Last year, we concluded the Failure Review Board (FRB) evaluation for the December 2010 FTG–06a flight test by identifying the most probable cause of the failure and revising the CE II EKV design to correct the problem. As a result of that FRB, we have redesigned critical GBI EKV components and established more stringent manufacturing and component test standards—standards previously not used anywhere in the U.S. aerospace industry. As a result of these stringent manufacturing standards, we have encountered several delays in preparing for our next nonintercept and intercept flight tests. MDA is fully committed to test the GMD system as soon and often as possible, but we will not approve executing a flight test until our engineers, and independent government and industry experts, have been convinced that we have resolved all issues discovered in previous testing and will be successful in our next

test. Flight testing as often as possible is our goal, but we risk further failure if we conduct GMD testing prior to verification that we resolved problems discovered in previous flight tests. Also, conducting flight tests at a pace greater than once a year prohibits thorough analysis of premission and postmission flight test data and causes greater risk of further failure and setbacks to developing our homeland defense capability as rapidly as possible. If our CE II nonintercept (controlled test vehicle (CTV) flight) is not successful later this year, we will be prepared to conduct the next test of the previous version of the EKV (the CE I EKV) GBI test while we continue to resolve any CE II issues in order to continue to test other improvements in our homeland defense. Other improvements to homeland defense include:

—the upgrades and integration of the Thule Early Warning Radar into the BMDS to view and track threats originating in the Middle East;
—upgrade of three emplaced FGA GBIs as part of our on-going GMD fleet refurbishment and reliability enhancement program;
—fielding improved GMD fire control software to allow testing or exercises to be conducted while simultaneously controlling the operational system; and
—upgrading the FGA communications system.

We activated Missile Field 2 earlier this year, thus increasing the number of total GBI operational silos to 38 (34 at FGA and 4 at Vandenberg Air Force Base (VAFB) in California). This past December, we awarded the GMD Development and Sustainment contract, one of MDA's largest and most complex competitive acquisitions, with a price of almost $1 billion less than the independent government cost estimate. For the next 7 years, this $3.5 billion contract will provide for sustainment and operations as well as improvements and enhancements of the current capability, provide for a robust and vigorous testing program, and deliver new and upgraded interceptors. A key part of the scope of this new contract is comprehensive verification and reliability testing, and upgrades as needed, of every component of our GBIs. These component reliability improvements and tests will require 3 years to complete and will provide the U.S. Northern Command (NORTHCOM) commander convincing GBI reliability data resulting in a greater number of ICBMs that can be engaged with a higher probability of protection of our homeland.

We are requesting $903.2 million in fiscal year 2013 in research, development, testing, and evaluation (RDT&E) funding for the GMD program. We plan to continue to upgrade our fleet of 30 operational GBIs and acquire 5 additional GBIs for enhanced testing, stockpile reliability, and spares, for a total of 57 GBIs. We will continue GBI component vendor requalifications for the future GBI avionics upgrade and obsolescence program.

Today, 30 operational GBIs protect the United States against a limited ICBM raid size launched from current regional threats. If, at some point in the future, this capability is determined to be insufficient against a growing ICBM threat, it is possible that we can increase the operational GBIs' fire power by utilizing all 38 operational silos, refurbishing our 6-silo prototype missile field, and accelerating the delivery of new sensor and interceptor capabilities. Additionally, our GBI reliability improvement program will enable more successful intercepts with fewer GBIs with the same probability of successful intercept. In fiscal year 2013, we will begin construction of the GBI In-Flight Interceptor Communication System Data Terminal (IDT) at Fort Drum, New York, with a completion date by 2015. The East Coast IDT will enable communication with GBIs launched from FGA and VAFB over longer distances, thus improving the defense of the Eastern United States. We will also continue to develop and assess the 2-stage GBI to preserve future deployment options, including an intercept flight test in fiscal year 2014.

Because the defense of our homeland is our highest priority, we are pursuing a layered defense concept—similar to that in regional missile defense—to achieve high-protection effectiveness by deploying more than one independently developed missile defense interceptor system; therefore, we will continue development of the SM–3 Block IIB to protect our homeland in the future by creating a new first layer of intercept opportunities, expanding the forward edge of our homeland defense battle space, and providing our war fighters highly feasible "Shoot-Assess-Shoot" firing doctrine. The recent Defense Science Board (DSB) agreed with our assessment that the SM–3 IIB will be challenged to destroy ICBMs before their earliest possible deployment of countermeasures. The DSB also supports MDA's development of the SM–3 IIB to significantly expand the forward edge of our ICBM battle space and enable SAS to obtain very high levels of ICBM protection of our homeland. The fiscal year 2012 congressional reduction of the SM–3 IIB funding has increased the challenge of fielding this improvement in homeland defense against ICBMs in the 2020 timeframe. My additional concern is the impact of reducing funding for the SM–3 IIB will eliminate the only new interceptor design and development opportunity for our Nation's missile defense industrial base for the foreseeable future.

The three SM–3 IIB industry teams lead by Lockheed Martin, Boeing, and Raytheon have shown rapid progress in developing very effective and feasible SM–3 IIB interceptor design concepts. To terminate, or slow down, the SM–3 IIB development effort will have a significant negative impact on missile defense aerospace industrial base at this time and risk our ability to cost-effectively respond to emerging regional ICBM threats to our homeland for decades in the future.

This year, we will begin upgrading the clear early warning radar in Alaska for full missile defense capability by 2016. We will also continue operations of the Sea-Based X-band (SBX) radar and development of algorithms to improve its discrimination capability. We are requesting $347 million in fiscal year 2013 for BMDS Sensors development for homeland defense, including support of the Cobra Dane radar, the upgraded early warning radars at Beale AFB (California), Fylingdales (United Kingdom), and Thule (Greenland). We are requesting $192.1 million to operate and sustain these radars and $227.4 million to procure additional radars and radar spares. In fiscal year 2013, we will also place the SBX in a limited test operations status for affordability reasons, but we will be prepared to activate the SBX if indications and warnings of an advanced threat from Northeast Asia become evident. We will also continue to upgrade the GMD system software to address new and evolving threats, including enhancing EKV discrimination algorithms by 2015, improving GBI avionics, and increasing GBI interoperability with the command and control, battle management and communications (C^2BMC) system.

ENHANCING REGIONAL DEFENSE

This year, we will demonstrate integrated, layered regional missile defense in the largest, most complex missile defense test ever attempted. We will simultaneously engage up to five air and ballistic missile targets with an Aegis, THAAD, PATRIOT and Forward Based Mode AN/TPY–2 radar integrated C^2BMC system operated by soldiers, sailors, and airmen from multiple Combatant Commands. This live-fire test will allow our war fighters to refine operational doctrine and tactics while providing confidence in the execution of their integrated air and missile defense plans.

Last year, in addition to deploying EPAA phase 1, we successfully supported negotiations for host nation agreements to deploy Aegis Ashore batteries to Romania (Phase 2) and Poland (Phase 3); we successfully tested the North Atlantic Treaty Organization (NATO) Active Layered Theater Ballistic Missile Defense (ALTBMD) Interim Capability with European Command (EUCOM) C^2BMC to enhance NATO situational awareness and planning; we installed the Aegis BMD 3.6.1 weapon system on three Aegis ships and upgraded one Aegis BMD ship to Aegis BMD 4.0.1 (increasing the Aegis BMD fleet to 22 operationally configured BMD ships); and we delivered 19 SM–3 Block IA interceptors and the first SM–3 Block IB interceptor. We continued SM–3 Block IIA system and component Preliminary Design Reviews. We delivered 11 interceptors for THAAD Batteries 1 and 2 and flight test, and started production of Batteries 3 and 4. We also delivered the latest C^2BMC upgrades to NORTHCOM, STRATCOM, Pacific Command, and Central Command. These software builds will improve situational awareness, sensor management, and planner functions.

We also demonstrated critical BMDS regional capabilities in key tests over the past year. In April 2011, we conducted an Aegis BMD flight test (FTM–15) using the SM–3 Block IA interceptor launched using track data from the AN/TPY–2 radar passed through the C^2BMC system to intercept an intermediate-range ballistic missile (IRBM) target (3,000 km to 5,500 km) to demonstrate the EPAA phase 1 capability. This mission also was the first Launch-on-Remote Aegis engagement and intercept of an IRBM with the SM–3 Block IA. In October 2011, the BMDS Operational Test Agency, with the oversight of the Director, Operational Test & Evaluation, conducted a successful Initial Operational Test & Evaluation test (FTT–12) of THAAD's ability to detect, track, and engage SRBM and middle-range ballistic missile (MRBM) targets simultaneously.

Enhanced Middle-Range Ballistic Missile Defense in Europe by 2015 (European Phased Adaptive Approach Phase 2).—Our goal in this phase is to provide a robust capability against SRBMs and MRBMs by deploying several interceptors to engage each threat missile multiple times in its flight. The architecture includes the deployment of the Aegis BMD 5.0 weapon systems with SM–3 Block IB interceptors at sea and at an Aegis Ashore site in Romania. When compared to the current SM–3 Block IA, the IB will be more producible, have an improved two-color seeker for greater on-board discrimination, and have improvements to enhance reliability of the SM–3 Block IB's divert and attitude control system. These improvements also provide an enhanced capability to simultaneously engage larger sized raids of threat missiles.

We are requesting $992.4 million in fiscal year 2013 for sea-based Aegis BMD to continue development and testing of the SM–3 Block IB, continue outfitting of ships with the BMD 4.0.1 system as well as spiral upgrades to Aegis 5.0 to support the operation of the SM–3 Block IB and IIA interceptors and associated flight tests. We are requesting $389.6 million in fiscal year 2013 for the procurement of 29 SM–3 Block IB interceptors and $12.2 million to operate and maintain already deployed SM–3 Block IA interceptors. In fiscal year 2013, we are also requesting $276.3 million to develop and build the Aegis Ashore Test Facility at the Pacific Missile Range Facility in Hawaii and $157.9 million to construct the first Aegis Ashore Missile Defense System battery in Romania by fiscal year 2015. We request $366.5 million in fiscal year 2013 to operate and sustain C^2BMC at fielded sites and continue C^2BMC program spiral development of software and engineering to incorporate enhanced C^2BMC capability into the battle management architecture and promote further interoperability among the BMDS elements, incorporate boost phase tracking, and improve system-level correlation and tracking. We will also continue communications support for the AN/TPY–2 radars and PAA-related C^2BMC upgrades.

In September 2011, we conducted FTM–16 to demonstrate Aegis BMD 4.0.1 fire control and the first flight test of the SM–3 Block IB interceptor. While we did not achieve the intercept of the SRBM separating payload, we demonstrated critical system functions, including the exceptional performance of the kinetic warhead divert system, which allowed the Navy's partial certification of the Aegis BMD 4.0.1 computer program. In the third quarter of fiscal year 2012, we will conduct FTM–16 (Event 2a) to demonstrate the resolution of the previous flight test issue and the SM–3 Block IB's Kill Warhead's capability. We will also demonstrate the ability of the SM–3 Block IB to intercept more complex SRBM targets in FTM–18 and FTM–19 later this summer. In the third quarter fiscal year 2013, we will conduct the first operational flight test led by the BMDS Operational Test Agency team involving a coordinated and simultaneous engagement involving Aegis BMD, THAAD and PAC–3 systems against three targets and two cruise missiles. Our fiscal year 2013 testing program continues to demonstrate the SM–3 Block IB and Aegis BMD 4.0.1 (FTM–21 and FTM–22), including a salvo engagement involving two interceptors against an SRBM.

Enhanced Intermediate-Range Ballistic Missile Defenses in Europe by 2018 (European Phased Adaptive Approach Phase 3).—The SM–3 Block IIA interceptor, being co-developed with the Japanese Government, is on schedule for deployment at Aegis Ashore sites in Romania and Poland, and at sea, in 2018 to provide enhanced protection for European NATO countries from all ballistic missile threats from the Middle East. This year we completed the SM–3 Block IIA preliminary design review, and continue shock and vibration testing of the SM–3 Block IIA interceptor canister, and development of Aegis BMD 5.1 fire control system. We also reduced the execution risk of the SM–3 Block IIA program by increasing the time between flight tests while maintaining the original initial capability date of 2018. The fiscal year 2013 request for SM–3 Block IIA co-development is $420.6 million.

Expanded Interceptor Battle Space by 2020 (European Phased Adaptive Approach Phase 4).—The SM–3 Block IIB will provide a pre-apogee intercept capability against IRBMs and an additional layer for a more enhanced homeland defense against potential nonadvanced ICBMs launched from today's regional threats. This program is in the technology development phase, and its 7-year development timeline is consistent with typical interceptor development timelines according to Government Accountability Office data. Last year we awarded risk reduction contracts for missile subsystem components, including advanced propulsion, seeker, and lightweight material technologies. We also awarded concept design contracts for the SM–3 Block IIB interceptor to three aerospace industry teams. In fiscal year 2013, we are requesting $224.1 million to develop the Request For Proposal and begin source selection for the SM–3 Block IIB Product Development Phase, which we propose to begin in early 2014. The SM–3 Block IIB is leveraging advanced tracking and discrimination technologies planned for deployment during EPAA phase 4, as well as the entire sensor network, with PTSS and C^2BMC upgrades to maximize homeland defense.

ADDITIONAL MISSILE DEFENSE CAPABILITIES

This year, we are procuring 42 THAAD interceptors for Batteries 1 and 2, six launchers, and two THAAD Tactical Station Groups. We are requesting $316.9 million in RDT&E funding in fiscal year 2013 to enhance communications and debris mitigation, which will allow THAAD to be more interoperable with PAC–3 and Aegis BMD and connected to the BMDS, and $55.7 million for THAAD operations and maintenance. We also request $460.7 million to procure 36 THAAD intercep-

tors. THAAD will complete delivery of the first 50 interceptors in June 2012, demonstrating the capacity of the contractor supply chain and the main assembly factory in Troy, Alabama to deliver interceptors. The next production lots are under contract, with delivery beginning this summer. We will maintain a production rate of four THAAD missiles per month through June 2012 due to components on hand and enhance the supply chain's production capacity to sustain a three missile per month production rate beginning in spring 2013. In late fiscal year 2012, we will demonstrate THAAD's ability to intercept an MRBM as part of an integrated operational test with PAC–3 and Aegis BMD.

Additional BMDS improvements include expanded coordination of missile defense fire control systems and improvements in radar discrimination. We are requesting $51.3 million for the Space Tracking and Surveillance System (STSS) in fiscal year 2013. We continue to operate the two STSS demonstration satellites to conduct cooperative tests with other BMDS elements and demonstrate the capability of STSS satellites against targets of opportunity. These tests demonstrate the ability of a space sensor to provide high precision, real-time tracking of missiles and midcourse objects that enable closing the fire control loops with BMDS interceptors. In fiscal year 2013, we plan the first live intercept of a threat missile by the Aegis BMD system using only STSS data to form the fire control solution for the SM–3 IB interceptor. Additionally, lessons learned from the two STSS demonstration satellites inform Precision Tracking Space System (PTSS) design development decisions.

DEVELOPING NEW CAPABILITIES

We are requesting $80 million in fiscal year 2013 to continue development of fiscally sustainable advanced BMD technologies that can be integrated into the BMDS to adapt as threats change. Intercepts early in the battle space will provide additional opportunities to kill threat missiles, enlarge protection areas, and improve the overall performance of the BMDS.

Last year, we accelerated our test campaign with the Airborne Laser Test Bed (ALTB) to collect data on tracking and atmospheric compensation, system jitter, and boundary layer effects on propagation for future directed energy applications. This year, in accordance with the funding reduction enacted by the Congress, we grounded the ALTB aircraft and are examining the technical feasibility of high-efficiency-directed energy technology for the next decade. In fiscal year 2013, we are requesting $46.9 million to pursue Diode Pumped Alkaline-gas Laser System and coherent fiber combining laser technologies, which promise to provide high-efficiency, electrically driven, compact, and lightweight high-energy lasers for a wide variety of missions of interest to MDA and the Department of Defense (DOD) and support concept development for the next generation of airborne missile defense directed energy systems.

We request $58.7 million in fiscal year 2013 to continue support for research and development of advanced remote sensing technologies, demonstrate acquisition, tracking and discrimination of multi-color infrared sensors, and investigate techniques to improve the system's data fusion capability to further strengthen the Nation's missile defense sensor network. We have integrated our international and domestic university research programs into the same structure, allowing MDA to capitalize on the creativity and innovation within our small business and academic communities to enhance our science and technology programs.

The greatest future enhancement for both homeland and regional defense in the next 10 years is the development of the Precision Tracking Space System (PTSS) satellites, which will provide fire control quality track data of raids of hostile ballistic missiles over their entire flight trajectories and greatly expand the forward edge of the our interceptors' battle space for persistent coverage of more than 70 percent of the Earth's landmass. The need for persistent, full trajectory, tracking of ballistic missiles is one of the war fighter's highest development priorities as stated in the 2012 STRATCOM PCL. PTSS will enhance the performance of all missile defense interceptors at an operational cost significantly less (and with much greater ability to track large raid sizes of threat missiles) than forward based AN/TPY–2 radars, based on MDA's experience with STSS program costs. The emerging concept design of the PTSS spacecraft is much simpler than STSS because it relies on the mature Air Force Space Based Infra-Red (SBIR) satellite system to acquire threat ballistic missiles, leverages PTSS's ability to provide precision tracks of the remainder of threat missiles' trajectories, and uses only satellite components with high technology readiness levels. Due to the intrinsic simplicity and component maturity of the PTSS design, the integration of concurrent developments is considered to be a low acquisition risk. Key to our acquisition strategy is MDA partnering Air Force Space Command and the Naval Research Laboratory with Johns Hopkins Univer-

sity Applied Physics Laboratory (APL), with participation of six aerospace corporations, to develop a fully Government-owned preliminary design and technical data package to enable full competitions by our aerospace industry for the production for the first and subsequent PTSS satellite constellations. MDA is requesting $297.4 million for PTSS in fiscal year 2013 to continue development of preliminary design requirements to create these multi-mission satellites (e.g., missile defense, space situation awareness, DOD and intelligence community support). APL has a noteworthy track record, dating back to 1979, for meeting planned development cost and schedule projections involving 17 significant spacecraft missions. We will complete final design and engineering models for the PTSS bus, optical payload, and communications payload in fiscal year 2013. PTSS project scope includes delivery of PTSS ground segments and launch of the first two PTSS spacecraft in fiscal year 2017. We are fully cooperating in an Independent Cost Estimate (ICE) of the development and 20-year life-cycle cost of the PTSS constellation by the Office of the Secretary of Defense of Capability Assessment and Program Evaluation (CAPE) to achieve a high confidence cost estimate of the development and 20-year life of the PTSS constellation. Of note, this ICE will provide great insight into the validity of the recent National Academy of Science (NAS) Boost Phase Intercept study cost estimate for the PTSS constellation that we believe is considerably higher than our estimates. Although the NAS study was critical of PTSS's ability to discriminate a re-entry vehicle (RV) from other objects accompanying a missile, the NAS did not benefit from an understanding of our sensor discrimination architecture concept nor our classified programs developing PTSS's future RV discrimination capability. However, the NAS study did benefit from understanding our disciplined systems engineering process that scrutinizes capability trades to achieve urgent, cost-effective, satisfaction of the war fighters BMD needs as documented in STRATCOM's PCL.

INTERNATIONAL COOPERATION

As stated in the 2010 Ballistic Missile Defense Review, developing international missile defense capacity is a key aspect of our strategy to counter ballistic missile proliferation. A significant accomplishment of international cooperation in 2011 was the signing of the first Foreign Military Sale case for the THAAD system to the United Arab Emirates, valued at nearly $3.5 billion. In Europe, we successfully completed interoperability testing of our C^2BMC system with the ALTBMD Interim Capability, demonstrating U.S. and NATO's ability to share situational awareness of missile defense execution and status and planning data. NATO plans to invest more than 600 million Euros for the ALTBMD capability. Moreover, we are working with our NATO allies on developing requirements for territorial NATO missile defense. We continue to pursue potential missile defense contributions of NATO countries such as the Netherlands' announcement that they are upgrading their maritime radars with missile defense surveillance and tracking capability. In East Asia, we are supporting the BMDR-based objective in leading expanded international efforts for missile defense through bilateral projects and efforts with Japan, the Republic of Korea, and Australia. And in the Middle East, we continue to work with long-term partners, such as Israel, and are pursuing strengthened cooperation with various Gulf Cooperation Council countries that have expressed interest in missile defense. MDA is currently engaged in missile defense projects, studies and analyses with more than 20 countries, including Australia, the Czech Republic, Denmark, France, Germany, Israel, Japan, Poland, Romania, Saudi Arabia the United Arab Emirates, the United Kingdom, and NATO.

MDA continues its close partnership with Japan on the SM–3 IIA interceptor (Japan is leading the development efforts on the SM–3 Block IIA second- and third-stage rocket motors and the nosecone), studying future missile defense architectures for defense of Japan, and supporting that nation's SM–3 Block IA flight test program, to include the successful intercept flight test in October 2010 involving a Japanese SM–3 Block IA. This test completed the first foreign military sale of Aegis BMD to a key maritime partner. Japan now has four Aegis destroyers equipped with Aegis BMD systems and a complement of SM–3 Block IA interceptors.

We also continue collaboration with Israel on the development and employment of several missile defense capabilities that are interoperable with the U.S. BMDS. Last year, at a U.S. test range off the coast of California, the Arrow Weapon System successfully intercepted a target representative of potential ballistic missile threats facing Israel today. This year, we plan to conduct several first time demonstrations of significant David's Sling, Arrow-2 block 4, and Arrow-3 system capabilities. We are requesting $99.8 million for Israeli Cooperative Programs (including Arrow System Improvement and the David's Sling Weapon System) in fiscal year 2013 to continue our cooperative development of Israeli and United States missile defense tech-

nology and capability. MDA will conduct a David's Sling flight test to demonstrate end game and midcourse algorithms and initiate David's Sling and Arrow-3 Low Rate Initial Production.

CONCLUSION

Our fiscal year 2013 budget funds the continued development and deployment of SRBM, MRBM, IRBM, and ICBM defenses while meeting the war fighters' near-term and future missile defense development priorities. We are dedicated to returning to successful GMD flight testing as soon as possible as well as developing an additional layer of homeland defense with the SM–3 IIB to ensure we have a robust and responsive ICBM defense for our Nation, during this decade and for many decades in the future. Additionally, we are committed to develop a persistent, space based, PTSS constellation to ensure always available, early tracking of large size raids of missiles to enable cost-effective homeland and regional missile defense. We are also dedicated to creating an international and enhanced network of integrated BMD capabilities that is flexible, survivable, affordable, and tolerant of uncertainties of estimates of both nation-state and extremist ballistic missile threats.

Thank you, Mr. Chairman. I look forward to answering the subcommittee's questions.

Chairman INOUYE. Thank you very much, General.

As I indicated in my opening remarks, we have been advised that including the ballistic missile defense (BMD) capability on Aegis ships is a critical element of the phased adoptive approach (PAA).

Now, the Navy has, as I indicated, the possibility of decommissioning six of the cruisers. What impact would it have on the PAA?

General O'REILLY. Sir, we support the Navy's technical assessments. They make the final decision, of course. I know of some factors that played into that consideration. Some of it was the stationing of ships in Rota, Spain, which has been agreed to, to reduce the transit time and increase the multi-mission ship presence in the Mediterranean.

That was part of their considerations. Additionally, we continue to work with the Navy to perform functions in other ways than just using a ship for BMD. For example, for sensors.

Can we deploy some of our sensors in locations and relieve the need for Aegis ships to be doing the surveillance mission which some of those ships are doing today.

So, Sir, I defer the final answer to your question because that is a Navy decision, but we work very closely to ensure our technical programs are synchronized with their programs, and at the same time, they benefit from our technical analysis.

Chairman INOUYE. So the decommissioning is not finalized?

General O'REILLY. Sir, I'm not in a position to answer that question. That's one where we have been supporting the Navy.

Chairman INOUYE. Can you tell us about Aegis Ashore?

General O'REILLY. Sir, the Aegis Ashore System is a very cost-effective approach to take the proven capability we've seen at sea and move it effectively to the land. It is then a focused mission on missile defense. Instead of the more than 270 sailors, for example, needed on a Navy ship, an Aegis Ashore System can operate the system with less than 35 sailors, and that includes multiple shifts.

So it's a very cost-effective way of having Aegis BMD capability. Aegis BMD capability has the longest range of our regional systems. So it adds a layer of missile defense to the land that otherwise would be solely relying on THAAD.

And, so, with Aegis Ashore and THAAD and Patriot and other international systems, we are able to achieve that multilayered ef-

fect with the dedicated and persistent presence of the Aegis Ashore system.

Chairman INOUYE. We've been told that these systems will be in Poland and Romania. When will this happen?

General O'REILLY. Sir, we have selected the sites with their countries and the European Command, both locations, in Romania and in Poland. We have signed agreements with their countries for that.

Romania will be fully operational in 2015, and Poland will be fully operational in 2018.

Chairman INOUYE. Thank you very much. Senator Cochran.

Senator COCHRAN. General O'Reilly, the request before us proposes a reduction in the number of Aegis ships that are planned to be equipped with ballistic missile capability. The ships are going to be reduced under this budget request from 43 to 36.

How do these changes affect our missile defense mission, and are we putting at risk any important U.S. military assets by adopting this plan?

General O'REILLY. Sir, that decision is made ultimately by the Chief of Naval Operations and the Joint Chiefs. As I said before, I provide technical support and things we can do to increase the capability of missile defense capable ships out there.

An example of the type of capability I'm referring to is even though it still looks like the same Aegis ship of a year ago, several of our ships have now been upgraded with the capability to launch three times as many interceptors at once.

We can use off board sensors. As I said last year, our system was designed to intercept missiles of about 1,000 kilometers, and with the assistance of off board sensors (like AN/TPY–2 radar) we intercepted a missile of more than 3,000 kilometers.

So there are enhancements which MDA is developing for the Navy so that each ship can handle many more missiles at once, and also at much greater ranges.

And that is the extent, that is the technical support I'm providing the Navy to make their final judgment on what's the right size of the fleet and how it's deployed.

Senator COCHRAN. How would you describe the success of our testing program up to this point in our effort to deploy a GMD system? Could you explain what contingency plans we may be developing to provide homeland defense if there are test failures?

General O'REILLY. Sir, the problems we've had in flight testing, and we've had two failures, were with the latest version of the front-end of the missile, the EKV.

The older EKV is deployed today. It's been successful in five tests (three intercept tests and two other flight tests). We have never seen any indication of a problem on the ground with the older EKV. And we have a lot of confidence in that system today to protect the United States as they're fielded at Vandenberg Air Force Base and in Fort Greely, Alaska.

However, we had obsolescence problems with continuing the older EKV design. We upgraded the design 4 years ago, and we've had two subsequent test failures. We have worked closely, and I firmly believe, with the best experts in the country, both government and industry, identifying where the problems were.

We've addressed the problems. The first one was a quality control issue in the production plant. It has been validated that we have addressed that issue with the second test.

And then the second problem, we literally found in space. We couldn't have identified it on the ground, and working with the best experts, including National Aeronautics and Space Administration and others, we believe we've addressed and resolved that issue. And we're out to prove it this year in our next flight test.

Senator COCHRAN. You mentioned that you're going to increase the number of operational interceptors and accelerate the delivery of interceptor capabilities.

Could you describe for us how this is going to be done, or what the timetable will be for accelerating the delivery of new sensors?

General O'REILLY. Sir, from a point of view for the GMD system, we currently have production on hold until we prove we've resolved the production issues.

But what I've done is use the work force and the supply chain to prepare for that production go ahead. So once we have a successful test, we can immediately go into refurbishing the missiles at Fort Greely and at Vandenberg, the ones that need it. Not all of them do.

We have also enhanced the manufacturing capability at the site, the ability to upgrade missiles, so we can accelerate their upgrade without shipping them away from the missile fields.

From the point of view of the delivery of our sensor systems, we have several of them that are ready today for operational deployment, and combatant commanders, we're in coordination with them. And we stand ready to support them and those in the Army and the Air Force who are associated with those deployments and the decisions made by the Joint Chiefs.

Senator COCHRAN. Thank you.

Chairman INOUYE. Senator Shelby.

Senator SHELBY. Thank you, Mr. Chairman.

General, I have a number of questions. We appreciate your service to the country and what you are doing as Director of the MDA.

General O'Reilly, the State Department official, Ellen Tauscher, recently told a Russian newspaper that the administration was "prepared to provide the Russian Government with written political guarantees regarding the U.S. and NATO Missile Defense Systems in Europe."

Have you been consulted regarding the form and substance of these guarantees, and, if so, what can you tell us about them?

If not, do you think it would be advisable for the administration to consult with you and the Congress about any potential restrictions on the systems you're responsible for developing?

Are you aware of this statement?

General O'REILLY. Sir, we have been providing technical consultation to Secretary Tauscher and to the State Department. I am unaware of specific proposals.

I will tell you that the nature of our work has typically been to address the Russian Government claims that we are building capability to upset the strategic balance.

We've been able to analyze that and provide them data that show we are not, and the errors in their estimates, such as interceptor missiles flying faster than anyone's ever built, and so forth.

So I am unaware, first of all, of what those specific proposals are, but also, I have never been given any instructions to consider limiting the development of our system.

Senator SHELBY. In other words, written guarantees that would limit our system?

General O'REILLY. No, Sir. I'm not aware of any nor have I ever been given guidance to consider any ways of limiting our system.

Senator SHELBY. Do they have, to your knowledge, any—any is a big word I guess here—any technical capabilities that if shared through a cooperative arrangement could help you defend our homeland or our allies, or is that off the table?

General O'REILLY. Sir, there are capabilities that we could benefit from. Primarily their sensors, their large sensors, that they have for their homeland defense or their protection in Russia.

The location of Russia itself, looking through from Europe, all the way across through Asia, including Northeast Asia, would give us the opportunity to view threats very early in their flight.

And, their ability to observe flight testing done by other countries would in fact provide us beneficial information.

Senator SHELBY. But you don't know of any information or promises that have been made to Russia that would compromise our ability to defend our interests in any way, do you?

General O'REILLY. No, none whatsoever.

Senator SHELBY. Okay.

In the GMD area, I know you face some challenges there. Does the MDA fiscal year 2013 budget request provide adequate funding to restore your confidence in all of the elements of the GMD system?

In other words, under this budget, will the GMD industrial base remain robust enough to respond to unanticipated developments in the ICBM programs of our adversaries or potential adversaries?

General O'REILLY. Sir, in our budget, we've requested the procurement of five additional GBIs, and one of the reasons is to ensure that our industrial base stays viable, and to leave open those options in the future if necessary.

Also, our newest missile field has eight additional spare silos in it, so we are postured in a way, if we're supported in our budget request, to maintain our capability, our industrial base, and continue testing in order to validate our missile defense capability with GBIs.

Senator SHELBY. In the area of what we call the kill vehicle development, you referenced in your testimony some of the problems that we've experienced with this kill vehicle, EKV on the GMD system.

I understand that you're working out some of those challenges, the problems most recently identified, and I hope that will be successful.

But I'm sure this won't be the last problem, because this is something that's being developed. It's my understanding that EKV was never meant to be the permanent kill vehicle for the GMD, and

that the current system is heavier, less capable, and less reliable than I think it can or should be.

But with the cancellation in 2009 of the Multiple Kill Vehicle Program, we're locked into the current system for the foreseeable future; do you agree with that, or disagree?

General O'REILLY. Sir, I do believe we can continue to improve the GMD EKV and make it a very viable, reliable system that we can rely on for decades.

On the other hand, I also believe, as technologies have moved on, we haven't taken advantage of those technologies. I can——

Senator SHELBY. Could you talk more about the SM–3 IIB Program?

General O'REILLY. Yes, Sir. The SM–3 IIB Program gives us the opportunity to continue supporting our aerospace industry to apply our latest technologies which, Sir, equates to smaller KVs and more capable KVs.

Senator SHELBY. It could possibly give you more than a single interceptor there, could it not?

General O'REILLY. Sir, depending on the size of the booster, yes, it could, if you had a large booster and these small interceptors.

Senator SHELBY. In the area of THAAD—I know I'm touching on a number of subjects, but they're all in your domain——

General O'REILLY. Yes, Sir.

Senator SHELBY. The administration's fiscal year 2013 request included funding for production of 36 THAAD missiles annually. That rate is considerably below what the MDA had proposed in fiscal year 2012.

Does that production rate, General, allow MDA to outfit THAAD batteries as they become available, or, on the other hand, will there be a lag time between when batteries are completed, and when the missiles to outfit them come off the assembly line?

Will there be a gap there, or you're working to make sure there's not?

General O'REILLY. Sir, at this time, we have realigned when the batteries will be available as well as the production of missiles for those batteries. And, no, there will not be a gap at this point in time.

We have also increased the number of missiles in each THAAD battery. So, even with those higher numbers of missiles in each unit, we'll be able to make our delivery needs, and our foreign military sale also increases production capacity of THAAD.

Senator SHELBY. Can I get into the ship modifications of the Navy a little bit.

Now, you believe that fielding the SM–3 IIB, it's a mouthful, SM–3 IIB, will require modifying the vertical launch system onboard the Aegis cruisers and destroyers?

And, if so, is there currently a funded plan, since we're here in the Appropriations Defense Subcommittee, is there a funding plan in place to make the necessary conversions, you know, if we have to do that?

And will those preparations be complete for the arrival of the production of missiles? Same thing. Will there be a gap there? Will you have the money, and what do you need?

General O'REILLY. Sir, for the SM–3 IIB is in concept development. The amount of progress that's been made by industry in the last year on that program indicates that they have a lot of engineering capability that they have now bring to bear.

And we've seen many different proposals. There are proposals that would require a modification, but there are also, as with every contractor, proposals that do not require a modification to a ship's vertical launch system.

So, they're at the point where they have not finalized what they're going to propose to us, but we've seen both options.

Senator SHELBY. How big an improvement is this new system, the SM–3 IIB?

General O'REILLY. Sir, it would fly at a tremendously higher velocity than the current SM–3.

Senator SHELBY. That's a quantum breakthrough, isn't it?

General O'REILLY. Yes, Sir, and the fact that it's mobile, that, as a long-range threat missile is launched, it's like playing hockey. You can get into the position where you can intercept with a smaller missile and still have the same effect.

Senator SHELBY. But, basically, does it make us—you're in charge of it—make us more agile?

General O'REILLY. Tremendously more agile, and we can surge a lot of missiles into a region like we do our other military capabilities if the need arise.

Senator SHELBY. What's your thought regarding Korea? You know, they've been in the news lately, about they had a failed launch. Of course, at some time, they might work those problems out.

They'll have to do it themselves. We'll all watch that with interest. I know the Chairman, coming from the State of Hawaii, had to be more than watchful of that, but we all are interested in that, as they build a more robust missile with longer legs, and a danger to Hawaii, Alaska, and perhaps others.

General O'REILLY. Yes, Sir. At the point I can say here in this hearing——

Senator SHELBY. Yes.

General O'REILLY [continuing]. They obviously failed early to demonstrate their capability in their flight, once again. Our experience has been you need a lot of ground testing and flight testing in order to validate and have reliance in a capability.

They do not. And it's been evident every time they test. And their progress has not been made apparent in this latest flight test.

Senator SHELBY. Thank you. Thank you, General, and thank you for your service to the country.

Chairman INOUYE. Thank you very much.

I have one more question. And, if I may, I would like to submit the rest for your careful consideration.

Recently, there were rocket attacks from Gaza on Israel. And the Iron Dome performed remarkably well. In fact, we've been advised that the success rate exceeded 90 percent.

My question, number one is, what is the current status of Iron Dome? And, second, in light of this recent attack, are we prepared to provide more Iron Domes?

General O'REILLY. Sir, I do not develop them. I am not part of the development of the Iron Dome system like I am responsible for the development, co-development, with other Israeli programs.

But I do oversee our funding of the manufacturing of the Iron Dome system for the Israelis. Our assessment is, it's a very effective system, and they are also adding improvements to it in the near term to make it even more effective.

I know the Department is considering right now several options on how to enhance our support to the availability of Iron Dome to the Israeli Government.

Chairman INOUYE. Senator Cochran.

Senator COCHRAN. Mr. Chairman, I have another question.

I would like to know, General O'Reilly, what your assessment is of the testing of the Arrow 3 Interceptor? I know there are plans to have additional tests. I wonder if you could give the subcommittee some idea of what the status of this effort is and what capability this system will provide?

General O'REILLY. The Arrow 3 Program will provide a significant increase over the current Arrow Program. In other words, it will be able to fly farther, faster, intercept earlier in the flight of a threat missile, and effectively add another layer of defense to Israel.

We work very closely with the Israelis to set up this program so that we have very identifiable milestones to show their progress.

While we felt their original schedule was optimistic, and although it is turning out to be optimistic—they're not on the original track that they set up—they have made significant progress. They are achieving those milestones.

ADDITIONAL COMMITTEE QUESTIONS

This year, we look forward to their first flight of their missile system. And so, we're very pleased with the progress they're making, and it's more along the lines of what we expect with our own programs.

Senator COCHRAN. Good. Thank you very much, Mr. Chairman.

[The following questions were not asked at the hearing, but were submitted to the Agency for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUYE

PACIFIC MISSILE RANGE FACILITY

Question. General O'Reilly, can you provide the subcommittee a schedule of Terminal High-Altitude Area Defense (THAAD) tests that will be conducted at the Pacific Missile Range Facility (PMRF) over the next 5 years?

Answer. Now that THAAD is in production, the operation and development of test communities agree (as documented in Integrated Master Test Plan [IMTP] 12.1) that flight testing is limited to development capability increments (which there are two in the next 5 years) and operational testing integrated with Aegis and PATRIOT. Thus, the developmental flight tests over the next 5 years are FTT–11a in the fourth quarter of fiscal year 2014 (4QFY14) and FTT–15 in the second quarter of fiscal year 2017 (2QFY17) at PMRF.

THAAD will also be extensively tested using models and simulations (hardware in the loop and distributed testing using actual THAAD batteries), which have been accredited based on the THAAD's highly successful flight test program.

Question. What is the current schedule for Aegis Ashore testing at PMRF, and how has it changed from last year?

Answer. The previous (IMTP 11.1) and current (IMTP 12.1) Aegis Ashore Flight Test Schedules are contained in the below table. The only change from last year is

the acceleration of AAFTM–02 by two quarters (from the second quarter of fiscal year 2015 (2QFY15) to 4QFY14).

AEGIS ASHORE FLIGHT TEST SCHEDULE

Flight Test (FY12–17)	Description	Date (IMTP 11.1) Approved 5/31/11	Date (IMTP 12.1) Approved 3/1/12
AACTV–01 E1	Aegis Ashore will engage a simulated Dynamic Test Target and launch an SM–3 Controlled Test Vehicle (CTV) to check out the installation of the land-based Aegis Weapon System and VLS Launcher.	2QFY14	2QFY14
AAFTM–01	Aegis BMD Ashore will detect, track and engage an air-launched MRBM target with an SM–3 BIk IB missile and track data provided by an up-range Aegis BMD ship.	4QFY14	4QFY14
AAFTM–02	Aegis BMD Ashore will detect, track and engage an air-launched MRBM target with an SM–3 BIk IB missile and track data provided by an up-range Aegis BMD ship.	2QFY15	4QFY14
FTO–02	This operational flight test event will be executed across two test ranges in two multiple simultaneous engagements against an SRBM and three MRBMs. Aegis Ashore will detect, track and engage an MRBM target with a SM–3 BIk IB missile. Aegis BMD 5.0 ship will detect, track and engage an MRBM with a SM–3 BIk IB missile. THAAD will engage an MRBM. Patriot will engage the SRBM.	4QFY15	4QFY15

Integrated Master Test Plan (IMTP)
Medium Range Ballistic Missile (MRBM)
Short Range Ballistic Missile (SRBM)
Terminal High Altitude Area Defense (THAAD)

Question. I understand that within a few seconds of an SM–3 missile launch from the test Aegis Ashore facility on PMRF, it must be determined that the missile is moving in the intended direction, and, if not, the missile must be quickly destroyed. For safety considerations, PMRF is likely to require an exceptionally fast capability that can accurately determine missile condition and location during the first few seconds of launch, something that radar alone may not be able to address. This is a critical requirement for PMRF and for safety considerations in any European country where the Aegis Ashore is deployed, since it will be in proximity to populated areas. Please provide an update on how the Navy and MDA will address this safety concern.

Answer. The Pacific Fleet Command has agreed to allow test firings from the Aegis Ashore Missile Defense Test Complex at PMRF only upon successful development, integration, and certification of the range flight safety upgrades. These upgrades provide PMRF with the independent capability to take a flight termination action as early as 2.5 seconds after launch (confining hazards well within PMRF's launch hazard area).

The flight safety upgrades include:

—Modification to the SM–3 Block IB missile's flight termination system that allows a termination command to be received within one second after launch;
—Procurement, integration and certification of two Early Launch Tracking Radars (ELTRs) that will provide missile position and velocity no later than one second after launch; and
—Development, integration, and certification of a Safety Augmentation System that will use missile position data from the ELTRs and predetermined safety boundary conditions based on test mission scenarios to make a decision on missile heading and send a flight termination command if the missile is headed outside the predetermined safety boundaries.

Status.—Acquisition contracts are in place, development plans are defined, designs have been approved, and certification test plans are in development for all flight safety upgrades. The ELTRs will be developed and delivered to White Sands Missile Range for initial testing and integration with targets of opportunity commencing in the second quarter of fiscal year 2013 (2QFY13). The radars will then be transported to PMRF for final range certification during 4QFY13, in time to support the first Aegis Ashore flight test (AA–CTV–01) in 2QFY14.

Fiscal year 2012 funds initiated the development of these safety upgrades. Fiscal year 2013 funding, necessary to complete these safety upgrades, was requested in the President's fiscal year 2013 budget.

SUBCOMMITTEE RECESS

Chairman INOUYE. All right. Thank you very much.

On behalf of the subcommittee, I thank you for your testimony and for your exemplary service. We will be looking at your request very carefully, and we look forward to working with you, Sir.

The Defense Subcommittee will reconvene at 10:30 a.m. on April 25 for a classified hearing on the national and military intelligence programs. We stand in recess.

[Whereupon, at 11:08 a.m., Wednesday, April 18, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2013

WEDNESDAY, MAY 23, 2012

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:03 a.m., in room SD–192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Leahy, Harkin, Durbin, Feinstein, Mikulski, Kohl, Murray, Johnson, Reed, Cochran, McConnell, Shelby, Hutchison, Alexander, Collins, Murkowski, Graham, and Coats.

DEPARTMENT OF DEFENSE

NATIONAL GUARD

STATEMENT OF GENERAL CRAIG R. McKINLEY, CHIEF, NATIONAL GUARD BUREAU

OPENING STATEMENT OF CHAIRMAN DANIEL K. INOUYE

Chairman INOUYE. This morning, the subcommittee meets to receive testimony on fiscal year 2013 budget of the National Guard and the Reserve components.

From the National Guard, I'd like to welcome Chief of the National Guard Bureau, General Craig R. McKinley; the Director of the Army National Guard, General William Ingram; and the Director of the Air National Guard, Lieutenant General Harry M. Wyatt, III.

Our witnesses from the Reserve include the Chief of the Army Reserve, General Stultz; the Chief of the Navy Reserve, Admiral Dirk Debbink; the Commander of the Marine Corps Reserve, General Steven Hummer; and the Chief of the Air Force Reserve, General Charles Stenner.

And I would like to thank all of you for joining us today as the subcommittee reviews the fiscal year 2013 budget for the Reserve components.

This year's budget proposes significant force structure changes for the Air National Guard, reducing end-strength by 5,100 billets and aircraft inventory of 134 aircraft.

This proposal has come under intense scrutiny from the Members of Congress, the Council of Governors, and many adjutant generals.

And I would like to hear from you on how involved you were in the deliberative process that preceded the force structure announcement and what input you were asked to give.

In addition, over the last several years, the Guard and Reserve have made important changes as they transition from a Strategic to an Operational Reserve. This shift requires you to have deployment ready units available at all times.

As we draw down our military forces in Afghanistan, the Department will need to figure out how to best utilize this new Operational Reserve. Many challenges remain for the Guard and Reserve. Reserves and their families lack the support network provided for Active-Duty installations, so it is important that our Reserve families get the support they need during the deployments, and as reservists transition back to civilian life.

The Guard and Reserves still face significant equipment shortfalls. The Congress has provided additional equipment funding for the Guard and Reserve in each of the last 32 years because year after year, the President's budget fails to sufficiently fund Reserve components.

I'm certain that the witnesses here this morning agree that without this additional funding, our Reserve components would be woefully underequipped.

It is our duty to our men and women of the Guard and Reserves who are called on to deploy in harm's way, just like their Active-Duty counterparts, to make certain they are adequately trained and equipped.

So, gentlemen, I look forward to hearing your perspective on these issues and working with you this year in support of our guardsmen and reservists.

And I would like to thank all of you for this testimony this morning. Your full statements will be made part of the record.

We will begin our hearing with the National Guard panel. But first, I would like to call upon Mr. Alexander because our Vice Chairman has been slightly delayed. He has just called to say he'll be coming in shortly.

STATEMENT OF SENATOR LAMAR ALEXANDER

Senator ALEXANDER. Thank you, Mr. Chairman. And I will condense my remarks.

Welcome, gentlemen. We look forward to your comments.

Re-equipping the Guard is one of the biggest challenges facing the Department of Defense. I think our Chairman has outlined that very adequately. And the President's proposed budget doesn't adequately support the Guard and Reserve.

Each of us in our States are very proud of the role that our men and women have played. Our Army Guard, 278th Armored Calvary Regiment, about which I'll be asking some questions, has been deployed twice.

Many are serving in Afghanistan and Iraq, flying C–5 missions, running airfield operations, installing fiber-optic communications, and getting wounded out of harm's way. So we're grateful to them and we're grateful for the efforts that have been made to modernize the Guard.

And we've seen great changes in what men and women who join the Guard expect to do over the last 10, 15 years. And we need to be responsive to the changed conditions and the changed expectations of Guard members.

So I'll be listening closely to the testimony, and I appreciate very much your service and your being here today. Thank you, Mr. Chairman.

Chairman INOUYE. May I now call upon the Vice Chairman, Senator Cochran.

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, thank you very much for convening the hearing. I'm pleased to join you and other Senators in welcoming our panel of distinguished witnesses this morning.

We thank you for your service to our Nation, helping protect the safety and security of our citizens and our interests around the world.

Thank you.

Chairman INOUYE. May I recognize General McKinley.

SUMMARY STATEMENT OF GENERAL CRAIG R. MCKINLEY

General MCKINLEY. Chairman Inouye, Ranking Member Cochran, and distinguished members of the subcommittee. Thank you.

It's an honor and a privilege to be here today with my two directors, Bud Wyatt on my right and Bill Ingram on my left, as well as the other Reserve Chiefs.

We have a very close affiliation with each other, and it's a pleasure and an honor again to testify before you.

I wanted to take this opportunity, as I always do, to thank you all for your dedication to the soldiers and airmen that we represent.

Bud and Bill will make some brief statements after I do. Both of them, distinguished former Adjutants General, Bud Wyatt from Oklahoma and Bill Ingram from North Carolina.

So, they have unique perspectives on the issues and concerns of our soldiers in the State Active-Duty status and in title 32 status.

And we find ourselves, obviously, in the midst of constraint budgets and tough decisions. No doubt we must all curb spending but should not at the expense of our security. That is why I must tell you that sequestration would hollow the force substantially and devastate our national security.

It would result in further, severe reductions to the National Guard, Reserve, and the Active component. The National Guard is already facing difficult budget cuts, as you've alluded to, cuts that impact equipment and personnel.

Further reductions would significantly limit the Guard's ability to function as an operational force, decrease the Total Forces' overall capability, and reduce the departments' capacity to protect the homeland and respond to emergencies.

The National Guard is a more ready, more capable, and more rapidly deployable force than ever in our Nation's history, as all of you know so well from your visits back home.

We have, and will continue to answer the call for mobilizations and volunteer support of our combatant commanders. Today, more than 50 percent of our guardsmen have combat experience.

As a part-time force, the National Guard is a proven, affordable defense option for America. During a time of constrained budgets, we should continue to be used as an operational force to ensure the Nation is getting the most defense capability at the lowest cost.

As an operational force, the National Guard is ideally suited to meet the new strategic guidance, to meet steady State demands, and act as a strategic hedge for unforeseen world events. At any time, the National Guard can and will augment the Active Duty, both the Army and the Air Force, to surge and regenerate forces.

The Nation also counts on the National Guard to protect the homeland, your home States, commonwealths, territories, and the District of Columbia. The National Guard is the best and primary military force to respond to complex catastrophes and contributes to our security by protecting our air space and borders.

While representing only a small portion of the Guard's response capability, last year Federal and State authorities called on one of our 57 Civil Support Teams to use their unique weapons of mass destruction assessment skills almost twice a day, every day in our hometowns.

The National Guard is crucial to our Governors. Over the past 3 years, guardsmen and women responded to an unprecedented string of disasters. We are poised and ready to provide that support again.

According to the Federal Emergency Management Agency (FEMA) Administrator Craig Fugate, speed is critical to domestic response. He has stated recently at the National Governors' Association Conference that aviation assets need to be organic to the National Guard. Other options, he added, may not provide the same speed and capacity.

We're obviously located in more than 3,000 communities across the country, and the National Guard is positioned to respond quickly and efficiently and work very close with our civilian first responders to any domestic emergency.

Our dual role requires that we continue to improve the quality and quantity of our equipment. The National Guard Reserve Equipment Account (NGREA) has been, and will continue to be, crucial to that endeavor.

The NGREA is vital to the Guard as I'm sure it is to the other Reserve Chiefs, as it provides the ability to meet requirements including homeland defense needs and modernization of legacy equipment.

After 11 years of war, we continue to work closely with the United States Army, and the United States Air Force, to re-set our force to ensure our equipment levels meet the defense strategy.

As citizen soldiers and airmen, guardsmen are able to blend their unique combination of military training, civilian acquired skills, to provide innovative approaches to support our Nation's security strategy.

The State partnership program is a cornerstone of the new strategic guidance and demonstrates the Guard's versatility. Our partnership with more than 60 foreign countries has strengthened their

military capacity and competence as well as our alliance, most recently demonstrated in Chicago with our National Atlantic Treaty Organization (NATO) Summit.

National Guard partner nations have reduced the demand on U.S. forces, 22 partner nations have provided 11,000 troops to Afghanistan, and 40 partner nations have provided more than 31,000 personnel in support of United Nations peacekeeping operations.

This year we will celebrate 20 years of the State partnership program, and we look forward to continuing to work with the Adjutants General, the Governors of our States, territories, commonwealths, and the District of Columbia to continue this innovative, low-cost, small footprint approach to security cooperation for the future.

Each year, we continue to adapt our skills to better serve the Nation's strategy, and that is why this year we are instituting a threat-based resourcing model for our counterdrug activities. This will direct funding to States facing the most pressing narcotics threats to our communities. The breadth of our skills allows the Guard to take on new and emerging missions.

I also would like to address our most important asset, as you have so aptly stated, our soldiers and airmen are the reason the National Guard has been so successful over the last decade. Indeed, for the last 375 years.

Today, your National Guard is the most capable and competent in history, and that is because we are recruiting the highest quality soldiers and airmen.

Our noteworthy enlistment and retention numbers since September 11, 2001, are proof that they join because they want to be used and expect to be used. This dedication would not be possible without the support of our families, communities, and the employers.

PREPARED STATEMENT

That's why I'm dedicated to working closely with the Army and the Air Force to provide our servicemembers, their families, and employers with the best and most effective support available.

Thanks for the opportunity, Mr. Chairman, to appear before you today. I'd like to ask my wingman, Bud Wyatt, to speak, followed by Bill Ingram.

[The statement follows:]

PREPARED STATEMENT OF GENERAL CRAIG R. MCKINLEY

OPENING REMARKS

Chairman Inouye, Ranking Member Cochran, and distinguished members of the subcommittee: I am honored to appear before you today, representing more than 460,000 citizen-soldiers and airmen in the Army and Air National Guard, an organization that is historically part of the foundation of our great democracy. America's National Guard remains ready, reliable, and accessible. As members of an operational force that's a critical piece of our Nation's military response both overseas and here at home, the soldiers and airmen of the National Guard contribute daily to our Nation's overseas and domestic security objectives.

THE NATIONAL GUARD: SECURITY AMERICA CAN AFFORD

For 375 years, the National Guard has played a significant role in maintaining peace and security for our States, territories, the District of Columbia, and the Na-

tion. I am very proud of our rich heritage and our present-day resolve as we continue our role preserving the ideals upon which our country was established.

Today, we are faced with a historic opportunity as we stand at the confluence of a new fiscal environment, the transition from combat to stability operations and a new military strategy. This convergence is leading to new defense-wide budgetary realities and challenging our decisionmakers as they formulate difficult spending choices that are sustainable and keep America safe and secure.

Today's global security environment is characterized as having asymmetric threats which pose danger to the United States. In light of this, we must remain vigilant and capable. The United States faces greater security challenges today than at the end of the cold war, the last time the military was significantly downsized. Therefore, we must look beyond simple cost accounting methods calling for across the board spending reductions. This method was used in the past, and it did not serve us well. The result was widely characterized as a hollow force. Our new military strategy ensures we will not risk a hollow National Guard in the future.

AN OPERATIONAL FORCE FOR DOMESTIC AND OVERSEAS MISSIONS

The National Guard is well-suited to provide support to our new military strategy. The past 10 years brought vast improvements in the overall training, equipping, and readiness of our force. This reality, combined with significant combat experience, has created a "dividend" in the National Guard. We have the most proficient, capable, accessible, and battle-tested National Guard in the history of the United States. Failure to continue the reliance on, and modernization of, the National Guard would squander a decade's worth of progress and result in an enormous loss of experience and capability.

As a ready and rapidly deployable force, the National Guard has proven its value over the past decade. Both the Army and Air National Guard have contributed thousands of soldiers and airmen to Iraq, Afghanistan, the Balkans, Guantánamo Bay, Djibouti, the Sinai, and other locations across the globe. In 2011, more than 29,000 National Guardsmen were mobilized for operations around the world. An example of our ability to rapidly project United States power occurred on March 17, 2011. As the United Nations Security Council debated the Libyan no-fly zone resolution, Air National Guard aircraft and air crews were already en route to forward operating bases to await orders. The National Guard offers America not only affordable defense but also a "reversibility" option—a strategic hedge for unforeseen world events which could dictate a change of course for our Nation's military strategy. At any time, the National Guard can augment the Active Duty to surge and regenerate forces.

The National Guard is also a crucial component of the Department of Defense (DOD) primary mission to provide support to civil authorities and defend the homeland. Each year, the National Guard responds to a myriad of domestic emergencies. Last year alone, the Army National Guard performed more than 900,000 duty days (459,724 in State status and 447,461 in title 32 status) in response to wildfires, tornadoes, floods, Hurricane Irene, and other alerts and emergencies. Air National Guardsmen also fully participate in these missions including protecting American skies through the Aerospace Control Alert mission, critical infrastructure protection, and assisting their local communities with disaster recovery.

The National Guard also brings innovative response capabilities to respond to major disasters including weapons of mass destruction incidents. The National Guard is home to 70 percent of the department's capability to respond to weapons of mass destruction. By the end of the 2012, the National Guard will fully establish 10 Homeland Response Forces. These forces are part of an escalating capability that complements the National Guard's 17 Chemical, Biological, Radiological, Nuclear Enhanced Response Force Packages and 57 Weapons of Mass Destruction Civil Support Teams. Most importantly, time and distance equal lives saved. The National Guard is fully integrated into more than 3,000 communities across the country and the innovative response task forces are within 250 miles of 80 percent of the U.S. population.

The National Guard Counter Drug Program (CDP) is leading the effort to engage in funding based on measurable metrics and threats. The implementation of the Threat Based Resource Model budget will strengthen the National Guard's national security capability by allocating resources to all States and territories based on the severity of the narcotics threat faced by each State. In an era of ever-changing global challenges, the CDP provides critical support to law enforcement agencies (LEAs) and combatant commanders with full-spectrum capabilities that helps our Nation detect, interdict, and disrupt transnational criminal organizations. CDP personnel helped LEAs seize almost $18.5 billion in drugs, property, weapons, and cash in fis-

cal year 2011. The CDP also operates five Counterdrug Training Centers located in Florida, Iowa, Mississippi, Pennsylvania, and Washington; these centers trained 5,836 military personnel, 56,093 law enforcement officers, and 9,792 interagency partners in 2011.

THE NATIONAL GUARD'S VALUE AND UNIQUE CAPABILITIES

The National Guard provides a cost-effective, proven solution to our country's budgetary crisis while helping to ensure our security. The National Guard allows the Nation to maintain a robust military capability at the least possible cost to the taxpayer and is a viable resource for reducing the Department's cost of doing business. In the Army National Guard, more than 50 percent of our soldiers are now seasoned combat veterans. The Air National Guard is similarly filled with combat veterans. To ensure reversibility, the experience these soldiers and airmen have gained over the past decade of conflict cannot be lost.

As the Nation looks for innovative, low-cost, and small-footprint approaches to achieving our security objectives, the National Guard is providing a blueprint of success. Celebrating nearly 20 years of enduring relationships with 63 countries, the National Guard's State Partnership Program (SPP) provides unique military-to-military activities with partner countries using National Guard expertise. Participation in SPP events is designed to enhance partner capabilities, advance defense reform efforts, and achieve greater military interoperability to support U.S. security cooperation efforts.

Among other benefits, SPP alignments have resulted in joint National Guard and partner country deployments in support of multinational operations in Afghanistan. These critical partner-country deployments reduce pressure on U.S. forces worldwide and hedge against the need for more direct and costly U.S. military involvement in future contingencies.

DOD is also currently refining its framework to thwart cyber attacks in the future while defending our critical military networks today. The National Guard has access to a wealth of information technology talent within its ranks, including guardsmen working in numerous information technology companies. These soldiers and airmen have a unique blend of civilian and military skills across the information technology spectrum, making the National Guard a ready defense asset in the national cybersecurity mission.

SUPPORT SOLDIERS, AIRMEN, AND FAMILIES

Our soldiers and airmen are our greatest asset, and that is why we are committed to effectively responding to the needs of National Guardsmen and their families. The Army Guard currently has more than 3,100 wounded warriors in Warrior Transition Units (WTUs) that are focused on healing each injured soldier as he or she either transitions back to military duty or leaves the military to assume a productive, responsible role in society. WTUs provide nonclinical support, complex case management, and transition assistance for soldiers of all components at medical treatment facilities on Active Army installations. The Air Guard's Wounded Warrior program provided awareness, identification, and information/referral to more than 160 wounded airmen. The program's mission is to provide the best possible nonmedical care and professional support from the point of injury to life after separation or retirement.

The National Guard has made suicide prevention a top priority by promoting resilience and risk reduction programs that will enhance coping skills in our soldiers, airmen, families, and civilians through leadership awareness, training, and intervention programs. As the foundation of each soldier's support network, Army Guard families and employers are being trained to assist in identifying high-risk individuals. States have capitalized on community-based resources and solutions to provide services outside of military installations.

One of the many challenges that we face today is unemployment for our returning guardsmen. Based on the DOD Civilian Employment Information database, we estimate that 20 percent of returning National Guard soldiers and airmen are unemployed. The rate of unemployed gulf war era II veterans remains much higher than the national nonveteran rate. Gulf war era II veterans who have left military service in the past have an unemployment rate in January 2012 of 9.1 percent.

The National Guard Bureau has been and remains deeply concerned with the employment status of our soldiers and airmen. They are our most important asset and their well-being and retention are essential for the National Guard as an operational force. As early as 2004, the National Guard Bureau funded a unique resource, titled "Program Support Specialist," at each of the 54 State Joint Force Headquarters. This individual serves as the subject-matter expert for the Adjutant

General regarding local issues with employers of Air and Army National Guard members.

While initially focused on specific employer support issues and complaint resolution, the duties of the Program Support Specialist expanded to include employment facilitation. In addition to coordinating employment opportunity events and linking unemployed guardsmen with available resources, Program Support Specialists are serving as case managers for unemployed guardsmen by connecting them with local resources, the Department of Veterans Affairs, and the Department of Labor. Last year, Program Support Specialists participated in more than 1,000 "Yellow Ribbon Reintegration" events nationwide—supporting units throughout the country returning from deployment by identifying employment opportunities and providing other requested assistance. We continue to develop metrics to measure the effectiveness of our program.

The Program Support Specialists also work closely with our Transition Assistance Advisors in the State Joint Force Headquarters to ensure our Guard members are registered with Veterans' Affairs (VA) and can access their VA benefits, to include vocational and job training. Both of these programs are essential when developing and establishing community-based program networks in support of veterans, servicemembers, and families.

The Army National Guard Directorate offers several national programs to assist the States with their local employment programs. The "Job Connection Education Program" (JCEP) is a Web-based program that interfaces with Facebook and provides the ability for guardsmen and their families to research, obtain, and retain civilian employment. The "Guard Apprentice Program Initiative," in partnership with the Department of Labor and the Department of Veterans' Affairs, continues to build relationships with employers and colleges to facilitate civilian apprenticeship and employment opportunities for National Guard and other Reserve component members. "Drive the Guard" is a collaborative effort with the Commercial Driver Training Foundation, Inc. which links guardsmen with training and certification programs in their communities. Once completed, the guardsman has the potential to begin a career in the truck driving industry.

CLOSING REMARKS

Thank you for the opportunity to be here today, I look forward to your questions.

Chairman INOUYE. Thank you very much.

General Wyatt.

STATEMENT OF LIEUTENANT GENERAL HARRY M. WYATT, III, DIRECTOR, AIR NATIONAL GUARD

General WYATT. Chairman Inouye and Senator Cochran, thank you and the subcommittee very much for your support for the extraordinary men and women of the Air National Guard's, some 106,700 strong.

I'd like to open with a brief review of the events of 2011 before looking to the future of the Air National Guard. Your Guard airmen continue to make significant contributions to our Nation's defense, both here at home and around the globe.

Last year, Guard airmen filled approximately 54,000 requests for manpower; 91 percent of these requests were filled by volunteers. Air National Guard's responsiveness and adaptability was clearly demonstrated a year ago when on March 17, 2011, as the U.N. Security Council passed Resolution 1973 authorizing a no-fly zone over Libya, Air National Guard KC–135s, from the 134th Aerial Refueling Wing, Tennessee, and the 168th Aerial Refueling Wing, Alaska, were diverted enroute to forward operating bases.

These Guard airmen began flying operational missions in support of Operation Odyssey Dawn 48 hours later, clearly demonstrating that the Air National Guard is both accessible and ready to serve.

Last year, National Guard airmen spent more than 500,000 man-days performing domestic, civil support missions, one-third of it on State Active Duty.

This included assisting local authorities with explosive ordinance disposal, helping with security at special events, such as the Arkansas Governor's inauguration, and the Boston Marathon, done at State expense, not Federal expense, and helping victims of floods and other natural disasters and helping to save lives by assisting in search and rescue efforts.

In addition to supporting civil authorities, Guard airmen spent an additional 1 million man-days in homeland defense. This included helping to defend U.S. air space and aerospace control alert missions, assisting U.S. Customs and Border Protection on our Southwest border and supporting America's counterdrug program.

Your National Guard airmen and soldiers have spent countless volunteer hours in their local communities, aiding their fellow airmen, soldiers, sailors, and marines through Yellow Ribbon and Wounded Warrior projects and volunteering for public service projects such as Youth Challenge and Habitat for Humanity.

Congressional funding through the National Guard and Reserve Equipment Account (NGREA) has been essential to the Air National Guard fulfilling both its Federal and State missions.

Air National Guard F–16 and A–10 Squadrons deployed to Afghanistan with Litening Generation 4 Targeting Pods for the first time as a direct result of NGREA funding.

Fiscal year 2011 NGREA funds were also used to procure and install equipment for a cyber critical infrastructure range allowing Air National Guard cyber units to train and develop tactics, techniques, and procedures for cyber warfare without disrupting networks used to accomplish day-to-day missions.

While the fiscal year 2013 budget has challenges for the Air National Guard, it also has opportunities, and we adjusted our priorities to take full advantage of those opportunities.

PREPARED STATEMENT

The Air National Guard's priorities in preparing this budget were, number one, posture the Air National Guard by aligning for size and composition to be flexible, agile, and ready with special attention to new missions such as the MC–12 and remotely piloted aircraft.

Number two, maintaining a combat ready force able to quickly surge and integrate seamlessly into joint operations. And, number three, repairing units broken by the previous base closure and realignment process and recent programming changes.

In conclusion, Mr. Chairman, thank you. I'm grateful to be here, and I look forward to answering any questions that you and the subcommittee may have for me.

Thank you very much, Sir.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL HARRY M. WYATT, III

Chairman Inouye, Ranking Member Cochran, and members of the subcommittee: I am honored to appear before you today, representing the nearly 106,000 men and women of our Nation's Air National Guard.

Every year at this time, I look back on the accomplishments of our Air National Guard and every year I am humbled by professionalism, dedication, patriotism, and hard work of the men and women who make up the Air National Guard family, including the Guard airmen, their families, and their civilian employers. This past year was no exception, as our Guard airmen—supported by their families and employers—have continued to defend and protect our Nation and its citizens both at home and abroad.

AN OPERATIONAL FORCE FOR DOMESTIC AND OVERSEAS MISSIONS

The men and women of the Air National Guard continue to work as both an operational force, augmenting the Active Duty Air Force on operational missions, and a Reserve Force, providing combat-ready surge capabilities to respond to increased demands. The Air National Guard also continues to fulfill its dual-role as both a Reserve component to the U.S. Air Force (Federal mission) and Air component to the National Guard (State mission).

Federal Mission

The men and women of the Air National Guard continued to serve their Nation in record numbers—primarily as volunteers. Last year the Air National Guard filled 54,000 requests for Active service in support of the Air National Guard's Federal mission. Of those Guard airmen filling the requests, 91 percent volunteered to service on Active Duty. This makes a total of 510,408 filled mobilization requests since 9/11.

Air National Guard responsiveness and adaptability was clearly demonstrated a year ago. On March 17, 2011, as the United Nations Security Council passed Resolution 1973 authorizing a no-fly-zone over Libya, Air National Guard KC–135s from the 134th Aerial Refueling Wing (Tennessee) and 168th Aerial Refueling Wing (Alaska) were diverted en route to forward operating bases and began flying operational missions in support of Operation Odyssey Dawn 48 hours later.

In addition to those serving in support of overseas contingency operations, Guard airmen continue to serve the Nation on nearly every continent around the globe including Antarctica.

Homeland Defense and Support to Civil Authorities

Last year, National Guard airmen spent more than one-half million man-days performing domestic civil support missions, one-third of it on State Active Duty. This included assisting local authorities with explosive ordinance disposal, helping with security at special events such as the Arkansas Governor's Inauguration and the Boston Marathon, helping victims of floods and other natural disasters, and helping to save lives by assisting in search and rescue efforts. Air National Guard C–130s equipped with Aerial Modular Fire Fighting Systems dropped more than 675,000 gallons of fire suppressant assisting the U.S. Forestry Service in fighting wild fires across the country. Whether it is something small such as four Guard airmen helping local officials responding to a major car accident in remote Wyoming or 30,000 man-days assisting flood victims last April, the men and women of the Air National Guard prove their value to America every day.

In addition to supporting civil authorities, Guard airmen spent an additional million man-days in Homeland Defense. This includes helping to defend U.S. airspace in aerospace control alert, assisting U.S. Customs and Border Protection on our Southwest border, and supporting America's counterdrug program.

The Air National Guard's accomplishment of its Homeland Defense and Support of Civil Authorities missions continue to be accomplished primarily on the "dual-use" assumption, i.e., using equipment and training for its Federal mission, thus avoiding additional costs for the States or Air Force. However, this also means that changes in equipment or manpower for the Air National Guard's Federal mission may affect the Air Guard's homeland defense and civil support capabilities.

National Guard and Reserve Equipment Account

The Air Guard has used National Guard and Reserve Equipment Account (NGREA) funding to fulfill its Federal and State missions. Air National Guard F–16 and A–10 squadrons deployed to Afghanistan with LITERNING Gen4 targeting pods for the first time as a direct result of NGREA funding. Fiscal year 2011 NGREA funds were also used to procure and install equipment for a Cyber Critical Infrastructure Range allowing Air National Guard cyber units to train and develop tactics, techniques, and procedures for cyber warfare without disrupting networks used to accomplish day-to-day missions.

In response to congressional concerns about management of the NGREA, the Air National Guard developed process improvements to enable longer-term, higher-con-

fidence planning by Program Management Offices (PMOs), thus helping the Air Guard meet the Office of the Secretary of Defense (OSD) obligation rate standards for procurement funds. Each fall, 3-year investment plans are developed using ranges of potential funding levels, based on NGREA appropriations in recent years. Prioritizing procurement requirements in funding bands (highest likelihood of funding, significant likelihood of funding, and potential likelihood of funding) will enable program management offices to accomplish advanced planning to incorporate NGREA into planned contracts and separate NGREA-funded equipment purchases. Specifically, procurements with the longest contractual lead times will be prioritized in the band with the highest likelihood of funding. In this way, PMOs will plan for NGREA as if it was budgeted, and they can have confidence that resources invested in advance planning and preparation will not be wasted

SUPPORT FOR AIRMEN AND FAMILIES

The men and women of the Air National Guard serve with pride and distinction, but 20 years of combat have taken a toll on our airmen and their families. In 2011, the Air National Guard had 17 members die by suicide. While a lower rate than in 2010, the overall rate has been slightly upward since 1992. The Air National Guard launched its Psychological Health Program last year by placing licensed mental health professionals in each wing, a peer-to-peer "Wingman Project," and other suicide awareness and prevention initiatives. The goal of the Wingman Project is multifaceted. First, the Air National Guard will ensure our airmen and their families are prepared psychologically for the traumas and stress of combat deployments. Following their deployments, we need to ensure our Guard airmen are welcomed home as the heroes they are and received the appropriate recognition for a job well done. Finally, we must make sure that the member and their families are aware of the potential after affects and the resources available to help them cope.

THE FUTURE OF THE AIR NATIONAL GUARD

I have seen two major post-war draw-downs in my career. The first occurred in the 1970s as the Vietnam War was drawing to a close. The second was in the 1990s at the end of the cold war. In 1970, Secretary of Defense Melvin B. Laird put his faith in the Reserve components and created the Total Force that served the Nation through the end of the cold war.

In 1990, our Air Force faced challenges not unlike those of today. And, the threats to national security and interest had not gone away with the fall of the Berlin Wall, in fact, the future looked just as unknown and ominous as it does today. First, there was a new strategy shifting focus from the Soviet Union to major regional conflicts. There was growing concern about the security implications of a possible breakup of the Soviet Union; economic, political, and geographic expansion of China; and new challenges in the Middle East. The United States was trying to get the budget deficit under control—at that time it was sequestration under the Gramm-Rudman-Hollings Balanced Budget and Emergency Deficit Control Act of 1985. Faced with significant budget cuts and amorphous but growing threats abroad, Secretary of the Air Force Donald Rice decided to follow Secretary Laird's lead from the 1970s. As Secretary Rice wrote in his 1990 Report to Congress:

"The Air Force Total Force policy, formalized in 1973, has evolved to the current policy for a mix of Active and Reserve component forces, using all available assets, to ensure that maximum military capability is achieved at minimum cost. We intend to allow as much force structure growth in the Air Reserve Component (ARC) as possible while maintaining a realistic balance between the ability of the Guard and Reserve to absorb that growth and the ability of the Active Force to meet peacetime and contingency tasking." [1]

It was the Air Force that Secretary Rice built that maintained Northern and Southern Watch after Operation Desert Storm. This Air Force, built upon heavy reliance on the Air Force Reserve and Air National Guard, also responded to the crisis in Bosnia and Kosovo, fought Operation Enduring Freedom and Operation Iraqi Freedom. Air Guard KC–135s were the first on the scene for Operation Odyssey Dawn protecting Libyan civilians. Secretary Rice's Total Air Force also responded to numerous humanitarian crises around the world including Pakistan, Japan, Haiti, and here at home.

The Air National Guard's priorities in preparing the fiscal year 2013 budget were:

[1] The United States Air Force Report to the 101st Congress of the United States, fiscal year 1991.

—Funding readiness accounts to include flying hours and Depot Purchased Equipment Maintenance;
—Mission conversions included in the fiscal year 2013 President's budget; and
—Modernization.

CLOSING REMARKS

I believe that working together we can emerge from these times a stronger, more capable Total Air Force. Thank you for the opportunity to be here today, I look forward to your questions.

Chairman INOUYE. Thank you very much, General.

General Ingram.

STATEMENT OF LIEUTENANT GENERAL WILLIAM E. INGRAM, JR., DIRECTOR, ARMY NATIONAL GUARD

General INGRAM. Chairman Inouye, Ranking Member Cochran, and members of the subcommittee. It's an honor to be with you today representing the 358,000 citizen soldiers of the Army National Guard.

The patriotism and sacrifice of these soldiers, their families, and their employers is a source of great pride for all Americans. We're now the best-manned, best-led, best-trained, best-equipped, and most-experienced force in our 375-year history.

And it's congressional support for the Army National Guard that has contributed to our transformation and enhanced our readiness. As a result, the Army National Guard is a ready and reliable force, fully accessible for contingencies both at home and abroad.

We provide equipped, trained soldiers, giving the President and the Governors maximum flexibility in times of crisis. We're an operational force and a full partner with the Active Army.

Since September 11, 2011, the Army National Guard has completed more than 500,000 soldier mobilizations in support of domestic operations and overseas missions. We currently have 29,000 Army National Guard soldiers mobilized.

Last year, in fiscal year 2011, 45,000 Army Guardsmen were deployed in support of ongoing missions around the world. As an operational force, the Army National Guard provides a cost-effective solution to meet the new strategic guidance.

For 12.3 percent of the Army's base budget, the Army National Guard provides 39 percent of the Army's operating forces. Our soldiers represent nearly every ZIP Code in the Nation. They play a vital role as the Department of Defense (DOD) first responder for natural disasters and terrorist attacks on our soil.

Today's Army National Guard soldiers continue the proud tradition of service to their States and to our Nation. In 2011 alone, it was the citizen soldiers who provided 900,000 duty days of support to communities across our Nation. That's the second largest domestic response since 9/11, since Hurricane Katrina.

We are attracting skilled soldiers and future leaders. With the Nation at war as a backdrop, our year-to-date enlistment rate for fiscal year 2012 is in excess of 95 percent, but our retention rate exceeds 130 percent. So we are meeting our authorized end-strength of 358,000.

The Army National Guard is equipping to meet 21st century challenges through your support of the necessary resourcing for modernization. Our 28 brigade combat teams that include 1

Stryker brigade, our 8 combat aviation brigades, and our 2 special forces groups are well-equipped.

We understand our readiness level, however, is dependent on the level of resourcing that we receive. The overall Army National Guard equipment on hand for our deployable units is currently at 88 percent, an increase of more than 2 years ago when we were at 85 percent.

Our critical dual-use equipment on hand is at 92 percent, an increase from 86 percent 2 years ago, and a significant increase from the 65 percent it was during Hurricane Katrina.

From December 2011 through June 2013, the Army National Guard is programmed to receive more than 120,000 pieces of equipment from Army procurement funding.

Army National Guard armories are actually the foundation of our readiness. We have facilities in 2,899 communities across the 50 States, the territories, and the District. Providing quality facilities, however, is an ongoing challenge.

More than 46 percent of our armories are more than 50 years old. Many are unable to meet the needs of the 21st century operational force while failing to meet modern building standards and especially in terms of energy efficiency.

The Army National Guard continues to make suicide prevention a top priority. Our soldiers are our most precious resource. We are addressing high-risk behaviors and suicidal tendencies through preventive measures, comprehensive training, and a range of intervention programs.

In addition, we are addressing sexual harassment, and assault response and prevention through an aggressive training program executed at the State level. It's crucial that these behavioral health programs receive funding in our base budget.

PREPARED STATEMENT

In closing, I acknowledge the continued support that you've demonstrated through the budget process in program planning for an operational National Guard through 2015.

I want to express the Army National Guard's sincere appreciation of the critical role your subcommittee plays in resourcing and sustaining the most capable National Guard that our Nation has ever had.

I appreciate the privilege of being here and invite your questions.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL WILLIAM INGRAM, JR.

OPENING REMARKS

Chairman Inouye, Ranking Member Cochran, and members of the subcommittee: I am honored to appear before you today, representing the nearly 360,000 citizen soldiers in the Army National Guard (ARNG). For 375 years, ARNG has been central to how the Nation defends itself at home and abroad. Through resolve and readiness, our citizen soldiers deliver essential value to our Nation and its communities and contribute immeasurably to our national security. Since September 11, 2001, through the end of fiscal year 2011, ARNG has completed more than 495,000 soldier mobilizations in support of domestic operations and overseas missions.

The Army National Guard of 2012 is the best-manned, best-trained, best-equipped, and most-experienced force in our history. We are an operational force and a full partner with the Active component. More than 50 percent of our soldiers are seasoned combat veterans. That statistic speaks to our overseas credentials. But

we have been given a dual mission. Domestically, our soldiers represent every ZIP Code where they play a vital role and have earned the respect of hometown America.

AN OPERATIONAL FORCE FOR DOMESTIC AND OVERSEAS MISSIONS

Our Nation has endured a decade at war relying upon an All-Volunteer Force. Despite the challenges this has presented, our young people still want to join the ARNG. Our recruitment rate for 2012 is 93.7 percent of goal (as of January 31, 2012).

Along with this positive trend is an impressive retention rate among those who are already serving. ARNG retention rate stands at 131.2 percent of goal as of January 31, 2012. Today's Army Guard soldiers continue the proud tradition of meeting the needs of our local communities and our Nation at home and around the world. In 2011 alone, citizen soldiers responded to floods, wildfires, tornadoes, and hurricanes as well as providing key security forces along our Nation's Southwest border. Concurrent with these critical missions, ARNG continues to deploy overseas in support of peacekeeping, humanitarian disasters, and combat operations.

For years, ARNG was viewed as a "Strategic" Reserve. The events of September 11, 2001, and the subsequent hostilities in Iraq and Afghanistan challenged all previous troop strength and deployment assumptions.

The Army had to consider—and utilize—our citizen soldiers as an operational force. Now, when the Department of Defense (DOD) formulates war plans, ARNG is integral to the overall design and operations tempo (OPTEMPO). We realize this inclusion makes ARNG responsible for maintaining units trained to the highest standard of readiness. Funding is required to maintain this level of readiness. The result is that for the first time in 2013 the operational force is partially funded in the base budget request which supports additional duty days and OPTEMPO to facilitate rapid deployment of functional and multifunctional units required to deploy on a compressed timeline.

READY AND RELIABLE DEPLOYMENTS: THE ACCESSIBILITY ADVANTAGE

In fiscal year 2011, ARNG soldiers were deployed for a total of 58,903 tours in support of a multitude of ongoing missions around the world.

The breakdown, by tour, includes the following:

—32,752 tours in support of Operation Enduring Freedom;
—24,552 tours in support of Operation Iraqi Freedom/New Dawn;
—877 tours in support of Operation Joint Guardian in Kosovo;
—45 tours in support of Operation Noble Eagle;
—2 tours in support of Operation Joint Endeavor in Bosnia; and
—675 tours as part of Deployment Support Cell (DSC) operations.

ARNG has continuously proven to be a ready and reliable force for both domestic and overseas missions. A determining factor in ARNG global deployments has been the change to title 10, U.S.C. section 12304, which may have a direct impact on increasing the accessibility and rotational possibilities for the ARNG. ARNG has developed into a responsive, operational force, contributing to "boots-on-the-ground" requirement for deployments. A change in the law (National Defense Authorization Act of 2011) has made ARNG more accessible for predictable, operational missions. With the implementation of the Army Force Generation (ARFORGEN) cycle as well as the new law, our leaders now have greater flexibility, predictability, and choice in how they deploy forces. Our soldiers and their families will now have the same type of predictability with more dwell time between deployments and additional time for training.

Closer to home, ARNG provided more than 907,185 duty-days of support to communities across the Nation in 2011. This figure represents our commitment to the Nation in response to natural disasters and fulfills our enduring pledge to sustain local, State, and Federal law enforcement agencies. Notably, that number of duty-days nearly doubles that of 2010—and is three times greater than 2009. The Southwest border security mission along with an active year of flood, tornado, wildfire, and hurricane response operations accounts for the majority of this increase. However, I want to emphasize that the nearly 1 million duty-days performed last year clearly exemplifies the unique capability of ARNG forces and the dedication of citizen soldiers who serve in our ranks.

EQUIPPING AN OPERATIONAL FORCE FOR THE 21ST CENTURY

In 2012, ARNG is better equipped than ever. We understand our readiness level is entirely dependent on our level of resourcing. So the challenge, as always, is to do everything efficiently.

ARNG equipment on-hand (EOH) posture is evaluated and published twice a year. This important review process informs senior leaders and policymakers of ARNG fill levels for equipment supporting every mission. Modification table of organization and equipment (MTOE) authorizations and on-hand inventory are used to determine EOH for both contingency operations and domestic missions. In collaboration with Headquarters, Department of the Army (HQDA), the ARNG identifies specific equipment on MTOE documents as critical to domestic response missions. This equipment is identified as critical dual use (CDU). The Department of the Army considers CDU items when prioritizing equipment procurement.

The overall ARNG equipment on-hand (EOH) for MTOE units is currently at 88 percent, an increase from 85 percent 2 years ago. Overall CDU EOH is 92 percent, an increase from 86 percent 2 years ago and a significant increase from 65 percent during Army National Guard operations supporting the Hurricane Katrina response. From December 2011 through June 2013 ARNG is programmed to receive more than 120,000 pieces of equipment from Army procurement funding.

Equipment modernization remains an area of concern. Despite significant progress improving EOH levels, ARNG continues to have critical shortfalls in UH–60 A–A–L modernization, CH–47F, HMMWV Recapitalization, and General Engineering Equipment.

We are working closely with the Army to minimize any shortages with priority going to deploying units. ARNG continues to pursue equipment modernization, greater efficiencies and economies-of-scale through Department of the Army procurement and National Guard and Reserve Equipment Appropriation (NGREA) funding.

Sustaining ARNG as an Operational Force depends upon having the same equipment as the Active component, including rotary wing aircraft. ARNG currently has 1,277 rotary wing aircraft against an authorized fleet of 1,394 aircraft; 85 percent of ARNG aircraft authorizations are filled with the same modern and capable aircraft as the Active Army fleet. The inventory includes a mix of the most modern capabilities (AH–64D Block II Longbow Apaches, CH–47F Chinooks, UH/HH–60M Black Hawks and UH–72A Lakotas), older but capable airframes (AH–46D Block I Apaches, CH–47D Chinooks, UH–60A/L Black Hawks, and OH–58D Kiowa Warriors) and 98 legacy aircraft (OH–58A/C Kiowas and AH–64A Apaches).

Programmed Army procurements will ensure ARNG fleets are modernized on pace with the other components, except in the case of the Black Hawk fleet. Even in 2020, only 25 percent of the ARNG Black Hawk fleet will be equipped with the new UH/HH–60M. Rotary wing aircraft remain a critical dual-use asset whether mobilizing for the warfight or responding to domestic emergencies.

DOMESTIC OPERATIONS

In 2011, citizen soldiers' support of the Southwest border mission spanned the 1,933-mile border of California, Arizona, New Mexico, and Texas. This critical mission called upon three ARNG capabilities. First, observation and reporting of border activities to U.S. Customs and Border Protection. The second capability is our analytical expertise which augments Immigrations and Customs Enforcement agents. Finally, the command and control of personnel within the ARNG of each Southwest border State ensures cohesive action and coordinated operations.

In February 2012, the Southwest border mission transitioned from a ground-based force to an air-based force. The Southwest border transition reduced manpower requirements from 1,200 to no more than 300. The continued Southwest border mission for calendar year 2012 will cost $60 million. The current Southwest border support focuses on criminal analysis and aerial detection and monitoring.

During 2011, ARNG also provided support to law enforcement and special events. The law enforcement support required 60,636 duty-days of assistance and special events required another 2,685 duty-days of assistance.

ARNG actively supported several environmental requests during 2011. Our winter storm response included 24 events in 18 States. The full scope of these actions required 11,152 duty-days of support. Firefighting support required 10,920 duty-days of support. Our flood response during 2011 totaled 201,866 duty-days of support. Hurricane and tropical storms demanded 67,795 duty-days of support. When twisters made their way across our Nation in 2011 ARNG responded with 14,775 duty-days of support to devastated communities.

AVIATION'S ROLE IN DOMESTIC OPERATIONS

ARNG Aviation flew more than 3,000 hours in response to domestic disasters in 2011. Domestic operations (DOMOPS) missions included response to hurricanes, wildfires, tornados, and floods; civil search and rescue (SAR) missions; and

counterdrug support. Our Hurricane Irene response in August was a major domestic operation that included 37 aircraft from seven States. These aircraft flew 540 hours in support of SAR, evacuation, commodity distributions, and support to local law enforcement agencies.

THE NATIONAL GUARD'S VALUE AND UNIQUE CAPABILITIES

ARNG, with its unique range of skills, expertise, and experience level has structured itself for the future. As an operational force, our citizen soldiers are the most cost-effective means of calibrating capabilities in response to ever-changing demand from conventional and unconventional threats.

The National Guard has the only DOD network that reaches all 54 States and territories. GuardNet is a Nationwide information systems and mission command network that spans 10 time zones, 54 States, 3 territories, and the District of Columbia, serving the Adjutants General of the States and the national capital region. GuardNet is the functional channel of communications for the National Guard Bureau (NGB) and is the mission command capability for the Adjutants General of the several States for non-federalized units in generating force and defense support for civil authorities. GuardNet reaches all of ARNG readiness centers in all of the States and territories and is a model of information technology efficiency and services.

ARNG possesses the largest military intelligence force structure of any of the Reserve components of any of the services. This force includes all of the intelligence disciplines and more than 3,000 linguists and cultural experts, provides the Nation with a robust, agile, and cost-effective responsive capability.

ARMY NATIONAL GUARD INSTALLATIONS—THE FOUNDATION OF READINESS

ARNG transformed from a Strategic Reserve to an Operational Force during a decade of deployments. This significant organizational shift has changed facility requirements. ARNG has facilities in more than 3,000 communities; however, providing quality facilities across 54 States and territories is an on-going challenge. Currently, more than 46 percent of our readiness centers are more than 50 years old. Many fail to meet the needs of a 21st century operational force and the standards for modern buildings to include energy efficiency. Facilities are critical to readiness and support unit administration, training, equipment maintenance, and storage. They serve as platforms for mobilization during times of war and as command centers and often as shelters during domestic emergencies.

This wide array of use makes military construction (MILCON) and sustainment, restoration, and modernization (SRM) funding a critical issue directly impacting unit readiness and morale, continuity of operations and interagency partnership, community awareness, and family and employer involvement.

INNOVATIVE PROGRAMS LEVERAGE OUR RANGE OF CIVILIAN SKILLS

Our State mission, combined with grass-roots community-based support of today's ARNG, position us to play a significant role in global security cooperation (SC). We are partner to creating an enduring stability presence in scores of countries. ARNG soldiers possess a wide variety of civilian, professional, and education experiences that are helpful when the soldiers are engaged in security cooperation activities.

In 2011, the ARNG provided approximately 18,575 soldiers to support 69 military exercises in 104 partner countries. The ARNG global presence for security cooperation expanded in the 1980s through overseas duty training opportunities.

ARNG Security Cooperation programs are unique because of Guard soldiers' ability to forge these enduring relationships with key individuals over long periods of time. In some cases, the crucial bonds with foreign countries have been cultivated and maintained for more than two decades.

ARNG partnership capacity-building activities serve to deepen and strengthen a foreign country or region's positive perception of the United States as a valued partner, which can serve to prevent future conflicts; one of our key objectives in the 2010 Quadrennial Defense Review (QDR).

In 2011, 4,200 ARNG soldiers participated in the State Partnership Program that included 63 partnerships and 2 bilateral agreements with 63 partner countries. This program promotes security cooperation activities such as emergency management, disaster response, border and port security, medical, and peacekeeping operations.

Citizen soldiers exercise soft power. Each possesses a range of valuable professional skills and expertise acquired as civilians. Within the ranks of ARNG are 5,798 first responders (firefighters, law enforcement, emergency medical technicians, analysts); 3,655 medical professionals; 778 legal professionals; 2,655 engineers; 1,119 agricultural specialists; 5,186 educators; 2,296 mechanics; 511 plumbers; and

34,309 students (in a wide array of disciplines). That explains why guardsmen are frequently called upon to conduct soft power across the range of conflict. A prime example is the innovative Agribusiness Development Teams (ADTs) in Afghanistan.

ADTs provide training and advice aimed at supplementing current Afghan farming practices by introducing advanced techniques and new, profitable crops. These teams are making significant contributions to Afghanistan's economy and achieving sustainable, yearly growth of the Nation's economic output.

One of our most relevant National Guard missions is to impart knowledge and transplant economic recovery to the Afghan people. The Agribusiness Development Team combines 58 soldiers and airmen with backgrounds and expertise in various sectors of the agribusiness field. ADTs ensure that improvements are sustainable with local assets and within the context of the Ministry of Agriculture, Irrigation, and Livestock (MAIL) abilities. ADTs conduct stability operations by building agricultural capacity, establishing a safe and secure environment, enhancing the rule of law, sustaining economic development, developing sustained governance, and fostering social well-being.

Nine ADTs are deployed to Regional Command East and Regional Command South in Afghanistan. Deployed teams hail from Texas, Missouri, Kentucky, Kansas, Indiana, Oklahoma, Nevada, Iowa, and Arkansas. To date 28 teams operated in 15 provinces and contributed to more than 578 agriculture projects generating more than $31 million in economic impacts for the people of Afghanistan. ADT soldiers bring their military capabilities and their civilian skills and education to work directly with the farmers of Afghanistan. These citizen soldiers leverage the assets and expertise of land-grant universities and cooperative services within their home States.

SUPPORT OF SOLDIERS AND THEIR FAMILIES

ARNG continues to make suicide prevention a top priority. Mitigating high-risk behaviors and reducing suicidal urges ensures a ready and resilient force. Increased resilience and risk reduction leadership awareness, training, and intervention programs continue to enhance coping skills in our soldiers, families, and DA civilians. Due to limited comprehensive soldier fitness training seat allocations, and to better support the needs of Guard soldiers and families, ARNG established a Master Resilience Trainer Course (MRT–C) in Fort McCoy, Wisconsin in July 2011. By doing so, the number of Army National Guard Master Resilience Trainers are expected to exceed 1,000 by the in early fiscal year 2012. The Army National Guard also trained 334 Applied Suicide Intervention Skills Training (ASIST) program trainers in fiscal year 2011. An additional 150 ASIST trainers are being trained in fiscal year 2012. These trainers will train approximately 35,000 gatekeepers in advanced intervention skills.

ARNG recently teamed with the Office of the Secretary of Defense of Reserve Affairs, as well as the Air National Guard, to launch a highly successful peer-support line, Vets4Warriors. The peer-support line is designed to serve all ARNG and Reserve component members nationwide. As the foundation of each soldier's support network, ARNG families and employers are being trained to assist in identifying high-risk individuals. States have capitalized on community-based resources and solutions to provide services outside of military installations.

The ARNG has been, and remains, deeply concerned with the employment status of our soldiers. They are our most important asset and their well-being is essential for the ARNG as an operational force. Furthermore, the ARNG's employment challenges extend beyond returning mobilized soldiers and we continue to work diligently to find solutions to assist our geographically dispersed population.

New legislation was recently enacted to assist unemployed veterans. The Veterans Opportunity to Work (VOW) Act of 2011, to Hire Our Heroes, mandates the Transition Assistance Program (TAP) for all soldiers separating from a title 10 Active Duty tour of more than 180 days. The ARNG is working closely with the Department of the Army and OSD to implement the transition mandates set forth in the legislation. The ARNG seeks to utilize these expanded transition services as a platform to enhance and increase participation in the myriad of employment assistance programs currently managed by the ARNG.

The ARNG Directorate offers several national programs to assist the States with their local employment programs. The Job Connection Education Program (JCEP) is a high-touch employment approach assisting our soldiers and their family members in researching, obtaining, and retaining civilian employment.

The Job Connection Education Program, a pilot program in Texas, provides support services such as job skills training, workshops, and job search assistance which expose soldiers and family members to jobs offered by more than 480 established

business partners. To date, more than 720 soldiers and family members have connected to employment opportunities, earning an average hourly wage of $16.57.

The Guard Apprentice Program Initiative (GAPI), in partnership with the Department of Labor and the Department of Veterans' Affairs, continues to build relationships with employers and colleges to facilitate civilian apprenticeship and employment opportunities for the ARNG and other Reserve components. As a pilot State, Maryland has six ARNG soldiers hired in the Independent Electrical Contractors Chesapeake (IECC) Apprenticeship Program. The IECC has progressive wages starting at $18 per hour with medical benefits. By the end of the 5-year program commitment, participants will earn $23 per hour with benefits along with receiving a national certification as journeymen electricians. Drive the Guard (DTG) is a collaborative effort with the Commercial Driver Training Foundation, Inc. which links Army National Guard soldiers with training and certification programs in their communities. Once completed, the soldier has the potential to begin a career in the truck driving industry. Applicants seeking their Commercial Driver's License (CDL) are assisted through our DTG program. Upon completion, the soldier can begin a career in the trucking industry, with a salary varying between $35,000 and $45,000 annually. This is above the national starting salary of most college graduates with a bachelor degree.

CLOSING REMARKS

As the Nation enters an era of budgetary pressure, the ARNG has already structured itself for success in the future. We are an operational force; highly trained, experienced, and professional. We represent a scalable Army component that is far less expensive to engage and deploy than a full-time force. We are flexible and adaptable so we are ready to meet the wide array of 21st century security challenges.

With committed citizen soldiers, our State and national leaders have the advantage of complete access to our forces and facilities. When employed judiciously, the Army National Guard presents cost-effective value to American communities where guardsmen live, work, and serve. This makes the Army National Guard not only trained, equipped, and ready defenders of our freedoms but also good stewards of taxpayer dollars.

We stand ready, as always, to take on any mission. After all, America's minutemen have been successfully completing missions for 375 years.

Thank you for the opportunity to be here today. I welcome your questions.

Chairman INOUYE. Thank you very much, General Ingram.

AIR FORCE BUDGET

General McKinley and General Wyatt, as I indicated in my opening remarks, this past March the Air Force announced four structure changes and end-strength reductions. The greatest reductions were in the Air Guard, 5,100 billets lost. My question is, were you involved in reaching this final decision? Were you consulted? What was your involvement?

General MCKINLEY. Senator, I think I'll let Bud talk to the tactical process by which the Air Force works its corporate process. And, traditionally, in the National Guard, the two directors have been totally involved with their services in how the budgets are built and how they're briefed.

I will tell you that, as Chief, I was involved in the final deliberations, discussions, in the December timeframe, at which time I expressed, certainly, our corporate view on behalf of the Adjutants General, on the outcome that the Air Force was pursuing.

And then following the holidays, a number of meetings with both Secretary Panetta, Chairman Dempsey, General Schwartz, and Secretary Donley, to continue to work out the end-game strategies.

I think you've had General Schwartz and Secretary Donley here to talk about their overall views of the size of the Air Force, that

it's the smallest Air Force in history. Recapitalization is a major issue for our Air Force.

And, as General Wyatt will tell you, and I'm sure General Stenner will tell you, that our Air Force and its strength cascades to its Reserve component, both the Air National Guard and the Air Force Reserve.

So I'll let General Wyatt cover the corporate process that you're alluding to with your question, and then take any follow up questions you may have about our involvement.

Bud.

Chairman INOUYE. General Wyatt.

General WYATT. Mr. Chairman, the Air Force decisionmaking process, as we put together budgets, is commonly referred to as the Air Force corporate process. And has several different steps along the way, beginning at the action officer, going up through the one-star, two-star level, which is the board level.

The Council level is a three star, and then recommendations are presented to the Chief and the Secretary at the four-star level.

I was able to participate. My staff was able to participate all along the way. We were encouraged to make our inputs, and we did so. In fact, we exercised that encouragement rather vociferously inside the Air Force corporate process.

We did present alternatives to the Air Force, alternatives to the fiscal year 2013 President's budget (PB–13) as it officially came out. I think General Schwartz has accurately described the process when he said that there were very difficult decisions for the Air Force to make.

He encouraged open debate. I engaged openly in that debate and made my inputs, but in the end, the final decision is left to the Chief and the Secretary. And many of the recommendations and alternatives that we proposed were not adopted.

But we respect the difficult decisions that the Chief and the Secretary had to make. And once those decisions are made, as title 10 officers, we need to recognize that fact and salute and proceed forward.

Chairman INOUYE. But you were able to make an input?

General WYATT. We made several inputs, Sir, several alternatives, different ways of meeting the budget, and the operational demands of the Air Force, some of which were accepted, a lot of which were not.

SUICIDE

Chairman INOUYE. Thank you very much.

General Ingram, during calendar year 2011, we were told that 98 guardsmen took their own lives. Can you tell us what's happening?

General INGRAM. Chairman, any soldier, or any person that takes their own life is a tragic experience.

In the case of the Army National Guard, we're citizen soldiers. And I don't have the exact statistics of how many of the soldiers in the Army National Guard that committed suicide had never deployed, but there were quite a few.

I'm not sure whether the citizen or the soldier committed suicide. In some cases, and we do a very thorough after-action look at each

case, and in those cases, we take steps to prevent that from happening again.

We use that in our training, and we've increased the level of training in suicide prevention. But it's an American problem as well as an Army problem, as well as an Army National Guard problem.

And we're going to great lengths to prevent our soldiers, either having suicidal tendencies or actually committing the act.

RESERVE COMPONENT EQUIPMENT

Chairman INOUYE. Thank you very much. May I call upon Senator Cochran.

Senator COCHRAN. Mr. Chairman, thank you.

General McKinley, the Air Force's restructure plan suggests that reductions in personnel and aircraft ought to be undertaken.

You describe in your testimony the enhanced use of Guard forces that would provide capability in overseas missions. Looking at our recent experience in Libya, there were Air Force personnel and aircraft involved in the no-fly zone strategy.

Tell us what your impressions were of those who were engaged in that operation. What changes, if any, need to be made in terms of support for funding of different activities or equipment, acquisition, in light of those experiences?

General MCKINLEY. You rightfully point out, Senator Cochran, that the Air Force is uniquely positioned to utilize its Reserve component effectively and efficiently.

For the entire period of time that I've been in the National Guard, there's always been a close personal relationship between our Active Force and its Guard and its Reserve.

That led to the capability that General Wyatt may want to discuss a little more intimately involved in the tanker mission and the mission that supported the no-fly zone in Libya.

To rapidly get volunteers in our communities who are associated with the requirement, out of their civilian jobs, to their units, in a voluntary status so we didn't need to mobilize, and we got them overseas in record time. And they participated in the full unified protector mission as you allude to.

And that's been a tradition. It's been a core competency of our Air Force, its relationship with its Guard and Reserve, for the last four decades. So I'm very proud of that.

I don't think our Air Force can survive without the close cooperation and collaboration of its Reserve component. I've heard both Secretary Donley and General Schwartz make those statements in public.

I'll let General Wyatt talk about the numbers, types of equipment that actually deployed, how quickly they deployed, and how effectively they were used by the North Atlantic Treaty Organization (NATO) command in the successful prosecution of the Libyan operation.

Bud.

Senator COCHRAN. General Wyatt.

General WYATT. Senator Cochran, I mentioned a little bit about the timeframe of the response early on. I will tell you, especially

in the refueling portion of Odyssey Dawn, it was a joint effort with the Active component, the Guard and the Reserve.

The Guard and Reserve actually had more than 50 percent of the refueling capability in theater. The expeditionary wing was commanded by an Air Guardsman out of Pennsylvania. The integration of the three components in the Air Force, I think is a model, primarily because we're trained to the same standards.

We use the same equipment. That's the way we fight. That's the way we train and fight. As we go forward in the future, I think the key for the Air Force to maintain the capacity and capability and continue reliance upon the Reserve component, Guard, and Reserve, is a couple of things.

Number one is, the Guard and Reserve have to be fielded the new equipment, at the same time, concurrently with the Active component and in representative numbers, so that we can continue to be an operational force that can be called upon on a moment's notice.

I would remind everyone that there was no mobilization authority available for Odyssey Dawn for the Libya no-fly zone. One hundred percent of the guardsmen and reservists that showed up for that engagement were volunteers.

The key, besides new equipment, fielded concurrently and in a balanced fashion, a proportional fashion across the Reserve components, the other key is in the baseline budget of the Air Force, there has to be sufficient military personnel appropriation (MPA) days to allow the operational use of the Guard and the Reserve.

As an organize, train, and equip organization, I think General Stenner would back me up on this, the Air Force adequately funds us to organize, train, and equip. But to be able to use us in operational missions around the world, the Air Force needs to baseline budget sufficient MPA days so that we can continue to be the operational force that's available on a moment's call.

FUNDING LEVELS

Senator COCHRAN. Does the dollar amount requested for this subcommittee's approval meet those requirements?

General WYATT. Yes, Sir, I think it does in PB–13 for the title 10 fight. I'm a little bit concerned when I take a look at some of the domestic requirements for the Air National Guard.

There is, you know, some pressures. Obviously, as the Air Force tries to do its part in reducing the deficit, I think the key is that as we go forward and we look at the number of required MPA days, that would allow the Air Guard and the Reserve to continue functioning, that we take a "no kidding" look at what are the requirements, what are the demands that the combatant commands (COCOMs) are telling us would be forward, and then adequately budget for that, rather than just pick an arbitrary number and try to cut.

Senator COCHRAN. General Ingram, Camp Shelby, Mississippi, Hattiesburg has been a site for Army Guardsmen, Reservists, others to mobilize and be deployed to areas of need.

What is your impression of the funding requests for that facility, if there is money in there for any activities and programs there?

And what needs exist that should be brought to our attention if they're not requested?

General INGRAM. Senator Cochran, Camp Shelby has been a very viable force projection platform for most of the war fight. There's been some improvements that have been made there. The Army funds those improvements out of the base budget.

And as we continue down the road, I think the appropriate needs will be met by the Army budget for Camp Shelby and several other predominately Army National Guard post camps and stations that are used as power projection platforms.

Senator COCHRAN. Thank you, Mr. Chairman.

Chairman INOUYE. Thank you.

Senator Alexander.

C–5 AND C–17

Senator ALEXANDER. Thanks, Mr. Chairman. Thank you for being here.

I want to ask about the announcement in February about replacing C–5As with C–17s, which was part of the comprehensive reorganization of Air Force resources.

The House Defense Authorization bill includes a provision that would put that restructuring plan on hold for a year, so I understand.

And I want to try to understand from you, General Wyatt, if I can, what the consequences of that are?

Specifically, I mean, the idea as you went through these difficult budget decisions, was to replace the C–5As, which are expensive to maintain and which are not, which aren't mission ready much of the time, with C–17s.

The idea would be that would save a lot of money and produce a more efficient operation. Now, what does this 1-year delay do?

What does it do in terms of the cost of maintenance, for example, of these C–5As that you know you're going to get rid of?

What does it do to the schedule for retraining personnel? What does it do to the Guards' mission readiness?

General WYATT. Sir, those are great questions that what we're wrestling with right now.

The transition at Memphis out of C–5s into C–17s was actually a fiscal year 2012 action, that is supposed to begin, but it continues into fiscal year 2013 as we retire C–5As out of Memphis, the C–17s come in. That requires training dollars to be spent to make the conversion.

And you're correct. The reason, and I applaud that move on behalf of the Air Force, because it does bring the Air National Guard more into the relevant aircraft of the future. It's something we've been pushing for quite a long time in the Air National Guard.

Senator ALEXANDER. Well, we know, don't we, we're going to get rid of the C–5As, right?

General WYATT. Yes, Sir. We are.

Senator ALEXANDER. So why would we delay it a year?

General WYATT. I hope we don't.

But that particular movement is one of the things in PB–13 that I think is in the best interests of the country, and certainly, the

Air Force and the Air National Guard, that we continue with that part of it.

If the prohibition is to spend any fiscal year 2013 funds on fiscal year 2012 actions that need to be completed in 2013, then the dilemma is exactly as you have expressed. It would cause us to go back and take a look at what is the cost of maintaining the C–5As?

Is there appropriations in the 2013 continuing resolution (CR) to do so, if that's where we're going? And it does cause us some uncertainty as we go forward, Sir.

Senator ALEXANDER. So at a time when dollars are short, and tight, and many of your recommendations weren't able to be accepted, you're saluting them.

Maybe, say to Senator Coats, maybe we need a title 10 salute in the United States Senate, we might get things done a little more quickly, if we did.

But, so you're going to have to be spending money maintaining planes that you know you're going to get rid of, when you could be spending it on retraining Guard personnel. You could be spending it on other aspects of mission readiness. Is that not correct?

AIR FORCE FORCE STRUCTURE

General WYATT. Yes, Sir.

The situation at Memphis is exactly as you have described it. That's one of the inputs in the Air Force corporate process that the Air National Guard made that was accepted by the United States Air Force.

And I applauded that because it made a whole lot of sense. It still does make a whole lot of sense.

But the dilemma that we're in right now, is how do you make that transition that we start this year, in fiscal year 2012, with the prohibitions on spending monies in 2013 to complete those actions.

Senator ALEXANDER. Well, I hope as we move through the process, and we're trying to respect your stewardship of scarce dollars, that we see what that delay would do is really waste money, or take money for planes that we know we're going to get rid of, to maintain them, and money that could be used in other places.

In the same light, in Nashville, the Guard's preparing for a new unmanned aerial vehicle mission, which I understand the Air Force needs for that facility to assume.

Now, how will this 1-year delay affect our military capabilities in the timeline for moving unmanned aerial vehicles (UAVs) into Nashville?

General WYATT. A very similar situation.

Again, this was a fiscal year 2012 action that is beginning. Part of it involves the movement of C–130s from Nashville to the Puerto Rico Air National Guard which is losing C–130Es. So there's kind of a ripple effect that we're facing.

I have to applaud General Haston, the Adjutant General for Tennessee, very forward looking, volunteered early on to transition into the remotely piloted aircraft (RPA) mission which we see as a sunrise mission in the Air National Guard, the one that will be around and keep the Tennessee Air Guard relevant well into the future.

But we face the same challenges there as we need to continue on down that path toward transition. Delays do make the transition a little bit smoother, I mean, a little bit more difficult, and costly.

Senator ALEXANDER. And costly.

General WYATT. And costly.

You know, the cost of maintaining those aircraft would move to Puerto Rico. But, if we're required to hold the Puerto Rico divestiture of C–130s, the E models, then we could have that expense that we would not normally have.

Senator ALEXANDER. I don't have much time left, but if I could ask, General Ingram.

Toward the end of President Bush's administration, our National Guardsmen were deployed along the border to assist with immigration issues. You made a slight reference to that I believe.

And I wonder if you could tell me how successful that was, whether some of that is still going on or not in terms of our border control activities. I think it was in support of those whose job it is to secure the border.

SOUTHWEST BORDER AND A–10 AIRCRAFT

General INGRAM. Senator, you are correct. It's in support of the Customs and Border Patrol. That mission has changed slightly.

This year, that mission changed from 1,200 people to 300 people. And it moved from a ground mission to an aerial mission where we're using 300 soldiers flying 19 helicopters and one fixed-wing aircraft along with analysts on the ground that help interpret the data for the Border Patrol from the information that's gained from those aircraft.

Senator ALEXANDER. Thank you, Mr. Chairman.

Chairman INOUYE. Thank you.

Senator Coats.

Senator COATS. Mr. Chairman, thank you.

I just want to followup on Senator Alexander's question relative to the A–10. I mean, it's really a similar situation here where a decision has been made to retire a certain model of aircraft, and replace it with others.

And I know there have been negotiations going on between the Guard and the Air Force, and then referencing the action that the House recently took to delay all this for a year.

If you could apply that now back down to the A–10 situation, what is the status of those negotiations? Is this a done deal? Has a final decision been made? Is there more consideration to be undertaken, General Wyatt?

General WYATT. A very similar situation to Tennessee, as with all the States, but a little bit different, well, significantly different input, from the Air National Guard.

Our input in the corporate process was to suggest alternative ways to meet the emerging strategy with A–10s, which as you know, play a crucial role in close air support in Iraq and Afghanistan. In fact, we have Air Guard A–10s in theater right now as we speak.

But some of those suggestions were not accepted by the Air Force as we went forward. Alternative missions were proposed for the unit at Fort Wayne, Indiana, and those are included in PB–13.

The status of the negotiations between the Council of Governors and Secretary Panetta, I think have concluded, although at any point in time, obviously, the Secretary has a prerogative with the Council of Governors, a dialog, to re-engage.

But I think that a counterproposal was made. It did not include anything related to the Indiana Air Guard or the A–10s. And my understanding is that the Council of Governors have respectfully declined the offer of Secretary Panetta to reach a compromise.

So we're waiting to see what happens with PB–13, but, in the meantime, as I indicated, we need to start moving toward at least taking a look at implementing the PB as it has been proposed, unless we're told something different by the Congress.

Senator COATS. Well, again, to follow on Senator Alexander's question. If what the House passed becomes law, what do you anticipate the status of current A–10 fleets being?

I mean, are they going to be hangar queens and just sit there, and they have cost of maintenance, but no mission for them, just waiting out the year? Or, will they, what's your take on what will happen?

General WYATT. My take is that if that happens, we would hope there would be sufficient funds to continue operating because that's a great unit in Fort Wayne. They're already trained.

As I've said, they've rendered great support to the operations in Iraq and Afghanistan. And our intention would be to continue with continuation training, keeping that unit operational for as long as possible.

We may have to dial back or dial down the level of continuation training which would be very difficult to do and maintain our combat status, ready to go.

So it would be a difficult thing to do, but we would give it our best shot depending upon the level of funding that came along with the House proposal.

INTELLIGENCE, SURVEILLANCE, AND RECONNAISSANCE

Senator COATS. But again, that's something that's going to have to be decided by the Secretary and the Chief of the Air Force.

So I guess there's a possibility that they wouldn't be operational during that 1-year holding period. That would be my concern.

General WYATT. That is a possibility, Sir.

Senator COATS. And then I wonder what effect that might have on the planned follow on for the intelligence, surveillance, and reconnaissance (ISR) aircraft.

General WYATT. It would be, obviously, delayed.

The part that I'm concerned about is the people, because as I go out and visit units, the thing that I'm hearing is concern about an indefinite future, about what, you know, what is the future of my unit?

What is the future of my job? Is it going to be the same? Is it going to be different? Is it going to be here at all?

And, you know, I mentioned a little bit about the volunteerism that we have in the Air National Guard. Our recruiting and reten-

tion continues to be strong even in spite of PB–13 and the operations tempo (OPTEMPO).

But where I'm starting to see some stress on my folks is at our retention numbers. You know, we have great volunteerism, and our people stick with us a long time. But our retention numbers are beginning to drop. And I attribute that to the Air Force's PB–13.

It has had a more detrimental effect on our retention numbers than 20 years of high operational combat has had. So I think that uncertainty is beginning to take a toll on our people wondering about their futures and, you know, do we have time to invest in a unit that may not be here next year or maybe changing to a mission that we don't know what that might be.

HIGH-MOBILITY MULTIPURPOSE WHEELED VEHICLE

Senator COATS. Thank you.

If I could shift to a ground vehicle. The humvee was mentioned, General McKinley, I think in your opening statement, 60 percent, 20 years old or more.

What is the take on what you need? I think you mentioned modernization. Some have mentioned upgrading existing fleet. Others say the cost, it's more cost effective to just go to the more modernized vehicle.

I'm not sure if General Ingram, you, or General McKinley is the best one to answer this. But what's the story on this?

General MCKINLEY. Well, first of all, thanks for the question, Senator.

I'm in receipt of letters from 17 Adjutants General in support of purchasing new humvees. I am the channel of communication between the States and the Department, so we have forwarded those letters of support.

General Ingram can talk about the percentages. I would say, strategically, across both Air and Army Guard, this generation of soldier and airmen have joined our services and joined the Guard specifically to be used, to operate first-line equipment, to be part of the team that goes forward, either here at home for domestic emergencies, or to support our Army and our Air Force.

And so recapitalization across our fleet to include ground vehicles, has got to be factored in, and we've got to fight hard with our services to make sure that the balance and the proportions are right.

Or, some of these young men and women who've joined us since September 11, 2001, they're just not going to be as excited about their role in the National Guard.

But I'll let Bill comment specifically on your question.

General INGRAM. Senator, on the humvee fleet. We have some of the oldest humvees in the inventory for the Army.

And I guess the question at this moment is, do we recapitalize the ones that we have, or do we, as the Army buys the joint light tactical vehicle (JLTV), the next generation, we should get a proportional share of those vehicles?

So the question is, do we keep a number of humvees unrecapitalized to trade in, or to turn in, as we gain the JLTV?

And it's a balance. Obviously, we'd like to upgrade the fleet, but we want to be frugal with our resources and do the right thing.

So, at the moment, there's a bit of a tradeoff there. The longer we wait, the older the vehicles become, and the more need there is for new vehicles or for recap.

SPORTS SPONSORSHIP

Senator COATS. Just one last quick question, Mr. Chairman, if I could.

My preference has always been that we direct money for recruiting to you, and you decide how best to utilize that money. There have been some efforts, I know you're sponsoring Indy cars and NASCARs and so forth.

You see, you know, you tune in, you see the Air National Guard or Air Guard or Army Guard on the side of the car. And you do that in areas I think where the potential for recruiting is very high and a lot of attention to that sport.

I don't like to micromanage and tell you, you should spend this here and that there. But, is this still of a value to you in terms of recruiting and whatever other gains that you might get from it, or is this something that its time has come and gone?

General INGRAM. Senator, it's really a matter of branding and being associated with a national brand. We do get recruits and we do run recruiting booths at sporting events, both motor sports and other sports.

People don't necessarily buy Tide laundry detergent because of the race car that sports the Tide hood, but they do associate that product at a national level. And the Army National Guard, because of the target audience that we're looking at for our band of recruits, that is an interest to those people.

And they see, when they watch sports on television, and they see Army National Guard, it's a national branding opportunity that is of great value.

And the fact that the teams that the Army National Guard sponsors do some very, very good things for the Nation, and they are held in high esteem by that group of people, it does lead to recruits for the Army National Guard.

Senator COATS. Well, Mr. Chairman, I would hope that we wouldn't micro-manage that process. Let the Guard decide how best to utilize whatever we give them for the branding, for the recruiting and so forth.

But I think attempts to say, do this, or put on that commercial and not this commercial, or put it on this car and not on that car, ought to be left up to the people who are involved in the process and not those of us who have a preference.

Thank you, Mr. Chairman.

Chairman INOUYE. Thank you.

And now I'd like to recognize the chairman of the Senate National Guard Caucus, Senator Leahy.

AEROSPACE ALERT

Senator LEAHY. Thank you.

General Wyatt, we saw on the news where a plane diverted, a commercial jet had to land in Bangor, it was on its way to Charlotte.

It said fighter jets were deployed. Were those Guard jets?

General WYATT. Yes, Senator, they were.

Senator LEAHY. Well, that sort of leads into a question I have. There's a couple of lesser-known cuts, not lesser cuts, but lesser-known cuts, that were proposed for the Air National Guard, an issue that concerned me deeply.

Specifically, cuts to air controller alert locations and Air National Guard explosive ordinance. The air controller, I think it's safe to say from everything we've learned without going into anything in the classified briefings we get, it's safe to say that commercial airlines are still a target of terrorists. Is that not a fair statement?

General WYATT. That's correct, Senator.

Senator LEAHY. And, it would be one thing if we could say that our strategy for dealing with threats to the United States had changed, and thus would drive reductions. But I'm worried that we're just seeing a budget trail.

I don't see the threat going down. I think we should have our air control alert locations, and the Air National Guard explosive ordinance disposal, I don't know if that falls into your purview, it looks to me like what they did was just hand you a bill to pay.

And then you had to make State and local cuts, including bomb squad cuts, to meet those targets. Do you think the Air Force considered the State and local impact of getting rid of our Air Guard bomb squads which I know Governors all over the country use when they need bomb squads.

I've certainly seen that in my own State of Vermont. Do you think that they thought that it impacts the States pretty badly?

General WYATT. I'll try to address the aerospace control alert (ACA) question first.

Senator, you're correct. That threat is still there, and I think that probably the discussion was, you know, according to studies that you've referenced that are classified, you know, could the Nation assume a little additional risk by cutting two of the ACA units?

That's a discussion I'd like to have with you in a classified——

Senator LEAHY. Well, what I worry about, General, is that the discussion is driven more by budgetary issues and not by reality.

General WYATT. Certainly, the budget does come into play.

I mean, we have to talk about what we can afford to provide and, you know, are there opportunities or places where we could take additional risk. And whether this additional risk is worth the money, is a debate.

BOMB SQUADS

Senator LEAHY. And I think you're going to find that on the question of bomb squads.

General WYATT. Yes, Sir.

The bomb squads, what we did there is, we looked at the situation in Iraq and Afghanistan, recognizing that we would be coming home from those wars.

We did have some budget bogeys to meet. We tried to take a look at those mission sets and capabilities that the United States needed, that could be supplied by the Air National Guard, and certainly, that's one of those capabilities that is a dual use.

It has a function in title 10, but also for the Governors. I think the issue that has been highlighted with the Council of Governors

involvement under the new process is that we have inside the Department of Defense (DOD), highlights the fact that we need to do a better job of communicating with the Adjutants Generals and the Governors to get the effect of title 10 decisions on the Governors ability to respond to things like explosive ordinance disposal.

ROLE OF GOVERNORS AND ANALYSIS

Senator LEAHY. We also have the Air Force, considering cuts into the Guard and Reserves far more than the Army or the Navy. I worry that they're not listening to some of the concerns of the Governors.

Certainly, I get that from Governors of both parties. Senator Graham, Lindsey Graham, does too. It makes me wonder, have you seen any analysis that persuades you that relying more on the Active component is going to save money, or provide the Air Force with more capability?

General WYATT. No, Sir, I'm not seeing that analysis.

Senator LEAHY. Have you asked to see that sort of analysis?

General WYATT. Yes, Sir, I have.

Senator LEAHY. Well, that kind of bothers me.

You're the Air Guard Director. I think you should have been allowed to see analysis during budget preparation before the Air Force presented the budget proposal that substantially cuts your force based on the claims that they have, and they haven't shown you.

General WYATT. I agree, Sir.

And, you know, as we've kind of gone through this process, the thing that I've, I guess, come to the conclusion is, that the analysis that I have been able to see, the answer is sometimes, I guess the answer is important, or the conclusion is important.

But as important as the answer and the conclusion, are the initial going-in assumptions, and the methodology used in reaching that answer, and the metrics or what it is that you're trying to measure.

And I don't think that just an answer is sufficient. I think you need to go back and you need to take a look at the processes, the methodology, the assumptions. And that's the thing that concerns me, not only is not seeing all the analysis, but how we got to some of that analysis.

FUTURE OF THE NATIONAL GUARD

Senator LEAHY. I agree with you.

I don't think that these cuts in the Air Guard and the Reserves are going to save us money. I think, in the long run, it's going to cost us a lot more.

We saw how important they were to us during Iraq and Afghanistan. That's not a capability you can turn on and off like a switch. And that's without even going into the continental U.S. aspect required by that protection.

And I share the concern of a lot of the Governors. They weren't listened to. But, we'll talk about that more, and I should note, you've always been very available to me and my staff when we have had questions.

And, General McKinley, I thank you for your distinguished service as Chief of the National Guard Bureau. I think this is going to be our last hearing of this nature before your retirement.

You and I have been good friends. We've visited both in Vermont and here. You're going to be the first Chief to wear four stars. A Chief who fought to get your folks a voice on the Joint Chiefs of Staff.

And I know Senator Graham and I and the very large bipartisan coalition of Senators take pleasure in that, along with General Blum who made history by transforming the Guard into an operational force.

I have the sense that since you're leaving, you can say whatever you want to say. And General Ingram is kind of smiling. I think he probably knows what my question is going to be.

Do you think the Guard would be in a very good position if we in the Congress didn't keep the pressure on the way we do?

You don't have to answer that, General Ingram, but I see the grin. Go ahead.

General MCKINLEY. Most of us in this room prefer not to build our own gallows. So, in order not to do that, I will reserve some of my comments for my meeting with you before I leave, Senator.

But thanks to you and Senator Graham for steadfastly supporting the National Guard through the Senate Guard Caucus.

Quite frankly, 375 years of history have seen the effectiveness of the National Guard ebb and flow. And I can only say to you, Senator, because you know it so well by visiting your members of the National Guard, as you all do, how capable and competent these folks are.

And how well led they are by their Governors in State status, their Adjutants General. And quite frankly, the support we've had over decades from our two services, the Air Force and the Army.

What I worry about most, to get to your specific question is, will the title 10 world find a way as it has not over past involvement in contingencies to include World War II, find a way to maintain a balance to keep the National Guard.

And I would add probably the Reserve component in this, but they'll speak for themselves. How do we keep this magnificent capability, this low-cost, high-impact force of citizen soldiers and airmen, in our case, in the game?

To keep their head in the game. To keep us viable. To keep the investment in our competency at a level that the Nation may need and sustain as a hedge for future operations.

We have to find a way, all of us do, to convince our services and the Department that this investment has been a wise investment.

And that this Nation, with less than 1 percent of its citizens serving its United States military, deserve to have a National Guard that's trained, equipped and well-led, because there will be significant challenges to our Nation in the future.

But, Senator, to you and your colleagues, I can't thank you enough for what you've done to make us who we are today and we're very proud to serve the Nation. Thank you.

Senator LEAHY. Well, I can assure you, as long as I'm the co-chair of the National Guard Caucus, you're not going to be ignored,

none of you will. And I applaud all three of you for the service you've given the country.

Thank you, Mr. Chairman.

Chairman INOUYE. Thank you very much.

Senator Murkowski.

ALASKA AIR NATIONAL GUARD UNITS

Senator MURKOWSKI. Thank you, Mr. Chairman.

And, Generals, I join the rest of my colleagues in thanking you for your leadership on so many different issues in different areas.

General Wyatt, I want to ask you about the recent Air Force proposal which would move the 18th Aggressor Squadron from Eielson down to Joint Base Elmendorf-Richardson.

Right now, this proposal looks like it will have an impact on the 168th Air Refueling Wing to the extent that an operation that is currently a 24-hour-a-day operation, 365-days-a-year, that with this proposal, it may result in operations being diminished to effectively a 12-hour day, 5-days-a-week.

Not necessarily banker's hours, but certainly not the kind of hours that will be required, that are required, for this pretty incredible, intensive refueling wing up there at Eielson.

General Schwartz keeps reminding me of the significance of Eielson and the fact that we got 23 million gallons of gas up there. It's pretty important to the overall mission.

My question to you is, how would this proposal, which would effectively reduce the operations there at Eielson, how will this impact the Guard's mission there?

General WYATT. Senator, I've asked that same question.

You know, when you stop and think about the importance of that air refueling wing, its strategic location, when you think about some of the other activity that's happening over the Arctic, and as we look westward from Alaska, you can very quickly recognize the strategic importance of the 168th, and the role that it plays in the air control alert mission for Pacific Air Forces (PACAF) and that theater.

That's one of the first questions I asked was, if the F–16s are moved, and the level of support at the airbase goes down, will there be sufficient capability at that airbase for the Air National Guard to continue functioning at the level that it is now?

Because a lot of the dollar bills that are controlled for some of the base support that is required for my Air National Guard unit there, are not in my budget. So I don't get to make that call. They're in the Air Force budget.

I have been assured that there will remain sufficient funds and sufficient services to keep the 168th playing the vital role that it does.

The decision to, whether to go from a 24-hour alert, which they're currently on, to something less than that, is a call that is left to General North PACAF in consultation with NORAD and NORTHCOM.

So I can't really get into the operational decisions. But my concern would be that we have in the future as competent and capable a wing as we do right now.

And so I watch very closely any attempts that would diminish their ability to perform their mission. I wish I had a better answer for you than that.

Senator MURKOWSKI. Let me perhaps rephrase it.

If, in fact, you did have to go to a reduced-hours operation, 12 hours, could you do the mission that you believe you have to do, or that you're required to do there in the Arctic, in the North Pacific?

General WYATT. Again, the mission requirements are set by the warfighters. If they were to make that conclusion that the 12-hour alert would be sufficient for mission accomplishments, we could do that.

But that's a judgment call again that will need to be made by the combatant commander that obviously would take into consideration the additional risk that not having that unit on alert for 12 hours out of a day might pose to the ACA mission.

Senator MURKOWSKI. Let me ask you another, then.

Because the 168th I think is, we recognize, is operating at its capacity. They've reported having to decline certain missions even within the 24-hour-a-day period that they're operating now.

The 168th has asked for additional aircraft and an active association. They've been doing so for several years now, so that it can effectively do more for the mission.

Can you give me the status of any of these requests?

General WYATT. Ma'am, part of the recent KC–46A basing criteria that was released to the Congress, evolved from what we call the Force Composition Analysis (FCA), for the entire refueling enterprise, not just KC–46s, but KC–135s and KC–10s.

And one of the recommendations that came out of that study was that, as we go forward in the refueling enterprise, that all of the units, at some point in time, transition to either active associations, in the case of the 168th, or classic associations, where the Guard or Reserve would play the supporting role.

So I think the future looks good for an active association there. The question will be the timing, and how robust that association would be.

Would it bring additional airplanes as part of the active association, or would it bring additional Active Duty pilots, maintainers, to help robust the capabilities of the wing with the existing eight airplanes?

Those are questions yet to be answered.

Senator MURKOWSKI. And no timeline within which to, that we might expect those answers?

General WYATT. No timeline that I'm aware of other than a push to go to active associations and classic associations across the air mobility fleet and PACAF.

C–23

Senator MURKOWSKI. Let me ask you, General Ingram, about the C–23s, or Sherpas.

Last year, the Army proposed the elimination of the Sherpas with the belief that the C–27Js would replace that capability.

Those C–27Js are now proposed to go away. Are we reconsidering the future of the C–23s?

General INGRAM. The Army has taken the funding away for the OPTEMPO, for the C–23 and the intent is to divest those airplanes by the end of fiscal year 2014.

And, to my knowledge, there's no reconsideration of that.

Senator MURKOWSKI. What I'm told is that there's a wide number of Adjutant Generals that feel that the C–23 is important to the domestic missions. Air Force is looking at the C–130s to fill that mission.

Are you satisfied that, in fact, that mission can be served with the C–130? Basically, is this the right thing to be doing?

General INGRAM. I feel that domestic airlift is a concern that should be addressed. I'm not sure that it's been adequately addressed for the domestic mission.

For the away game mission, I know that the Army has taken the Air Force's position that the Air Force will support inter-theater airlift, which is the mission that the C–23 and the C–27 airframes were designed to do.

Senator MURKOWSKI. Any ideas or suggestions as to how we can address the domestic airlift?

General INGRAM. NORTHCOM is, in a recent discussion with General Jacoby, the commander of U.S. Northern Command, he views looking at the homeland as a theater of operations.

And I think his perspective will be very important in determining requirements for all homeland defense, or homeland operations, inter-theater airlift in the homeland being one of those parameters.

Senator MURKOWSKI. Mr. Chairman, thank you.

Chairman INOUYE. Thank you very much.

Gentlemen, I thank you for your testimony this morning, and I thank you for your service to our Nation. Do you have further questions?

ADDITIONAL COMMITTEE QUESTIONS

Senator COCHRAN. No, Mr. Chairman, I have no further questions. I do want to congratulate our panel for the leadership you're providing for our Armed Forces.

Thank you very much.

Chairman INOUYE. I will be submitting some questions and ask for your response.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO GENERAL CRAIG R. MCKINLEY

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUYE

NATIONAL GUARD AND RESERVE EQUIPMENT ACCOUNT

Question. General McKinley, this subcommittee recognizes the importance of providing the Guard funding for necessary new equipment and modernization of aging equipment and have consistently done so through the National Guard and Reserve Equipment Account (NGREA). How have these increases improved readiness, and what additional equipment challenges remain?

Answer. NGREA is the life-blood of the National Guard and is critical to maintaining the operational force. NGREA is used to purchase dual-use equipment for both the Army and Air National Guard. According to the Fiscal Year 2012 National Guard and Reserve Equipment Report, Army National Guard (ARNG) Equipment

On Hand (EOH) for Modification table of organization and equipment (MTOE) units is currently at 88 percent, an increase from 85 percent 2 years ago. ARNG Critical Dual Use EOH for MTOE units is currently at 92 percent, an increase from 86 percent 2 years ago. Currently 71 percent of ARNG EOH is considered modern. Similarly, the Air National Guard (ANG) has 92 percent (595,324 pieces) of all authorized dual-use items on-hand within the Essential 10 categories. The 92-percent equipment availability rate is comparable to the overall Air Force availability rate.

NGREA funding has performed, and will continue to perform, a critical role in improving the ARNG's interoperability, modernization, and overall equipment posture in support of domestic and contingency operations. The ARNG's tactical wheeled vehicle and helicopter fleets will continue to require a long-term investment of funding over the next 10 years to adequately address shortfalls and modernization requirements. The ANG also relies heavily on NGREA. Because the Air Force's emphasis is on long-term recapitalization NGREA is to vital increases modernizing legacy Air Guard aircraft.

Question. General McKinley, what remaining equipment shortfalls are you most concerned about?

Answer. Through the unprecedented efforts of the Congress and the Department of the Army, ARNG is equipped and modernized at levels commensurate with the Army's Active component. Interoperability and the continued modernization of ARNG equipment are essential to successfully provide both domestic support at home and maintain an operational force for Federal missions abroad.

Despite the improvements to equipment-on-hand levels for the ARNG, equipment modernization levels for several key systems remain an area of concern. The ARNG continues to have critical shortfalls in our rotary wing aircraft fleet, high-mobility multipurpose wheeled vehicle (HMMWV) recapitalization and general engineering equipment. While the Army has made significant improvements to the ARNG rotary wing fleet, the ARNG would like to see further improvements made in the modernization of the AH–64 and the UH–60 fleets. The ARNG continues to pursue equipment modernization through Department of the Army procurement and NGREA funding.

With regards to ANG, other than concerns about reductions in overall force structure, the ANG top ten equipment shortfalls are:

—Large Aircraft Infrared Countermeasures (LAIRCM) for C–130H/J, EC–130J, KC–135;
—A–10 Situational Awareness Data Link Upgrade;
—C–130/KC–135 Real Time Information in the Cockpit (RTIC) data link and comm;
—F–16 Situational Awareness Data Link Upgrade;
—F–15 Radar and Warning Receiver (RWR);
—HC–130 Navigation and Sensor Upgrade;
—HH–60 Situational Awareness Data Link Upgrade;
—Battlefield Airman Combat Equipment;
—Domestic Disaster Response Equipment; and
—Advanced Simulators for F–16, C–130, and KC–135.

Additionally, the ANG is short of aviation support equipment; command and control capabilities, including communications; civil engineering; logistics and maintenance; medical; security equipment and vehicles. These shortages are covered in the Fiscal Year 2012 National Guard and Reserve Equipment Report (NGRER).

ARMY AND AIR GUARD—RESERVE COMPONENT COSTING

Question. General McKinley, in its April 2012 report, Avoiding Past Drawdown Mistakes to Enhance Future Total Force Capabilities, the Reserve Forces Policy Board recommended that the Department determine the full costs of an Active and Reserve component member in order to maximize deployment ratios to achieve the most cost-effective mix. Is the Department working on any such costing framework?

Answer. The Fiscal Year 2012 National Defense Authorization Act (Public Law 112–81) section 1080A required a report on the comparative costs of the Active and Reserve components. This report is due back to the Congress by the end of the year.

Question. General McKinley, what metrics should be used to recognize the full costs of an Active and Reserve component member?

Answer. There are many different methods to calculate the full costs of an Active and Reserve component member, one of which is to identify the peace time burdened cost and the life-cycle cost.

The peace time burdened cost at the individual level may include the costs to man, train, and equip, and provide military members with benefits (example: commissaries, family support activities, and healthcare costs). Life-cycle costs include

costs that span the career of a military member from initial entry to the end of survivor benefits. This methodology includes the burdened cost and cost elements covered by other agencies, including Veterans Affairs' benefits or expenses incurred after the completion of military service. Future year costs for medical and retirement benefits vary by member, and affect the overall costing. For example, "gray area" Traditional Drill Status Guard members who retire before age 60, also known as "gray area" retirees, are not eligible for retirement pay or TRICARE benefits until they reach age 60.

Looking at a specific year of execution, one needs to consider the member's rank, years of service, duty status, dependent status, and career specialty to determine specific pay and entitlements. Certain career specialties—such as healthcare, pilots, and others—are entitled to special pays and bonuses.

In addition, for National Guard members, duty status is important, as costs vary widely if a member is a Dual Status Military Technician, an Active-Guard Reservist, or a pure Drill Status Guardsman. The type of duty (Unit Training Assemblies, Annual Training, or Active Duty), and the length of time covered by orders directly impacts the costs of a Drill Status Guardsman.

Finally, many Guard members serve on bases that do not have support functions regularly provided to Active Duty members, such as child care facilities, commissaries, exchanges, housing, and Morale Welfare Recreational facilities.

For programming purposes, the National Guard uses cost models based on end strength, participation rates, and several of the factors mentioned above to develop future year budgets.

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

NATIONAL GUARD CIVIL SUPPORT TEAMS

Question. General McKinley, can you tell the subcommittee what the cost savings are associated with the proposed reduction of two National Guard Weapons of Mass Destruction/Civil Support Teams (WMD–CSTs)? Is there any concern with the reduced response capability left available to the heavy populated areas of Florida and New York?

Answer. The estimated savings to Department of Defense (DOD) by reducing the number of WMD–CSTs from 57 to 55 is $24 million over the Future Year Defense Program (FYDP).

Regarding concerns about reduced response capability, some initial impacts will have to be addressed at the State and local level. Possible State concerns include longer in-state response times to support an immediate response mission, and a potential reduction in the number of State Special Security Events Stand-by missions that a single WMD–CST can conduct. The remaining WMD–CST will also have to reestablish liaison with local first responders, and habitual relationships developed overtime through various liaisons, training events, and actual operations will have to be re-established by the remaining WMD–CST. Some State-to-State interoperability and mission support issues will also have to be addressed, something which has not been a concern with two State WMD–CSTs. Also, once National Guard Bureau (NGB) implements the unit stand down process, the two designated WMD–CSTs will no longer be qualified to conduct operations and all equipment will be returned to the Consequence Management Support Center.

QUESTIONS SUBMITTED BY SENATOR KAY BAILEY HUTCHISON

Question. What organization has directed the National Guard Bureau—Counter Drug Program (NG–CDP) to come up with a Threat Based Resource Model (TBRM)?

Answer. NG–CDP established the TBRM in response to these recommendations and formal guidance from the Deputy Assistant Secretary of Defense for Counter Narcotics and Global Threats (DASD/CN&GT) in the Fiscal Year 2012 NG State Drug Interdiction and Counterdrug Activities Plan. Specifically the DASD/CN&GT directed that ". . . the NGB shall provide to this office by March 1, 2011, a threat based resourcing model for approval to be implemented in fiscal year 2012. This model should balance OSD and national priorities, funding and existing threats in its recommendations for distributing counterdrug resources."

Question. Does this organization have a Threat Based Resource Model that it uses to justify its activities, as well?

Answer. The Deputy Assistant Secretary of Defense for Counter Narcotics and Global Threats aligns resources based on combatant commander requirements

which are based on threats. In the same way, the TBRM identifies threats then distributes funds accordingly.

Question. How much of the DOD-Counter Narcotic budget cut did the NGB–CD bear?

Answer. The National Guard Counter Drug Program bore 10.5 percent of the overall reductions to the Deputy Assistant Secretary of Defense for Counter Narcotics and Global Threats Central Transfer Account in fiscal year 2013.

Question. What is the impact of the Threat Based Resource Model (TBRM) on the States that have the historically highest seizure amounts, such as the Southwest border States, Florida, and Puerto Rico?

Answer. Deputy Assistant Secretary of Defense (DASD) guidance mandated a plus-up to the "Big 6" States from 2002–2010. These six, California, Arizona, New Mexico, Texas, Florida, and Puerto Rico, collectively received 39 percent of the annual Counterdrug budget, and an annual, OSD mandated, 2.8 percent cost-of-living increase, also resourced by the Counterdrug budget. Each of the remaining States in the Counterdrug program received less than 2 percent of the annual budget with no annual cost-of-living increase. In 2011, the DASD removed the mandatory plus-up to the Big 6 and instructed the National Guard Count Drug Program to implement a threat-based approach to funding.

TBRM maintains 26 percent of funding in support of four States (California, Texas, Arizona, and New Mexico). Southwest border States garner 25 percent of the TBRM threat (California—10.8 percent, Texas—8 percent, Arizona—4.95 percent, and New Mexico—1.71 percent). Adding the remaining Big 6 States (Florida at 7.75 percent and Puerto Rico at 0.94 percent) brings the Big 6 total to 34 percent, just 5 percent less than the historical average. The Big 6 States' rank overall are California #1, Texas #2, Arizona #6, Florida #3, New Mexico #18, and Puerto Rico #33.

Question. If more Counter Drug funding is directed to the NGB, will this restore these States to their manning levels of fiscal year 2012? Why, why not?

Answer. Manning levels are dependent on the amount of additional funding received. The TBRM will continue to allocate funding to the greatest national threats. The NG–CDP must continue to allocate increasingly limited resources where they will best contribute to our national strategies. The foundation of TBRM funding is to identify threats, which drive requirements that are met with resources. The techniques, tactics and procedures of transnational criminal organizations have transformed since NG–CDP was founded in the 1990s. The TBRM process identifies emerging threats then assigns resources as necessary.

Question. Is the original intent of the Joint Counter Drug Task Force's mission still being accomplished?

Answer. Yes. The NG–CDP continues to provide unique military resources to Federal, State, and local law enforcement agencies that submit valid requests. The TBRM was developed with significant input from law enforcement agency partners to ensure NG–CDP support adapts to law enforcement requirements.

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL HARRY M. WYATT, III

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUYE

AIR GUARD—FORCE STRUCTURE CHANGES

Question. General Wyatt, in March, the Air Force announced force structure changes and end-strength reductions. The greatest reductions were proposed for the Air Guard with a net loss of 5,100 billets in fiscal year 2013. Were you consulted during the deliberations over these force structure changes, and what input were you asked to provide?

Answer. The National Guard Bureau (NGB) level of participation in the selection of force structure changes was to offer advice and options to Air Force leadership. Throughout process the Air Force generally provided direction to the NGB on how many, which type of aircraft and/or unit to offset. The NGB offered recommendations and options within the parameters of the decision required.

In developing options for Air Force consideration during the Corporate Process, the NGB followed a set of capstone principles agreed to by the Adjutants General. The capstone principles included specific boundaries the Adjutants General requested the NGB observe as it advocated on behalf of the Air National Guard (ANG). At the conclusion of the Corporate Process deliberations, the Secretary and Chief of Staff of the Air Force made the final decisions on the size, shape, and content of the ANG.

Question. Where do the negotiations between the Air Force and the Council of Governors stand?

Answer. NGB was tasked to support the Council of Governors with programmatic data (Manpower authorizations, flying hour costs/requirements, and Primary Assigned Aircraft inventories). NGB involvement with the Council of Governors was limited to providing factual data only, and current status of negotiations between the Air Force and the Council of Governors is not known beyond open-source reporting.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

NATIONAL GUARD CIVIL SUPPORT TEAMS

Question. General Wyatt, could you describe for the subcommittee what capability is provided by the Weapons of Mass Destruction/Civil Support Teams (WMD–CSTs)? Does the reduction in manpower in the Air Guard impact the ability to support these missions?

Answer. The proposed Air Guard manpower reduction will not impact the WMD–CST program. The National Guard WMD–CSTs provide high-priority, rapid response, full-time (title 32) National Guard units to civil authorities and local incident commanders. Our WMD–CSTs respond to actual—or suspected—terrorist WMD event/incidents, intentional, or unintentional releases of Chemical, Biological, Radiological, and Nuclear (CBRN) materials, or natural or manmade disasters in the United States. The WMD–CST enhances Local Incident Commanders emergency responder capabilities; do not replace the Incident Command System or functions normally performed by the civilian emergency first responder community.

Currently, the National Guard has 57 WMD–CSTs, one in every State, one each in the territories of Guam, the Virgin Islands, Puerto Rico, one in the District of Columbia, and two each in California, Florida, and New York. Every National Guard WMD–CST is certified by the Secretary of Defense as "operationally ready" for their designated mission:

—support civil authorities at domestic Chemical, Biological, Radiological, Nuclear, and High Yield Explosive (CBRNE) incident sites;

—identify CBRNE agents/substances, assess current and projected consequences, advise response measures; and

—assist with State requests for additional support resources.

Each WMD–CST is equipped with detection and identification equipment; a mobile analytical laboratory which can provide the complete characterization of chemical, biological, or radiological materials, as well as the ability to provide information to the Laboratory Response Network and the Centers for Disease Control. In addition, a sophisticated communications suite provides the WMD–CST with a broad spectrum of secure capabilities, allowing information integration between local, State, tribal, and Federal agencies.

In fiscal year 2011, the Army National Guard (ARNG) WMD–CST units conducted 632 immediate response and stand-by missions to include response to the American Samoa Tsunami, stand-by operations during the Super Bowl in Texas, and operations to protect the homeland following the recent Tsunami in Japan. Through the first 8 months of fiscal year 2012, WMD–CSTs conducted 433 immediate response and stand-by missions: numerous white powder and unknown substance missions, support to National and State political events, large sporting events, National Special Security Events, Special Event Assessment Rating activities, the 2011 Asia-Pacific Economic Cooperation meeting in Hawaii, the 2012 State of the Union Address, and the 2012 NATO Summit.

AIR FORCE RESTRUCTURE

Question. General Wyatt, the use of assets in title 10 status during hurricane relief in the homeland is well documented, but what about Air National Guard (ANG) efforts in a title 32 status? Can you tell us a little more about the Air Guard's aviation hurricane response which was in a title 32 status as compared to the response in a title 10 status? Would the Air Guard be able to support title 32 missions in response to hurricane relief in the Gulf Region with the currently proposed Air Force budget submission?

Answer. ANG has an inherent responsibility to support States and territories in their relief efforts during Homeland Defense and Defense Support to Civil Authorities (HD/DSCA) events; hurricane support being a historically significant piece of these efforts. ANG responses to hurricanes can happen under title 10, title 32, or State Active Duty (SAD) authorities. Often times, during a major catastrophic event,

a state of Federal emergency is declared and once that occurs, Combatant Commands and Strategic Commands become heavily tasked. Reasons such as Active Duty capability gaps, Active Duty task saturation or closer proximity and quicker response times of ANG forces to the operating area deem it necessary for these commands to task ANG wings, units, or squadrons under title 10 authority. This usually occurs while ANG assets are already employed and responding to the affected states under title 32 and SAD. Regardless of the authority, it is important to realize that they are ANG assets being utilized to fill gaps, meet requirements and support demands.

Air National Guard C–130s alone flew more than 2,500 domestic missions for hurricane relief during a span of 7 years that included Hurricanes Katrina, Rita, Wilma, Ike, and Gustav. The 136th Airlift Wing, a Wing in Texas and slated to move to Montana under the fiscal year 2013 budget submission, flew 400 of those missions. The Air National Guard has and will continue to provide support during hurricanes regardless of the situation. Through the development of the Emergency Management Assistance Compact (EMAC), States impacted by hurricanes can quickly and efficiently call upon Air National Guard resources from their neighboring States and across the country. While EMAC guarantees the Air National Guard will always be there, speed is critical to domestic response. Federal Emergency Management Agency Director Fugate emphasized this during a speech to the National Governors Association. It is his opinion that aviation assets must be organic to the National Guard, and that other options may not provide the same speed and capacity.

AIR OPERATIONS GROUPS

Question. General Wyatt, seven additional Air Operations Groups were activated post-Base Realignment and Closure (BRAC) 2005 when the Chief of Staff of the Air Force Total Force Integration Phase IV memo recognized a need for additional augmentation units. Is there no longer a need for these units? If not, what has changed?

Answer. The Air National Guard (ANG) is a force provider whose mission is to provide the best trained and equipped forces possible to cover Air Force directed mission requirements. Any specifics on Air Operation Center (AOC) augmentation requirements need to be directed to Headquarters Air Force (HAF).

Although the ANG will retain fewer AOC augmentation units, the ANG has retained the necessary capacity to ensure that the Air Guard can fulfill surge requirements, and sustain and/or augment essential command and control structures. Manpower reductions will drive changes to the way our forces are trained and postured. The luxury to align individual AOC units to specific Geographic Air Operation Centers will no longer be viable. The ANG envisions a scenario in the near future where our AOC augmentation units will be primarily aligned to one AOC, while being secondarily aligned to an additional AOC. While this will drive significant training challenges, the ANG stands ready to face future requirements and provide the best trained command and control forces in the Air Force.

601ST AIR OPERATIONS CENTER

Question. General Wyatt, how does the Air Force specifically plan to augment the 601st Air Operations Center and others without degrading the mission following proposed unit closures?

Answer. ANG is a force provider whose mission is to provide the best trained and equipped forces possible to cover Air Force directed mission requirements. Any specifics on AOC augmentation requirements need to be directed to HAF.

Critical missions exist throughout the Air Force and on-going missions, such as the one accomplished by the 601st, are always at the forefront of manning and augmentation decisions. During recent crises, a wide variety of talented individuals have augmented the 601st missions, and these individuals are drawn from across the spectrum of the Air Guard's Air Operation Groups (AOG). During the crisis in the Gulf of Mexico following the Deep Water Horizon oil rig explosion, the 601st had volunteers from several different Guard Units, to include the 152nd, 183rd, and 157th AOGs, manning critical positions. Specifically, the 101st AOG is the title 32 unit of the 601st and stands ready to address any crisis; no manpower reductions were proposed to the 101st AOG. Additionally, the ANG will have six fully qualified AOC augmentation units that are fully capable of augmenting the 601st AOC and any other geographic AOC.

Although the ANG will retain fewer AOC augmentation units, the ANG has retained the necessary capacity to ensure that the Air Guard can fulfill surge requirements, and sustain and/or augment essential command and control structures. Man-

power reductions will drive changes to the way our forces are trained and postured. The luxury to align individual AOC units to specific Geographic Air Operation Centers will no longer be viable. The ANG envisions a scenario in the near future where our AOC augmentation units will be primarily aligned to one AOC, while being secondarily aligned to an additional AOC. While this will drive significant training challenges, the ANG stands ready to face future requirements and provide the best trained command and control forces in the Air Force.

QUESTIONS SUBMITTED BY SENATOR KAY BAILEY HUTCHISON

Question. I understand there are certain platforms that must be retired, aside from those exceptions, is the House language putting a 1-year hold on the United States Air Force (USAF) plans for the Air National Guard (ANG) helpful?

Answer. Delaying the USAF's fiscal year 2013 budget plans for the ANG would potentially afford all parties additional time to conduct further analysis, consider Council of Governors proposals, and review recent feedback from the Congress in greater detail. Without question, it is imperative that the USAF and ANG continue working together to ensure we make the most effective use of every U.S. tax dollar spent, especially given the Department of Defense's current fiscal environment.

However, freezing any pre-fiscal year 2013 budget actions that require fiscal year 2013 funds to complete would have a negative impact to the USAF and ANG missions. The C–5 to C–17 conversion in Memphis, Tennessee and the F–15 transfer from Great Falls, Montana to Fresno, California are a few examples of such actions. If the Congress were to put a 1-year hold on the USAF's fiscal year 2013 budget plans for the ANG, the appropriation of fiscal year 2013 funds for previously approved pre-fiscal year 2013 actions would be essential to the ANG's combat readiness.

Question. There was a C–130 Hurricane Season Exercise in Corpus Christi, Texas. Because hurricane season begins next month and Texas' C–130s are an integral part of the Gulf States' hurricane response, the Texas Guard is training to evacuate citizens to safety if need be. As you know those aircraft in the Texas Air Guard is so vital to the gulf coast region during natural disasters. If those Texas aircraft are not replaced, could title X aircraft have the same effect? In other words, could gulf coast regional governors call upon title X aircraft prior to a disaster at anytime and what is the criteria for those aircraft to be called up?

Answer. The ANG is a sourcing option/solution to any title 10 operation through United States Transportation Command (USTRANSCOM). For title 10 aircraft to be utilized, a Presidential Emergency Disaster must be declared. Without this declaration, title 10 status will not be granted and no military airlift will be used. If a State or regional request for Federal emergency assistance prior to or after a disaster is granted, USTRANSCOM would source title 10 status airlift through Active, Reserve, and Guard channels.

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL WILLIAM E. INGRAM, JR.

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUYE

ARMY GUARD SUICIDE RATES

Question. General Ingram, 98 Army National Guard (ARNG) soldiers took their own lives in 2011. How is the Army Guard responding to this disturbing trend and addressing the mental health of soldiers beginning with recruitment and continuing throughout their entire service in the Guard?

Answer. Suicide prevention, regardless of component, is a daunting challenge for leadership. For geographically dispersed ARNG forces, this is even more challenging. Unlike our Active component counterparts, traditional, part-time Guard unit leaders do not get the chance to interact with their soldiers on a daily basis. In calendar year 2011, the ARNG experienced 99 suicides. That number translates to 14 fewer ARNG suicides than reported in calendar year 2010. Statistically, 47 percent of the ARNG suicide victims had never deployed, while 27 percent had deployed and committed suicide at least 1 year after their deployment. In order to stem this disturbing trend and address the mental health of our soldiers throughout their entire service in the ARNG has a number of training and prevention programs.

Suicide prevention is achieved by building resilient soldiers and families with well developed coping skills, providing a strong support network and accessible resources, supporting a process for post-traumatic growth, and providing support

through other times of crisis. The foundation of the ARNG suicide prevention program is the ARNG Resilience, Risk Reduction and Suicide Prevention (R3SP) Task Force and the State Councils. The R3SP Campaign Plan redefines suicide prevention as an integrated part of a broader based resilience and risk-reduction framework, and guides State efforts to promote resilience, develop and enhance leader abilities to recognize and mitigate high stress and at-risk factors, and facilitate the long-term reduction in ARNG at-risk behaviors and suicidal actions.

In support of the Chief of Staff of the Army's goal to have a Master Resilience Trainer (MRT) trained NCO in each line battalion, and an NCO and officer on each Brigade Combat Team staff, the ARNG established an MRT Training Center at Fort McCoy, Wisconsin in 2011. There, MRTs are taught proven resilience skills that they in turn provide to the Soldiers in their teams, squads, and platoons. These skills enhance both the individual and collective performance of a unit, and support increased resiliency. To date, the ARNG has trained 1,372 MRTs.

In addition, each State and Territory has a Director of Psychological Health to provide behavioral health support for Soldiers in crisis, develop the ARNG Leader's Guide on Soldier Resilience, and promote peer-to-peer programs in each State.

The ARNG Recruit Sustainment Program (RSP) provides new soldiers with the skills required to successfully complete Basic Combat Training and return to their units fit, trained, and ready to deploy. The ARNG RSP resilience initiative compliments the current RSP curriculum and fosters a balanced, healthy, mentally tough, and self-confident soldier ready to succeed during initial entry training. Introducing resilience skills early in their training exposes new soldiers to the philosophy of how to "bend, not break" for the rest of their military careers.

In fiscal year 2011, the ARNG also trained 387 trainers in the Applied Suicide Intervention Skills Training (ASIST) program and funded an additional 150 for fiscal year 2012. These trainers will train approximately 35,000 gatekeepers in advanced intervention skills. Other mitigation programs include Senior Review Group video teleconferences with State Adjutants General, sessions that allow the ARNG to work hand-in-hand with the States to develop best practices and participates in a review of each suicide and the lessons learned.

Question. General Ingram, is the Army Guard properly training recruiters to evaluate not only the physical but also the mental fitness of new recruits?

Answer. The Army National Guard Recruiting and Retention Non-Commissioned Officers receive training to identify triggers or potential issues for both physical and medical conditions. Recruiters rely on answers to moral and security suitability questions as a required part of the application process; however, ARNG Recruiters are not licensed to evaluate the mental fitness of a potential applicant. Only licensed, Department of Defense-approved medical professionals evaluate physical and mental fitness, as part of the overall enlistment physical conducted prior to accession at a local Military Entrance Processing Stations.

QUESTIONS SUBMITTED BY SENATOR HERB KOHL

Question. The Army Board for Correction of Military Records has since corrected the soldiers' records to include the Post-Deployment/Mobilization Respite Absence (PDMRA) leave. The problem is that these soldiers are only allowed to use this leave after another deployment. If a soldier does not deploy again, they cannot access the paid leave that they have already earned.

General Ingram, are you aware of this problem?

Answer. Yes, I am aware of this problem.

Question. Do you believe that soldiers who earn paid leave through the PDMRA program should be allowed to use this benefit?

Answer. Yes. The Army National Guard wants every soldier to receive all the benefits to which they are legally entitled.

Question. The House and Senate recently passed legislation (H.R. 4045) authorizing payments of $200 for each day of PDMRA that servicemembers were not allowed to use because the rules were changed during their deployment. Previously, the Congress authorized similar payments for soldiers who came home from deployments after the PDMRA program had been announced, but before it was actually up and running, in section 604 of the National Defense Authorization Act for fiscal year 2010.

Do you believe those payments that have already been authorized by the Congress were an appropriate way to handle cases where a soldier was unable to use the paid leave they earned through the PDMRA program?

Answer. Yes. PDMRA program applies to all Army soldiers. Reserve component soldiers were most impacted by changes in the program, as individuals not on Active

Duty are prevented from taking the extra leave days granted. Therefore, the cash payout provision was the only way to compensate this population. The Army National Guard published implementing guidance for all States and Territories to execute cash payments to soldiers denied PDMRA benefits due to the delay of implementing guidance for the program. As part of the coordinated plan to execute restitution under PDMRA, States/Territories developed an Action Plan.

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

NATIONAL GUARD CIVIL SUPPORT TEAMS

Question. General Ingram, could you describe for the subcommittee what capability is provided by the Weapons of Mass Destruction/Civil Support Teams (WMD–CSTs)? Does the reduction in manpower in the Air Guard impact the ability to support these missions?

Answer. The proposed Air Guard manpower reduction will not impact the WMD–CST program. The National Guard Weapons of Mass Destruction/Civil Support Teams provide high-priority, rapid response, full-time (title 32) National Guard units to civil authorities and local incident commanders. Our WMD–CSTs respond to actual—or suspected—terrorist WMD event/incidents, intentional or unintentional releases of Chemical, Biological, Radiological, and Nuclear (CBRN) materials, or natural or manmade disasters in the United States. The WMD–CST enhances Local Incident Commanders emergency responder capabilities; do not replace the Incident Command System or functions normally performed by the civilian emergency first responder community.

Currently, the National Guard has 57 WMD–CSTs, one in every State, one each in the Territories of Guam, the Virgin Islands, Puerto Rico, one in the District of Columbia, and two each in California, Florida, and New York. Every National Guard WMD–CST is certified by the Secretary of Defense as "operationally ready" for their designated mission:

—support civil authorities at domestic Chemical, Biological, Radiological, Nuclear, and High Yield Explosive (CBRNE) incident sites;
—identify CBRNE agents/substances;
—assess current and projected consequences;
—advise response measures; and
—assist with State requests for additional support resources.

Each WMD–CST is equipped with detection and identification equipment; a mobile analytical laboratory which can provide the complete characterization of chemical, biological, or radiological materials, as well as the ability to provide information to the Laboratory Response Network and the Centers for Disease Control and Prevention. In addition, a sophisticated communications suite provides the WMD–CST with a broad spectrum of secure capabilities, allowing information integration between local, State, tribal, and Federal agencies.

In fiscal year 2011, ARNG WMD–CST units conducted 632 immediate response and stand-by missions to include response to the American Samoa Tsunami, stand-by operations during the Super Bowl in Texas, and operations to protect the homeland following the recent tsunami in Japan. Through the first 8 months of fiscal year 2012, WMD–CSTs conducted 433 immediate response and stand-by missions: numerous white powder and unknown substance missions, support to National and State political events, large sporting events, National Special Security Events, Special Event Assessment Rating activities, the 2011 Asia-Pacific Economic Cooperation meeting in Hawaii, the 2012 State of the Union Address, and the 2012 NATO Summit.

QUESTION SUBMITTED BY SENATOR KAY BAILEY HUTCHISON

Question. As part of this year's budget, the Army has submitted a request for approval to enter into a second multiyear procurement contract for the CH–47 Chinook helicopter. This multiyear contract would last for 5 years and produce 155 aircraft. Many of these would be assigned to the Army Guard, including 12 aircraft to be located at Grand Prairie, Texas. We've already had experience with a 5-year, multiyear contract for Chinooks; the first one expires this year. Given this experience, what do you see as the biggest benefits for the Army, the taxpayer, and especially the Army Guard, that would come from a second multiyear contract?

Answer. Multiyear contracts (MYCs) provide cost savings because they stabilize contractors and subcontractors over a longer period of time. The cost savings from the CH–47 MYC is expected to be about 10 percent or $373 million. This cost sav-

ings means more aircraft will be produced and made available to the Army and Army National Guard if funding is constant. Additionally, MYCs ensure consistent production. Thus, the Army and Army National Guard will receive aircraft faster because there are fewer production breaks due to time spent negotiating new contracts. All these factors help solidify fielding plans for the 5 years associated with the CH–47 MYC.

RESERVES

Chairman INOUYE. And, now, the subcommittee asks General Stultz, Admiral Debbink, General Hummer, and General Stenner to come forward and present their testimony.

Gentlemen, I thank you for joining us this morning. And may I advise you that your full statements will be made part of the record. And so, we shall start with Admiral Debbink.

STATEMENT OF VICE ADMIRAL DIRK J. DEBBINK, CHIEF, NAVY RESERVE, UNITED STATES NAVY

Admiral DEBBINK. Chairman Inouye, Vice Chairman Cochran, thank you for the privilege to speak with you again this morning about the capabilities, the capacities and the readiness of our now 63,988 dedicated men and women who are serving in our Navy Reserve today.

In the decade since 9/11, the Navy Reserve has performed nearly 64,000 year-long mobilizations to Active Duty, truly on the front lines of freedom. The Navy Reserve sailors exemplify our Navy core values of honor, courage, and commitment.

As our motto and our sailors both proudly claim, we are ready now, anytime, anywhere.

In his Sailing Directions, the Chief of Naval Operations (CNO) Admiral Greenert, established three tenets for the Navy: Warfighting First, Operate Forward, and Be Ready.

Today's Navy Reserve is fully aligned with the CNO's Sailing Directions, and our sailors are eager to do their part to ensure the Navy remains the world's premier maritime service.

Reserve sailors provide both full- and part-time operational capabilities and, importantly, also provide strategic depth for maritime missions to ensure the Navy is always ready to respond globally to crisis situations while maintaining fiscal efficiency across our whole spectrum of operations.

Thanks to the work of this Congress in the National Defense Authorization Act for fiscal year 2012, Service Secretaries now have assured access to Reserve component units. This will allow the Navy to confidently assign missions to the Navy Reserve from peace to war.

While we'll first have the opportunity to budget for such use of assured access in fiscal year 2014, I wanted you all to know how important your efforts were to our future force while I had the opportunity to do so.

I'm also appreciative of your support for the purchase of our 14th C–40A this year for our Navy Unique Fleet Essential Airlift (NUFEA). Congressional support for our Navy Reserve C–40A program is enabling our critical intra-theater lift capability today to be more cost effective and flexible and thus more operationally relevant well into the future.

Our fiscal year 2013 budget request will enable the Navy Reserve to continue supporting current operations while maximizing the strategic value of the Navy Reserve, a force valued for its readiness, innovation, agility, and accessibility.

The true prize for our sailors and the Navy alike will be the real and meaningful work as part of America's Navy: A Global Force for Good.

And, as an example of this work, the Navy Reserve has once again assumed 100 percent of the Navy's Individual Augmentee commitment to the overseas contingency operations (OCO) for fiscal year 2013 and beyond.

I believe the Reserve components, all of us in the National Guard, must be asked and even required to do those missions we are able to do so that the Active component can focus on the missions that they must do for our national security.

PREPARED STATEMENT

As you know, this is my fourth and final year appearing before your subcommittee. I'm proud of the accomplishments of our sailors and the Navy Reserve and the Navy, and I'm truly thankful for the support of this Congress in providing our quest to become a true, Total Force.

On behalf of our sailors and their families and civilians of our Navy Reserve, thank you for your continued support and your commitment to our Navy Reserve.

[The statement follows:]

PREPARED STATEMENT OF VICE ADMIRAL DIRK J. DEBBINK

INTRODUCTION

Chairman Inouye, Senator Cochran, and distinguished members of the Defense Subcommittee of the Senate Appropriations Committee: thank you for the opportunity to speak with you today about the capabilities, capacity, and readiness of the 63,988 dedicated men and women who serve in our Navy's Reserve component (RC). I offer my heartfelt thanks for all of the support you have provided these great sailors.

The U.S. Navy is globally deployed, persistently forward, and actively engaged. America's Navy, year after year, in peace and war, carries out the core capabilities of forward presence, deterrence, sea control, power projection, maritime security, and humanitarian assistance and disaster response. Defense strategy establishes naval power as an enduring concept, and Navy leadership recognizes the Force must constantly evolve and innovate to face emerging and future challenges. These two concepts inform our efforts as we review where we have been and consider our future.

The Navy is critical to our national security and this Nation's economic prosperity. With a global economy and global responsibilities, the United States of America is and must remain a maritime Nation. Some facts will not change:

—70 percent of the globe is covered by water;

—80 percent of the world's population lives on or near the coast; and

—90 percent of our commerce travels via the oceans.

The Navy will continue protecting the interconnected systems of trade, information, and security that underpin American prosperity and global stability. We will continue to be at the front line of our Nation's efforts in war and peace with a proud heritage of success in battle on, above, and below the sea.

This Nation's Navy derives its strength from the Active and Reserve sailors and Navy civilians who comprise our Total Force. We operate as America's Navy, a Global Force for Good, one Navy force with an Active component (AC) and Reserve component seamlessly integrated in pursuit of the most effective and efficient way to deliver naval capabilities to deter foreign aggression and, if deterrence fails, win our Nation's wars.

A capable Navy Reserve is an operational and warfighting necessity. As stated in the 2010 Quadrennial Defense Review (QDR) Report, "prevailing in today's wars requires a Reserve component that can serve in an operational capacity—available, trained, and equipped for predictable routine deployment. Preventing and deterring conflict will likely necessitate the continued use of some elements of the RC—especially those that possess high-demand skill sets—in an operational capacity well into the future." The Navy—Active and Reserve—will work together to ensure the right capabilities are available to the Nation at the best value to the taxpayer.

FIRST PRINCIPLES

In his CNO's Sailing Directions, the new CNO, Admiral Jonathan Greenert, established these first principles for the Navy:

Warfighting First.—Be ready to fight and win today, while building the ability to win tomorrow.

Operate Forward.—Provide offshore options to deter, influence, and win in an era of uncertainty.

Be Ready.—Harness the teamwork, talent, and imagination of our diverse force to be ready to fight and responsibly employ our resources.

Today's Navy Reserve is fully aligned with the CNO's Sailing Directions, and we are ready to accept new missions as necessary. The Navy is organized, trained, and equipped to deter, fight, and decisively win wars; the Navy Reserve is eager to do our duty to ensure our Navy remains the world's preeminent maritime force.

Navy missions are executed by the AC, the RC, or a combination of both. As the CNO stated, "capabilities and missions can be assigned to the Navy Reserve with confidence because the Navy Reserve is ready, innovative, and agile and is fully aligned with Navy mission requirements." Depending on the mission, the Navy RC can mirror or complement the AC. We mirror the AC and provide additional rotational forces for those missions where it makes operational and fiscal sense. We complement the AC by providing unique capabilities in other areas, such as in the Intra-Theater Fleet Logistics Support, Naval Cooperation and Guidance for Shipping, and Navy Special Warfare Helicopter Support missions. The correct AC/RC force allocation varies with each of Navy's wide variety of missions and required capabilities. As new missions emerge and current missions evolve, AC/RC mix solutions are carefully and continually examined. RC sailors provide full- and part-time operational capabilities, and strategic depth, for maritime missions to ensure the Navy is always ready to respond globally to crisis situations while maintaining fiscal efficiency across the spectrum of operations. These broad missions are not mutually exclusive; the Navy Reserve can operate anywhere across the full spectrum of operations. Thanks to the work of this Congress in the National Defense Authorization Act for fiscal year 2012, Service Secretaries have assured access to RC units which allow the Navy to confidently assign missions to the Navy Reserve anytime from peace to war.

While Reserve support for ongoing operations is vital to the Navy's success, about two-thirds of the Reserve Force performs an equally important role—building and maintaining our capacity through its part-time service. Capacity held in the RC provides our Nation a wide range of options at an affordable cost. Risk is no longer an all-or-nothing proposition. Rather than completely abandoning a capability, the part-time service of our sailors preserves capabilities at a lower cost in exchange for a calculated level of risk. The value of these sailors is a function of readiness, accessibility, and capacity. It is not enough for our sailors to be trained; we must be able to deliver the right amount of required naval warfighting capabilities when and where needed by the combatant commanders, including the option to restore or revert them to full-time status if and when needed. This "reversibility"—the ability to regenerate capabilities that might be needed to meet future demands (maintaining intellectual capital and rank structure that could be called upon to expand elements of the force)—is a key part of Department of Defense (DOD) decision calculus.

The Navy Reserve is, as our motto states, "Ready Now, Anytime, Anywhere." We have made great strides in improving the planning and notification process for sailors selected to mobilize in support of Navy or Joint requirements. Every year, our Ready Mobilization Pool (RMP) is published to identify sailors and units with the potential to mobilize. This allows commanders to focus our resources on the readiness levels of the right sailors and units. Those RC sailors not on the list can be fairly confident that they will not mobilize in the next 12–18 months. Our Volunteer Portal helps identify those sailors who desire to be mobilized, and to match qualified volunteers with validated mobilization requirements. Feedback from the Force has been very positive regarding both the RMP and the Volunteer Portal.

Longer notification time directly translates into readiness. Our Navy families can plan for impending mobilizations, and our sailors can prepare themselves medically, physically, and administratively. It also allows employers more time to prepare for the absence of mobilized employees and eases tension in the workplace.

Through improvements to our procedures, policies, and systems, we have reduced the time it takes for a RC sailor to transition to Active Duty from weeks to days. Longer lead time plus shorter processing time results in ready sailors, ready families, supportive employers, and capability quickly delivered.

SAILORS

The mission of the Navy Reserve is to provide strategic depth and deliver operational capabilities to our Navy and Marine Corps team and Joint forces, from peace to war. Our Navy Reserve is relevant and capable today because we have invested in our people and our equipment, we have assigned them real and meaningful work, and we have honored the support of our families and our employers.

The success of the Navy Reserve Force is due first and foremost to the professionalism of the sailors who volunteer to serve in a wide array of environments. The Navy Reserve is a healthy force, manned with sailors of diverse backgrounds that are dedicated to providing for the defense of the Nation's citizens and the global good. As a workforce, we are becoming leaner and more versatile, utilizing new technologies adapted to the Defense environment. The success of the Force is due to the dedication, sacrifices, and service of our sailors, and the support they receive from their families and employers, and I believe Navy policies reflect that same level of commitment from Department leadership to our sailors.

Navy Reserve leadership continually reviews policies and laws, ensuring our sailors are afforded the greatest opportunity to participate in Navy's Total Force while also ensuring each sailor's family and employer are appropriately recognized for their sacrifices on behalf of the servicemember. The fiscal year 2013 budget request of $1.938 billion (including overseas contingency operations (OCO) funding) for Reserve personnel, Navy will continue to support the manpower needs and policies of the Navy Reserve. I thank you for your support of our many programs, several of which will be described in this testimony.

In the decade since 9/11, the Navy Reserve has performed nearly 64,000 mobilizations to Active Duty. Today, more than 3,000 Reserve sailors are forward, combating terrorism around the globe—truly on the front lines of freedom. Mobilized Navy Reserve Hospital Corpsmen are embedded with ground units in Afghanistan with their Marine platoons. Reserve Seabees are building critical infrastructure to stabilize Afghanistan's fragile but determined democracy, as well as participating in Southern Partnership Station activities in South America. And many sailors are Individual Augmentees (IAs) bringing their expertise to Army, Joint, and Combined commands. These IAs are performing intelligence, information technology, logistics, and other specialized missions.

Our mobilized sailors are not only talented, they are motivated. When I visit our deployed and returning sailors, they state that while the work is hard and separation from family is challenging, they are proud to serve and the capabilities they bring are essential. We cannot thank them enough for their honorable and faithful service.

I am particularly humbled by the fact that every Navy Reserve sailor serving today has enlisted, reenlisted, or reaffirmed their oath of office in the decade since 9/11. They make this commitment knowing mobilization is not only possible but probable. Our Navy Reserve sailors exemplify our Navy core values of Honor, Courage, and Commitment.

One of the Navy Reserve's strategic focus areas is to enable the Continuum of Service (CoS). CoS is not a program but a concept that will enable us to increase the return on investment in our people, and give our sailors more opportunities for a lifetime of Service. CoS is a transformational approach to personnel management that provides opportunities for seamless transition across service status categories to meet mission requirements and encourage a lifetime of service. Enabling the CoS philosophy by fully incorporating opportunities unique to the Reserve, we recruit sailors once and retain them for life through variable and flexible service options that provide a career continuum of meaningful and valued work.

There were many important accomplishments associated with our CoS efforts in fiscal year 2011. Our Continuum of Service Working Group (CoSWG) is fully engaged, with representation by all key stakeholders of Navy uniformed personnel. The purpose of the CoSWG is to provide policy, managerial, and technical advice to the Chief of Navy Personnel (CNP) and the Chief of Navy Reserve (CNR) on all matters related to the development and implementation of a true Continuum of Service for the Navy. The CoSWG Charter was signed by CNP and CNR in February 2011. The CoSWG meets via teleconference every 2 weeks to facilitate the exchange and leveraging of information, ideas, expertise, and capabilities; share technological solutions and jointly participate in CoS planning efforts. The CoSWG engages DOD and the other Services to socialize initiatives and to achieve support and leverage for programs needing joint concurrence and legislative changes in order to implement.

The Career Transition Office (CTO) in the Navy Personnel Command continues to be one of the most exciting developments for CoS. The goal of the CTO is to coun-

sel sailors before they leave Active Duty and help them to take advantage of the opportunities in the Navy Reserve. By engaging with our fully qualified, world-wide assignable personnel before leaving Active Duty, this becomes a retention transaction that complements Navy recruiting efforts. In September 2011, the CTO completed Spiral 3, a pilot program that developed and tested Indefinite Recall processes and procedures for sailors to transition from RC to AC. The CTO transitioned five sailors from RC to AC during the pilot, thoroughly validating the process.

To transition sailors from RC to AC, we have developed policy that will allow temporary Active Duty recalls for enlisted Reserve sailors, increasing their opportunities to serve and allowing AC greater access to RC capabilities and resources. An effective enlisted recall policy will increase Navy Reserve operational mission support and enhance overall manpower utilization. It will also provide our Reserve sailors with meaningful work as they take on challenging operational AC assignments in support of the Navy Total Force.

To provide our Reserve sailors with more efficient workforce support tools, Navy Reserve became the first of all the Reserve and Guard components to integrate the Defense Travel System (DTS) with the Reserve Order Writing System. This system integration shortens time to book and modify travel when Reserve sailors request orders to perform Active Duty. The integration accelerates processing and payment of travel claims (5–6 days vs. 30–45 days), reduces the number of orders and claims manually processed by Personnel Support Detachments and NOSCs by up to 120,000 annually (thereby eliminating backlogs), improves Government Travel Credit Card repayment rates reducing bad debt and the need for related disciplinary action.

The new Variable Participation Unit (VPU) allows sailors in key specialties to perform fewer drills than traditional Reserve sailors while remaining engaged with the Navy and available for duty. This gives the Navy access to individuals whose circumstances wouldn't allow them to serve otherwise.

Building on our CoS efforts is one of our enduring priorities. We are currently engaged in a project to develop and introduce Fleet Rating Identification Engine (Fleet RIDE), a Web-based program that electronically pairs a sailor's career interests and qualifications with the needs and requirements of the Navy, into the Selected Reserve (SELRES) to support the CoS for the Navy by providing RC sailors with the same career counseling capability that is available to their AC shipmates. Fleet RIDE will provide SELRES sailors with comprehensive rating information as well as both RC and AC career opportunities based on the Navy demand signal balanced with the sailors interest and aptitude. This integrated information will help sailors make better informed career decisions regarding rating conversions and RC to AC lane change options. Fleet RIDE will optimize Force Fit by improving rating manning and will enhance individual sailors' career progression by streamlining RC to RC rating conversion processes and facilitating timely RC to AC transition requests and approvals.

The Navy Reserve has strengthened all phases of the deployment cycle to take the best possible care of sailors and their families. Deployment Readiness Training, Command Individual Augmentee Coordinator Program, Returning Warrior Workshops, the Psychological Health Outreach Program, and the Navy's Family Readiness programs, all minimize risk to Navy missions assigned to Navy Reserve sailors. These programs reassure servicemembers that their families will be cared for while they are away. Through advance preparation they also allow servicemembers to focus on the mission while deployed, and then assist with reintegration after deployment.

The Navy Reserve is committed to providing world-class care for our sailors; especially, for those wounded in support of OCO. We continue to provide exceptional service to sailors assigned to Navy's Medical Hold (MEDHOLD) units. These units provide necessary medical case management and administrative support to Navy's RC wounded, ill, and injured (WII) population. Also in support of WII sailors, the Navy Safe Harbor program is Navy's lead organization for coordinating nonmedical care for seriously WII sailors and Coast Guardsmen and their families. Safe Harbor provides individually tailored assistance designed to optimize the successful recovery, rehabilitation, and reintegration of our shipmates.

All sailors returning from overseas mobilizations are encouraged to attend a Returning Warrior Workshop (RWW), Navy's "signature event" within the DOD's Yellow Ribbon Reintegration Program (YRRP), supported by the Bureau of Navy Medicine and Surgery (BUMED) as part of psychological health services for RC sailors. The RWW is a dedicated weekend designed to facilitate reintegration of sailors returning from combat zones with their designated representatives. Staged at a high-quality location at no cost to the participants, the RWW employs trained facilitators to lead Warriors and their families/guests through a series of presentations and tai-

lored break-out group discussions to address postcombat stress and the challenges of transitioning back to civilian life. Defining resilience as more than just simply returning to former levels of functioning, these events help servicemembers recognize what is called "post-traumatic growth"—positive changes made as a result of going through the deployment experience. A total of 87 RWWs have been held to date, attended by 5,937 military personnel (including members of other Services) and 4,758 guests, with 12 additional events scheduled in fiscal year 2012. Pioneered by the Navy Reserve, these workshops are available for all Navy Individual Augmentees, AC and RC. RWWs are a true success story in honoring our sailors and their families. It is important to ensure this program continues to have both the full support of Navy leadership and the widest possible participation by all returning sailors.

RWWs serve as a key venue for utilization of the BUMED Navy Reserve Psychological Health Outreach Program (PHOP). The PHOP employs dedicated teams of mental health professionals to provide psychological health assessments, outreach, and education, including Operational Stress Control and Suicide Prevention training for the Navy and Marine Corps Reserve Communities. Regularly scheduled encounters are held at Deployment Readiness Training (DRT) events to screen servicemembers prior to and after deployment. The program is designed to identify potential stress disorders, facilitate early intervention, and provide access to psychological health support resources. The availability, quality, and effectiveness of psychological services utilized by Navy/Marine Corps Reserve sailors and marines and their families are closely monitored. In fiscal year 2011, the Navy Reserve deployed a user-friendly Webpage providing both sailors and their family members an easy-to-access database of PHOP points of contact.

During fiscal year 2011, 714 RC sailors were referred for PHOP services; 668 of these sailors became ongoing clients. The PHOP teams also attempted calling 3,815 recently demobilized Reserve sailors. Of these 2,173 were successfully contacted and given the support they needed. PHOP team members also made 193 visits to NOSCs and 129 visits to NMPS sites in Norfolk, Virginia and San Diego, California, where they received referrals and conducted mental health screenings. They also provided briefings to 30,246 Navy Reserve sailors, unit staff/leadership and family members during DRT events.

PHOP continually reviews the delivery mechanism for their audience to increase exposure to the program. The Northwest Region PHOP team is participating in a pilot project supporting case management for our wounded warriors. If effective, the project will expand to all Navy Regions.

Navy continues sexual assault prevention programs while providing compassionate support for victims. A cornerstone of this program is the clear and consistent message from leadership at all levels that sexual assault will not be tolerated in the United States Navy—and I thank you for your emphasis on sexual assault prevention programs in the fiscal year 2012 National Defense Authorization Act that help amplify this message.

Navy has a comprehensive strategy to combat suicide, incorporating four pillars—education and awareness; operational stress control; intervention; and postintervention support. Navy's Suicide prevention approach builds combined sailor, family, and command resilience with a goal of changing behavior through personal resilience; peer to peer support; leadership intervention throughout the chain of command; enhancing family support; and fostering a command climate where help-seeking behaviors, when required, are expected in order to restore personal readiness.

Programs focused on enhancing the quality of life for Navy Reserve sailors have paid dividends with regards to the end strength of the Force. Fiscal year 2011 ended with a Navy Reserve inventory of 64,792, or 98.9 percent of congressional end-strength (65,500). Most of the shortages were confined to SELRES officer inventory due to our increased focus on fit rather than fill, and a reduction in potential recruiting population due to high-Active component retention. FTS enlisted also under executed with historically low, though higher-than-planned losses. The Navy Reserve continues to focus on fit and a positive tone of force while applying policies to remain within strength and fiscal controls.

For enlisted sailors the Selective Reenlistment Bonus is used to affect retention in targeted specialties, while the affiliation and/or enlistment bonuses are used to recruit targeted ratings.

The Officer Accession Bonus, Affiliation Bonus, and Special Pays (to include Special Pay for the Retention of Healthcare Professionals) are used to maintain/increase inventory by targeting undermanned pay grades in critical and undermanned skill sets. Additionally, Navy is requesting additional SELRES Officer skills receive "critical" designation from Principal Deputy Under Secretary of Defense (Personnel and

Readiness), allowing for a Critical Skills Retention Bonus to begin in fiscal year 2012 in an effort to further reduce attrition.

In fiscal year 2012, the Navy Reserve expects high-retention and low-attrition rates to continue, due to our "Stay Navy" campaign, the ability to provide real and meaningful work, as well as the effects of the current economy. Our close management of planned accessions and losses, coupled with current force-shaping and personnel policies, will ensure we retain the most qualified capable sailors while adjusting our force towards the fiscal year 2013 end-strength of 62,500 sailors.

READY NOW—AND INTO THE FUTURE

The administration recently published "Sustaining Global Leadership: Defense Priorities in the 21st Century", in which the requirements of the Joint Force of 2020 are described. The document explicitly makes clear that the RC will be a valued participant of that Joint Force in stating "Over the past decade, the National Guard and Reserves have consistently demonstrated their readiness and ability to make sustained contributions to national security. The challenges facing the United States today and in the future will require that we continue to employ National Guard and Reserve forces." The Force of the future is described as versatile, reversible, ready, and cost-efficient—all traits of today's RCs generally and the Navy Reserve specifically. The document speaks to an opportunity for the RC to leverage the gains of the last decade in capability and readiness and apply them to a Defense environment where agility, on-demand expertise, and innovation are placed at a premium. Navy Reserve leadership must provide a Force ready to perform those missions it is able to do, as efficiently and effectively as possible, in order for the AC to focus on those missions where the AC must provide the solution. At the same time, Navy must plan and program for RC use of the "Assured Access" authority to ensure the best Total Force Navy response and support of combatant commander mission sets.

Our Navy Reserve is relevant and capable today because we made conscious decisions to invest in our people and our equipment, we have assigned them real and meaningful work, and we have honored the support of our families and our employers. In the future, we need to ensure our sailors continue to have the training and equipment they need to maintain their readiness, and that our families have the tools needed to remain resilient.

Upon assuming the office of Chief of Navy Reserve, I authored a memo to Navy leadership detailing how I thought the Navy Reserve would look when the Navy Total Force is "winning." Some of the concepts I envisioned included:

—There would be seamless transitions (to include pay and personnel records) from AC to RC and back again;
—There would be expanded service options to allow sailors to "stay Navy" while achieving true life/work balance;
—Navy Reserve sailors would continually have real and meaningful work to be performed during Active-Duty periods;
—Navy Reserve would be known for world-class customer care and support for all members and their families;
—Navy Reserve would be valued by Navy leadership for efficiently and expeditiously providing expert capabilities for new Navy requirements;
—Navy Reserve would establish and maintain a high state of readiness;
—Navy would implement RC-to-AC transition policies and use our presence throughout the country to assist Navy in meeting recruiting goals;
—The Navy Reserve would be recognized as an integral part of the Navy Total Force by all sailors and AC leaders; and
—Navy Reserve would become leaders in distributive work using technology and best practices.

These initial ideas served as a roadmap for success in supporting and improving the Total Force, and were the impetus for developing Ready Now: The Navy Reserve Strategic Plan. The strategic plan has driven process improvements in each of the past 3 years that have enabled our sailors to serve more effectively while ensuring a more seamless integration of the Navy Reserve with the Navy as a whole. The Strategic Plan is updated every year with new "strategic initiatives" that help prioritize and coordinate the efforts of key stakeholders throughout the Force. We have achieved many successes with our strategic initiatives—as a Navy Reserve Force, as a Navy Total Force, and as a DOD force.

The Navy Reserve's fiscal year 2013 Operations and Maintenance (OMNR) budget request of $1.303 billion (including OCO funding) will continue to provide the Joint Force with the readiness, innovation, and agility to respond to any situation. In doing so, the true prize for our sailors and the Navy alike will be real and meaningful work as part of "America's Navy: A Global Force for Good."

The Navy Reserve is a force for innovation across all spectrums, but it is especially evident in the area of information technology (IT). IT is critical to everything we do as a Navy, and the Navy Reserve has led the Navy in several IT efficiency initiatives. For example, the cost-per-sailor for IT support for the Reserve Force has been reduced by 43 percent since 2008—a total cost savings of $62 million. The Navy Reserve executed these efficiencies while leading the Navy in legacy network reduction, data center consolidation, and account management.

The Navy Reserve is progressing with the first DOD/DON-approved wide-scale commercial Wi-Fi access deployment to all Navy Reserve facilities. This project provides SELRES the capability to complete their Navy Reserve training and readiness requirements at a fraction of the expense of equipping each member with hardware workstations while simultaneously improving sailor satisfaction. The updated technology employed in the new Navy Reserve Homeport will maximize the efficiency and effectiveness of the force through easier and more secure information management and sharing. As a result of previous efforts to explore new network access methodologies, Secure Remote Access is now available to the entire Navy. This initiative empowers the workforce to quickly and securely access their digital resources from any location, using any computer, at any time. Also, to mitigate mission degradation due to budget marks, cost-saving measures have been maximized in several areas, including contracted network services. These measures enabled Navy Reserve to successfully operate under the substantially decreased budget with minimal impact to the mission effectiveness of the Reserve Forces.

The Navy Reserve continues to modernize the Navy Reserve Data Warehouse. To date, requirements analysis have optimized and streamlined 191 existing reports in the current system to 23 reports in the new system, while the technology modernization effort will expand the number of connections to authoritative data sources from 4 to 12 systems. This will increase the breadth and depth of data available to support headquarters comparative and predictive analysis needed to more efficiently and effectively support readiness efforts for our Reserve sailors.

Ensuring our Reserve Force has the proper equipment to bring our military acumen to bear is one of my ongoing priorities. I thank the Congress for the support they provide the Navy Reserve in the many appropriations for the Force. In particular, the Navy and the Joint Forces benefit greatly from the Congress's support for recapitalizing Fleet Logistics aircraft by procuring C–40A airframes. The C–40A "Clipper" is a Navy Unique Fleet Essential Airlift (NUFEA) aircraft that provides flexible, time-critical inter- and intra-theater air logistics support to Navy Fleet and Component Commanders as well as providing logistical support for the Navy Fleet Response Plan. The C–40A is a medium lift cargo aircraft, equipped with a cargo door and capable of transporting up to 36,000 pounds of cargo, 121 passengers, or a combination of each. The C–40A is the designated replacement for the Navy Reserve's legacy C–9B and C–20G aircraft. Aircraft recapitalization of the C–9B and C–20G is necessary due to increasing operating and depot costs, decreasing availability, inability to meet future avionics/engine mandates required to operate worldwide, and continued long-term use of the C–20G in the harsh desert environment. The C–40A has significantly increased range, payload, and days of availability compared to the C–9B and C–20G, and has the unique capability of carrying hazardous cargo and passengers simultaneously. Navy C–40A detachments are forward-deployed 12 months per year to provide around-the-clock support to the U.S. Pacific Command, U.S. Central Command, and U.S. European Command Areas of Responsibility. Additionally, these cargo airplanes are an integral first-responder in emerging Humanitarian Assistance/Disaster Relief core mission sets. Three additional aircraft are required to complete the minimum, risk-adjusted C–40A procurement plan of 17 aircraft which will complete the divestiture of the C–9Bs and C–20Gs. I am greatly appreciative of this Congress's support for the purchase of a 14th C–40A for the NUFEA Fleet. Congressional support for the Navy Reserve C–40A program has placed the VR fleet closer to realizing a more robust and cost-efficient NUFEA capability.

The National Guard and Reserve Equipment Appropriation (NGREA) also funds equipment for the Navy Reserve. Unlike most other appropriations, NGREA provides important, in-execution year flexibility to address equipment needs of the Force. NGREA has allowed us to purchase expeditionary warfighting equipment for the Naval Expeditionary Combat Enterprise in support of operations in Iraq and Afghanistan, essential training upgrades in support of the adversary mission, and warfighting and personal protection equipment for Navy Special Warfare units. For example, NGREA funding allowed for the procurement of 10 Surface Amphibious Navy maritime prepositioning force utility boats (MPFUBs). These boats replaced the LCM–8s utilized for Joint Logistics Over the Shore (JLOTS) Navy Beach Group Surface Reserve training missions, providing an essential training upgrade. We aug-

mented these purchases with additional OMNR funding to provide for spare parts, etc., for the boats life-cycle maintenance.

While Navy Reserve recognizes recent challenges regarding the execution of NGREA funding, we pledge continued emphasis to utilize this valuable appropriation to address the needs of the Force. We will continue to demonstrate a superior level of stewardship of these important taxpayer dollars. I thank you for all the support you have provided to the Navy Reserve through this appropriation in the past.

The readiness, innovation, and agility of the Navy Reserve keep RC sailors at the leading edge of Fleet operations. For example, Selected Reserve sailors are literally writing the book on the shipboard operation and tactical employment of the MQ–8B Fire Scout, a vertical takeoff and landing unmanned aerial vehicle (VTUAV). In 2011, Reserve sailors took part in the Fire Scout deployment with helicopter antisubmarine squadron light (HSL) 42 aboard USS *Halyburton* (FFG 40), a dynamic and successful deployment from start to finish. Currently, Reserve sailors from HSL–60 are participating in a Fire Scout Deployment with USS *Simpson*. Also, sailors from HSL–60 are deployed with USS *Elrod* to provide a Navy "proof of concept" for Night Airborne Use of Force, a law enforcement mission under tactical control of the United States Coast Guard. As more capabilities are brought to the fleet for employment, Navy Reserves' "can-do" attitude and legacy provide Navy leadership with important options for critical force allocation decisions.

CONCLUSION

This is my fourth year appearing before your subcommittee. I am humbled by the accomplishments of the sailors in our Navy Reserve and the Navy, and I am truly thankful for the support the Congress has provided in our quest to achieve a true Total Force. On behalf of the sailors, civilians, and families of our Navy Reserve, thank you for the continued support within the Congress and your commitment to the Navy Reserve.

Chairman INOUYE. Thank you, Admiral.

General Stultz.

STATEMENT OF LIEUTENANT GENERAL JACK STULTZ, CHIEF, ARMY RESERVE, UNITED STATES ARMY

General STULTZ. Mr. Chairman, Senator Cochran.

First of all, it's an honor to be here, and thank you for all the support that you continue to give our soldiers and our families and our Nation.

On behalf of the 205,000 soldiers in the Army Reserve that are serving our Nation, what I refer to as a national treasure. And I think what epitomizes what those soldiers are all about is a young soldier that I brought with me today.

So, instead of being very eloquent in an opening statement and everything, I just wanted to introduce him to you. Seated to my left is Sergeant Daniel Burgess and his wife, Jeanette.

Sergeant Burgess is from Twinsburg, Ohio, which is in the Cleveland area, and belongs to a psychological operations unit up there. Sergeant Burgess was in Afghanistan last year, and he was in southern Afghanistan attached to the Marines.

Out on a mission as a psychological operations (PSYOPS) sergeant, helping work with the local Afghans to get them to show the Marines locations of improvised explosive devices (IEDs) and other dangers to protect them, while doing that, he himself stepped on an IED and he lost his leg with severe wounds to the rest of his body and mild traumatic brain injury (TBI).

And Jeanette said the first thing he said when she contacted him when he got to Germany was, I'm not getting out. I'm staying in.

And today, he is down in Fort Sam Houston, at the warrior training brigade rehabbing, so he can get back in the force. That epitomizes what, why we're here. We're here because of them.

And we're here to say, we've got to make sure we're doing everything within our power, in an era where we are looking to save money and reduce debt, but we cannot afford to shortchange these great soldiers. Because they are protecting our Nation and they are our first line of defense.

PREPARED STATEMENT

And as Admiral Debbink said, they are indispensable because our Army can't do what it does without our Army Reserve. We are an indispensable force for them.

And so, I just use him as the symbol of why I'm here, and I look forward to your questions, Sir.

[The information follows:]

THE UNITED STATES ARMY RESERVE 2012 POSTURE STATEMENT

The annual Army Reserve Posture Statement is an unclassified summary of Army Reserve roles, missions, accomplishments, plans, and programs. The 2012 Army Reserve Posture Statement also addresses the support required by the Army Reserve to continue its transition to an operational force during fiscal year 2013.

Unless otherwise noted, all statistics and facts are current through March 2012.

This document is available on the Army Reserve Web site at: www.usar.army.mil.

MARCH 2012.

PROVIDING INDISPENSABLE CAPABILITIES TO THE TOTAL FORCE

Never before in the history of our Nation has the United States Army Reserve been more indispensable to the Army than it is today. Forged through 10 years of persistent conflict across the globe, the Army Reserve has out of necessity evolved into an indispensable part of the operational force. Steady demands for Army Reserve enabler capabilities introduced a new paradigm of interdependence within the Total Force that changed the structure of our defense strategy, ushering in an era of reliance on an Operational Reserve as part of our national security architecture.

The Army Reserve is a foundational element providing operational and strategic depth to our military. As a key component of the Total Force, the Army Reserve provides key enabler capabilities to the Army; including 100 percent of the Army's Theater Engineer and Civil Affairs Commands, Training Divisions, Biological Detection Companies, Railway Units, and Replacement Companies. Our professional men and women support Army needs in many other fields such as transportation, logistics, supply chain management, law enforcement and public safety, healthcare, telecommunications, information technology, finance, legal services, and human resources.

Continued investment in the Army Reserve as an enduring operational force places it on a solid path to support combat operations and theater security cooperation missions worldwide. As operations draw down in Iraq and Afghanistan, it is essential that we maintain the right mix of forces and professional personnel with operational experience and relevant skill sets. The Army Reserve Forces provide critical enablers to the Active component (AC) as a complementary and essential capability—not a redundant force—allowing the AC structure to focus around more complex formations.

In years past, we allowed our most seasoned and best-trained soldiers to leave the Army during postconflict drawdowns. In the current security environment this is not an option. One of our key initiatives this year is to work with the Army to create a continuum of service program to retain this pool of experienced, talented soldiers through continued service in the Reserve components. Our goal is to inspire soldiers to a lifetime of military service, which includes seamless transitions between Active and Reserve statuses, as well as between Reserve categories and civilian service, providing variable and flexible service options and levels of participation consistent with Department of Defense manpower requirements.

Everything we do within the operational and institutional Army Reserve supports the Army Force Generation (ARFORGEN) model. We progressed from a demand-based, theater-request dependent, reactive ARFORGEN, to a 5-year supply-based ARFORGEN, providing much needed predictability to our soldiers, their families, and their employers. Today, every soldier knows his unit's available force pool date

and has the expectation that they will be used to support ongoing operations or theater security cooperation missions worldwide.

Our biggest challenge is manning. We need the Congress's support for our fiscal year 2013 budget request for recruitment and retention incentives, and transition incentives for soldiers leaving the Active component during the drawdown, to allow us to shape the force with less reliance on cross-leveling to offset our mid-grade strength imbalances. Our current full-time support model remains a Strategic Reserve legacy. We need the support of the Congress for key policy modifications to change personnel support processes. We are currently working with the Army to create additional full-time support capability to provide much needed continuity in operational units and generating force units. These policy modifications will allow eligibility for enlistment and reenlistment bonuses, education loan repayment, and other incentives.

One area where our focus will remain steadfast is our support programs for soldiers and family members, especially in remote locations without access to installation-based support. The past decade has taught us a lot about the physical and emotional needs of soldiers and families, and we have taken steps to reduce stress on the force. We've implemented a Comprehensive Soldier Fitness program to train our soldiers, civilians, and family members to both maximize their potential, and prepare them for the physical and psychological challenges of sustained operations. We have taken a holistic approach to suicide prevention Army-wide, integrating educating the force with efforts to reduce the stigma of seeking behavioral healthcare.

We are also reaching out and providing resources to geographically dispersed soldiers and family members and involving family members in suicide prevention training. Not only have we established the Fort Family 24/7 hotline for soldiers and family members to access services at remote locations, we continue to establish Army Strong Community Centers (ASCC) in remote locations to allow soldiers, family members, retirees, and veterans access to installation-like support at remote locations.

Working together, with the continued support of the Congress, we can meet the challenges we face in implementing a continuum of service and "Soldier for Life" concept, a sustainable ARFORGEN cycle for the Army Reserve, and demonstrate the positive investment that our Nation makes in its Army Reserve. A relatively small investment in the Army Reserve provides security to the homeland and supports the full range of military operations at home and abroad. The value added of the Army Reserve and its critical enabler capabilities is that the Nation pays the full cost for a Reserve component soldier only when he/she is mobilized.

As we look to the future, our commitment is steadfast and the focus is clear: the Army Reserve is an essential part of the Total Force, and we will do all we can to ensure this combat seasoned, highly skilled force of warrior citizens remains ready to support a full range of military operations well into the future. We provide a solid, experienced foundation for expansibility. The strategic decisions and direction chosen now will set the framework for the next decade. With your help and the help of those who support America's operational Army Reserve, we will put this organization on a solid path to success for our soldiers, civilians, and family members; our future leaders; and our national security.

LIEUTENANT GENERAL JACK C. STULTZ,
Chief, United States Army Reserve.

COMMAND SERGEANT MAJOR MICHAEL D. SCHULTZ,
Command Sergeant Major, United States Army Reserve.

ACHIEVEMENTS

Human Capital

Personnel.—A new Automated Senior Enlisted Promotion Board Process that uses standardized criteria ensures the best-qualified soldiers are selected for Master Sergeant, First Sergeant, and Sergeant Major positions. Implementation of the Army Reserve Theater Individual Replacement Operations policy and procedures more effectively achieves the Army Reserve goal for individual replacements to report to theater within 60 days of the initial request. Army Force Generation (ARFORGEN) Manning Strategy focuses on "unit" rather than individual manning, thereby allowing a unit to train and proceed through the ARFORGEN cycle as a cohesive unit. This shift in strategy allows commanders and noncommissioned officers to focus on leading and developing their organizations without the distraction of constant cross-leveling. Since force structure defines the needs of individual units, this approach brings personnel and force structure closer to one another.

Surgeon.—The Medical Management Activity in 2011 reviewed more than 6,000 medical profiles, of which 50 percent were amended and 20 percent were sent for an administrative retention board, allowing these soldiers to remain in the Army Reserve. Since the establishment of the Reserve component Medical Support Center in 2011, the Army Reserve now has better visibility of soldiers progressing through the Medical Evaluation Board process, with more than 540 packets submitted for review and adjudication.

Chaplain.—The Army Reserve Strong Bonds program continues to be a success story as 12,500 individuals participated in more than 300 events. The curricula expanded to provide more skills training to soldiers, their spouses, and their children. The program provides the tools to enable families to not just survive but thrive in the current environment of high operations tempo and multiple deployments.

Employer Partnership of the Armed Forces Program.—Launched a state-of- the-art Career Portal in November 2010. The portal grew from zero to nearly 30,000 registered users and the number of Employer Partners more than doubled to 2,500 through September. The Army Reserve has also launched a partnered soldier training program with GE Healthcare.

Family Programs.—Opened a fourth Army Strong Community Center pilot site in conjunction with Clackamas Community College in Oregon City, Oregon. The Fort Family Support and Outreach Center responded to multiple crisis and disaster situations while maintaining contact with the families of deployed Army Reserve soldiers. During fiscal year 2011, Fort Family had 28,340 successful contacts with soldiers and families, providing information and assistance for many issues, including TRICARE, legal matters, retirement, the GI Bill, and child and youth programs.

Materiel

New Equipment Fielding Facilities enabled the Army Reserve to issue more than 3,800 trucks/trailers and 63,700 support items, allowing the Army Reserve to have 91 percent of equipment on hand, with 67 percent modernized, putting us on par with the Active component. In support of equipping missions, the Army Reserve has executed more than 19,500 commercial movements of more than 340,000 pieces of equipment. The Army Reserve combined its Fleet Management System and its Logistics Information Systems Support Contract into one product, thereby reducing costs from $18.4 million to $14.4 million—a 22-percent savings. Additional savings were achieved by relocating the tactical computers system for new equipment fielding in a leased facility from Hopewell, Virginia, to Gaithersburg, Maryland, in a Government-owned facility—realizing an additional savings of $288,000 a year.

In addition, we equipped the first unit in the Army with the new Palletized Load System and the new M915A5 Line Haul Tractors and executed Operation Clean Sweep to improve the inventory of equipment through the Army Reserve, re-establishing property book control of $105 million of equipment.

Readiness

The Army Reserve has transitioned to an Operational Force within the Army by implementing a Supply Based Army Force Generation process in order to provide needed capabilities to the Army's Mission Force each year, while providing predictability to soldiers, families, and employers. The result is an integrated, rotational force that achieves cyclic unit readiness for all Army Reserve rotational units over a defined, predictable planning horizon.

A wide array of missions in the unit's available year can include deployments in support of named operations, theater security cooperation (TSC) missions, humanitarian assistance, or domestic response missions. The Army Reserve continues to provide approximately 19,000 soldiers annually in organized units to the Army for worldwide named operations as well as contingencies. Many of these units satisfy joint capability requirements for types of organizations only found in the Army Reserve. One such unit is an aviation task force established in October 2011 from the 11th Theater Aviation Command to provide the medium lift, heavy lift, and MEDEVAC capability required to support NORTHCOM in the Defense CBRN Response Force mission.

The Army Reserve continues to stand ready to provide forces on an as-required basis in support of the Nation. As we continue to sharpen our focus on providing the proper force, appropriately trained, at the right time and place throughout the world, we will move ever closer to our strategic vision—the Army Reserve as a cost effective, trained, ready, and relevant enabling security force for the Nation.

Services and Infrastructure

Services and Infrastructure Core Enterprise (SICE) is the Core Enterprise that underpins all of the platforms and provides the support services that enable an operationalized Army Reserve. The fiscal year 2011 focus centered on the completion

of all assigned 2005 Base Realignment and Closure (BRAC) tasks to construct 125 facilities and close and consolidate 176. Through this significant effort, the Army Reserve facilities portfolio achieved a 17-percent improvement in facility age, modernization, and operational capability that directly supports training, equipping, and manning strategies in support of ARFORGEN.

To achieve efficiencies in Army Reserve funded training installations (Fort McCoy, Fort Hunter Liggett, Fort Buchanan, Army Support Activity—Dix) the Army Reserve consolidated Director of Logistics activities under Army Materiel Command, as well as the consolidating and transferring Information Management activities under NETCOM.

All challenges to our infrastructure (Army Reserve Centers, Installations, and Communications Networks) to include tornadoes, hurricanes, and flooding were met with a determination that restored facilities and communications quickly and ensured mission accomplishment. As a participating partner at the Department level, the Army Reserve is very close to achieving a developed and synchronized Facility Investment Strategy and is a leader in environmental conservation and energy sustainability. The Army Reserve continues to maintain Military Technician strength at levels mandated by law and is actively working toward transforming the civilian workforce to support the Operational Army Reserve.

ARMY RESERVE PRIORITIES

—Create an enduring operational force.
—Sustain readiness in our deployable units to ensure they are ready to deploy as part of the Army's Mission Force.
—Continue to provide the best trained, best led, best equipped soldiers and units to Combatant commanders to achieve U.S. objectives and ensure national security.
—Grow an integrated Human Capital Strategy (Continuum of Service) that facilitates the movement of soldiers between Active and Reserve service, and civilian employment over a lifetime of service.
—Recruit and retain the best and brightest warrior-citizens; transition the same from the Active component during the Army drawdown; sustain a robust and capable operational Army Reserve.
—Provide citizen-soldiers and their families with the best care, support, and services to ensure the best quality of life, health, and vitality of the All Volunteer Force.
—Build and maintain partnerships with industry to facilitate warrior-citizen contributions to both a prosperous economy and a skilled, experienced, and capable Army.

To advance these priorities the Army Reserve must: Obtain from the Congress full support and necessary authorities, in accordance with the Army Reserve fiscal year 2012 budget request.

THE PRESIDENT'S BUDGET

The President's budget will allow the Army Reserve to:
—Continue Army Reserve Internal Transformation to an Enduring Operational Force.
—Shape Army Reserve end-strength by recruiting new soldiers, retaining the best and brightest, and transitioning Active component soldiers into an Operational Army Reserve Force.
—Equip units and soldiers to train and fight in a full range of military operations to achieve U.S. objectives and ensure national security.
—Provide quality medical and dental services and support to soldiers and their families.
—Sustain quality Army Reserve installations and facilities.

THE POSTURE OF THE ARMY RESERVE:
TODAY'S READINESS AND STRATEGIC AGENDA

The Army Reserve is a trained, experienced, resilient force of warrior-citizens supported by strong families and employer partnerships. Forged through the persistent conflicts across Iraq and Afghanistan, the Army Reserve is an indispensable pro-

vider of essential enabler capabilities to the Total Force. The Army Reserve is prepared to provide the Nation with both versatile support to the Joint Fight and flexible response options to contingencies at home and abroad. The Operational Reserve is essential for building expansibility within the Total Force. The Army Reserve's 205,000 citizen soldiers across the Nation form the Army's best connection to hometown America. These warrior-citizens are the best ambassadors for the Army in their communities across this great country.

Having reconfigured organizationally and functionally to adapt to the demands of sustained operational deployment, the Army Reserve must now focus on sustaining its operational capacity to meet diverse and unpredictable threats—while operating in an era of fiscal austerity. Together, the Army and the Army Reserve will leverage the tremendous benefits of the multicomponent Total Force and make the most of all available opportunities to preserve the investment in trained and ready soldiers and units. The Army cannot accomplish its mission without the Reserve component. Much of the support capability and critical specialties reside predominantly or exclusively in the Army Reserve. Such units include civil affairs, medical, transportation, engineer, and military information support operations. These are indispensable capabilities to the Total Force.

Strategic Agenda

The Army Reserve Strategic Agenda reflects the most essential objectives the Army Reserve must achieve based on both Army and Army Reserve Leadership guidance and direction. Nested within the Army Reserve 2020: Vision & Strategy, the Army Reserve Strategic Agenda identifies specific priorities to optimize the application of collective effort and fiscal resources. The fiscal year 2012 Strategic Agenda focuses on key components of an operational force.

Access

The Total Army Force relies on critical enabler capabilities provided by trained and equipped Army Reserve soldiers and units that are ready to respond to global and domestic requirements. An ongoing collaborative effort across the Department of Defense has resulted in the addition of expanded access to the Reserve components. New authorities contained within the 2012 National Defense Authorization Act allow for access to the Reserve component for missions other than war, with the proper planning, programming, and budgeting. With access, Army Reserve personnel can mobilize in support of specified missions, such as Theater Security Cooperation. This allows the Total Force to leverage the unique cost benefits of using a seasoned, exceptional Reserve Force in a sustained operational role.

Funding for Operational Reserve

As military forces withdraw from Iraq and Afghanistan, and overseas contingency operations (OCO) funding is significantly reduced, continued use of the Army Reserve in an operational role is contingent upon adequate and assured funding in the base budget. With adequate and assured funding, the Army Reserve will continue to provide the required enabler capabilities to support the Army's ARFORGEN readiness cycle. Funding in the Base Budget is crucial for the required training events and supporting costs necessary for use of the Army Reserve operational capabilities. Without assured funding in the base budget, Army Reserve Forces cannot be a full participant in ARFORGEN—thus degrading readiness levels. Over time, the hard-won operational expertise of Army Reserve soldiers will be lost. The Army Reserve will not be ready for planned or contingency operations at home or abroad. As a result, critical Army Reserve enabler availability as part of the Total Army Force will be limited to use as a strategic Reserve. In today's security environment, the Army and the Nation cannot afford anything less than an operational force. Therefore, the Army Reserve will continue to work with the Army to ensure adequate and assured funding in the Army base budget and Program Objective Memoranda for planned use of Army Reserve operational capabilities.

Continuum of Service

Continuum of Service (CoS) is an integrated Human Capital management strategy for the Total Army. The future of retaining the extraordinary capabilities and experience of our soldiers now resides in how well we can implement change in the way we manage our soldiers in the face of constrained resources. Creating a management strategy that facilitates and supports the transparent movement of individuals between the Active component, the Reserve components, and civilian careers is essential to preserving a cost effective, expansible foundation of talent and experience for the future.

The intent of a continuum of service is to not just allow but to encourage and incentivize soldiers to continue serving the Army while preserving the Army's in-

vestment. We must offer and manage varying levels of participation from the Active component to the traditional Reserve or to the Individual Ready Reserve. It is a paradigm shift to attempt the management of one force across the Total Army. This will require considerable transformation to the current, rather inflexible, human capital management system in each component. However, this shift will poise us to best meet the impact of anticipated fiscal constraints. CoS provides an efficient and cost-effective solution to retaining the investment and experience of our best soldiers, building the foundation of expansibility and reversibility into our force in the future.

There are many aspects to this initiative and it will require perseverance to change each institutional process that creates barriers or separation. This ranges from the creation of an Individual Ready Reserve (IRR) Affiliation Program and Army Transition Process transformation. These forward-thinking institutional policy changes will provide an underpinning to the best, most efficient practices in human capital management.

Institutionalize Army Force Generation

Army Force Generation (ARFORGEN) is a cyclic process the Army uses to man, equip, and train all units to meet combatant commander requirements. ARFORGEN is designed to focus training, training support, and other limited resources for units in a timely, predictable manner as they prepare for operational employment using a common set of standards. Approximately one-half of Army capabilities are in the Reserve component. This includes the Combat Support and Combat Service Support units of the Army Reserve. The Total Army Force relies upon these Army Reserve enablers to be ready and fully integrated as part of an expeditionary force within the time frame when they are needed. To the Army Reserve, ARFORGEN goes beyond process and policy adaptation, it includes cultural change both within the Army and the Army Reserve.

Full-Time Support

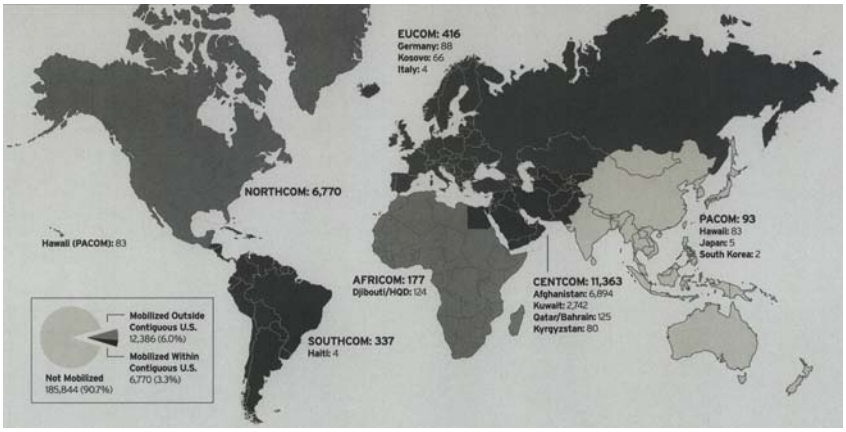
Full-time support (FTS) is an essential element of the Army Reserve's ability to conduct training, personnel, and administrative functions and leading Army Reserve units in the operational force. Historically, the Army Reserve has been under resourced in full-time support. This has been mitigated by the use of overseas contingency operation funding and leveraging the use of volunteers to bring operating units to required readiness levels. Despite the war time demands placed on our Nation's ground forces throughout the last decade, FTS manning levels in the Army Reserve have remained, on a percentage basis, the lowest among the service branches. To increase readiness of operational units in the future, assets and personnel policy will be shifted to direct support to the Operational Army Reserve. *Note:* FTS was compared by totaling all AGR, Military Technicians, and other civilian positions.

ARMY RESERVE COMMITMENTS

19,156 Army Reserve Soldiers are Currently Mobilized and Deployed Around the World [1]

The Army Reserve continues to provide critical enabling capabilities worldwide, supporting the Total Force across a range of military operations. Missions include theater security cooperation, humanitarian assistance, and contingency operations. Army Reserve Theater Commands are uniquely capable of providing global support—addressing specific and emerging geographical and political issues as they arise. Missions include theater security cooperation, humanitarian assistance, and contingency operations.

[1] As of February 24, 2012. Does not include Individual Ready Reserve and Individual Mobilization Augmentee Soldiers. (Source: MDIS Mobilization and Deployment Tracking Information System)



THE FISCAL YEAR 2012 BUDGET REQUEST: WHERE WE ARE GOING

HUMAN CAPITAL

CRITICAL HUMAN CAPITAL PROGRAMS THAT SUSTAIN AN OPERATIONAL ARMY RESERVE

—Manning on Operational Army Reserve.
—Medical Non-Ready Initiative.
—Yellow Ribbon Reintegration Program.
—Medical and Dental Readiness.
—Medically Not-Ready Soldiers for Case Management/Referral.
—Post Deployment Health Reassessments.
—Strong Bonds.
—Manpower for Family Programs Mission Requirements.
—Communication and Outreach to Soldiers and Families.
—Family and Soldier Support thru Responsive and Relevant Services.

Personnel Management

Manning an Operational Army Reserve

The mission of our incentives program, according to the Army Reserve Manning Strategy, is to focus our funds in support of the supply-based ARFORGEN. This will focus the use of incentives to ensure that ARFORGEN cycle Aim Points for unit required strength are met. We will tailor our incentives programs and priorities, as specified on the Selected Reserves Incentives Program (SRIP) List, to enable pinpoint manning in the Recruit Quota System (REQUEST). This occurs by diversifying types of incentives to meet a myriad of personnel requirements for the current Army Reserve operational environment. This will reduce overall costs and increase the readiness posture of the Army Reserve.

Healthcare

Medical Non-Ready Initiative

The Medical Non-Ready Initiative aggressively expedites medical board evaluations to minimize hardships to both soldiers and families and return our most valuable resources back to our formations. The Initiatives places emphasis on leader education and involvement, coupled with the processes to gain rapid, unconstrained, and inclusive treatment through the medical system for our wounded, ill, and injured soldiers. As for the way ahead, the Army Reserve will leverage the following medical readiness programs Reserve Health Readiness Program, Army Selected Reserve Dental Readiness System, The Psychological Health Program, Medical Management Activity, Reserve Component Soldier Medical Support Center (RCSMSC). We will also use case managers to monitor the medically non-ready population, coordinate with the soldier and the command for required/requested medical evalua-

tions, and gather information for review by the Medical Management Activity or the Regional Support Command (RSC) Surgeons for appropriate profiling. Soldiers who have medical conditions that warrant permanent profiles are issued one, and then referred to the Regional Support Command Personnel Health Service Branch for medical boarding action.

Medical and Dental Readiness

The Army Reserve is an enduing operational force, and as such must be medically ready to respond to immediate global requirements across the full range of military operations. Sixty-three percent of the Army Reserve is medically ready; numbers have been increasing from 24 percent since October 1, 2008. Seventy-four percent of Army Reserve soldiers are dentally ready; numbers that have been positively increasing from 52 percent on October 1, 2008. Programs such as the Army Selected Reserves Dental Readiness System (ASDRS) have made a difference in improving baseline dental readiness. The ASDRS program covers examinations and dental treatment cost to convert an Army Reserve soldier to a deployable status.

Medically Non-Ready Soldiers

The Army Reserve's fully medically ready status means that more than one-third of our soldiers are not medically ready, meaning they cannot deploy to support worldwide missions if needed and are deficient in 1 of 5 measures (dental, periodic health assessment, routine adult immunizations, no deployment limiting conditions, or medical equipment). Fifteen percent of these soldiers are available but must complete a periodic health assessment or a dental screening in order to be deemed medically ready, and 11.3 percent have a medical condition that renders them temporarily or permanently nondeployable and either need additional care or are awaiting medical board determination on their ability to continue to serve.

In 2011, the Army Reserve moved aggressively to reduce the number of medically nondeployable soldiers. The Army Reserve Surgeon, working with members of the Office of the Surgeon General and the Department of the Army, implemented two initiatives to review medical profiles and prepare soldiers for medical evaluation boards. First, the Medical Management Activity was established on January 3, 2011, to support the rapid evaluation of permanent medical profiles and improve the identification process of those soldiers who are not ready through increased use of the Medical Protection System (MEDPROS) and the electronic profile. Since the inception of the Medical Management Activity in 2011, more than 6,000 medical profiles have been reviewed, of which 50 percent were amended and 20 percent were sent for an MOS administrative retention board, allowing these soldiers to remain in the Army Reserve. The number of profiles requiring review decreased from 16,758 in January 2011 to 9,913 in November 2011. The number of P3 and P4 profiles not requiring a medical evaluation board has steadily increased from 2,065 in January 2011 to 3,298 in November 2011.

Second, the RCSMSC was established January 18, 2011, to review Medical Evaluation Board Packets and improve the medical boarding process. Since the establishment of the RCSMSC in 2011, the Army Reserve has better visibility of soldiers entering the Medical Evaluation Board process, with more than 540 packets submitted to military treatment facilities.

Post-Deployment Health

Repetitive deployments have significantly increased the strain on the Army Reserve Force. To assess post-deployment needs and to protect the health and well-being of soldiers who have redeployed from combat, our soldiers complete the Post-Deployment Health Reassessment.

The Army Reserve is moving out aggressively to mitigate the effects of persistent conflict and build a strong resilient force. On March 4, 2011, the Army Reserve Psychological Health Program concept plan was approved, and four Directors of Psychological Health began working in 2011 to better meet the behavioral health needs of Army Reserve soldiers. Our case management program is expected to begin within the Army Reserve this fiscal year as well.

Family Support

Yellow Ribbon Reintegration Program

The Army Reserve promotes soldier and family resiliency through the Yellow Ribbon Reintegration Program that proactively reaches out with information, education, services, and referrals through all phases of the deployment cycle to more than 22,400 soldiers and 25,500 family members. Our ability to provide services and support resources to the Total Army Reserve Family (soldiers, family members, retiree recalls, civilians, and wounded warriors) is challenging due to the Army Reserve ge-

ographic dispersion. Yellow Ribbon events, of which there were more than 550 in 2011, allow units to build cohesion, morale, and camaraderie. We strive to ensure each family is healthy while preparing for, during and after a deployment. Attendance at Yellow Ribbon events helps build the networking and communication opportunities for geographically dispersed families of those deploying Army Reserve soldiers, and it maintains contact between them and their unit rear detachment personnel. We can identify and assist any at-risk family members easier through this method of gathering them together during the deployment. Yellow Ribbon events also provide a platform to demonstrate the energy, enthusiasm, and impact of local, regional, and national community and businesses leaders' support of our commands and individual soldiers who deploy.

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Manpower for Family Programs Mission Requirements

Army Reserve families continue to bear the challenges of a nation at war and adjust to the realities of an operational force. Army Reserve Family Programs must maintain a baseline level of skilled and quality professionals to provide responsive services and mitigate the corollary effects of family separations due to ongoing conflicts, humanitarian missions, and theater security cooperation missions. A skilled and quality family programs force directly affects the ability to maintain the infrastructure of programs and services that support geographically dispersed soldiers and families. Our family programs workforce must be robust enough to provide program standardization and stability; adaptive, full-spectrum staffing support; and responsive services that meet the complexities of supporting Army Reserve soldiers and families.

Strategic Communication Outreach to Soldiers and Families

An important family programs function is disseminating information and timely alerts about programs and services available 24/7, closest to where soldiers and families reside. The overarching family programs communication strategy employs a "top-down/internal-to-external" model, which deploys clearly articulated, aligned messages to the appropriate audiences through multiple delivery systems and events. This strategy includes a suitable mechanism for measuring program efficiency, while gaining a heightened awareness of customers' needs through feedback via surveys, one-on-one exchanges, and social media. The endstate is a consistent method of determining success in delivering the services that mean the most to soldiers and families.

Family and Soldier Support Through Responsive and Relevant Services

Family Programs is synchronizing its requirements for staffing, resourcing, and training with the ARFORGEN model. Programs focus on the command/unit and family partnerships to support soldiers' readiness and mitigate risk. The intent is to proactively establish a collaborative readiness pattern focused on geographically dispersed soldier and family programs support, training, and services to ensure families are resilient and prepared to meet the challenges of an operational force.

Spiritual Care

Strong Bonds provides relationship skills training for married couples, families, and single soldiers. The various events empower soldiers to more fully connect with their loved ones. It is a holistic, preventive program committed to the restoration and preservation of Army families, even those near crisis. Strong Bonds is an Army program led by Army chaplains. More than 90 percent of those who have attended the program rate it positively. As a direct result, soldier and family readiness, resiliency, and retention increases. Availability of Strong Bonds programs is a required part of deployment cycle support plan for soldiers and families. Currently OMAR funding in the President's budget will provide for training materials, sites, and travel costs for soldiers and family members. The Strong Bonds events are continually being updated to meet the needs of our soldiers and families throughout the ARFORGEN cycle. These programs and events are critical to soldier and family readiness during and long after current deployments.

The Employer Partnership of the Armed Forces

The Employer Partnership of the Armed Forces (EPAF) connects capability with opportunity. Our skilled servicemembers bring skills, reliability, and capability to the civilian workplace while the program's Employer Partners provide career opportunities.

The Program is operated and funded primarily by the Army Reserve but supports the civilian employment and career advancement needs of members of all seven Reserve components, their family members, wounded warriors, and the Nation's veterans. The Army Reserve has dedicated staff, continual maintenance and upgrading of the Career Portal: (www.Employerpartnership.org). Army Reserve funding supports the Career Portal as well as the program support managers dispersed across the United States who provide direct assistance to both employer partners and job seekers.

Employers recognize the benefits of the EPAF program. The program now has more than 2,500 employers participating, and the number is steadily growing. These Employer Partners are military-friendly and value the skills, experiences, and work ethic of those who serve.

The Reserve components also benefit. Best practices and experience with cutting-edge technology and medical procedures flow between military and civilian organizations through EPAF's training partnerships. Access to career opportunities and partnered training initiatives also provide tangible reasons for separating Active servicemembers to continue serving in a Reserve capacity.

In the next few years, thousands of Army Reserve and National Guard soldiers will de-mobilize and tens of thousands of Active Duty personnel will leave the military. The program's ability to connect these imminent job seekers with employment can make a positive impact on unemployment rates among our newest veterans. Accordingly, the Program is working with both the Office of the Secretary of Defense and the Department of the Army to formally incorporate EPAF into transition programs for the Active and Reserve members of all branches of service. EPAF strengthens our military, our economy and—most importantly—strengthens our servicemembers and their families.

Army Reserve Chaplains

Army Reserve chaplains come from our neighborhoods and communities; they reflect the culture and demographics of our Army Reserve. They, too, are warrior-citizens bringing civilian-acquired skills to the Army from their parish, hospital, and prison ministries. Army Reserve chaplains truly enhance the spiritual care of their civilian congregations due to their military service and understand the demands of such service on themselves and their own families.

The chaplaincy has made great strides in reducing the number of shortages within our battalions and brigades. A fully manned Army Reserve chaplaincy allows for more regular and timely spiritual support through unit and area coverage. Much of this can be attributed to the affiliation and accession bonuses available to new Army Reserve chaplains as well as to tuition-assistance monies that help pay for seminary schooling.

CONTINUUM OF SERVICE

Continuum of Service is a Human Capital Management strategy that facilitates the movement of soldiers between the Active and Reserve service and civilian employment.

Who is Involved?

A Continuum of Service Working Group is pursuing numerous initiatives, including potential changes to current policies to allow for more flexible service options.

Why Now?

The Continuum of Service initiative seeks to retain a pool of experienced, talented soldiers through continued service in the Reserve components, thereby allowing the Army to reserve and expand its end strength as required.

What is Being Done?

The Army Reserve has identified those policies that impede the ease of movement between components and has embarked on a strategy of implementing a new personnel management paradigm that meets the needs of an enduring operational force.

Continuum of Service is right for:

—*The Army:* Allows the Army to retain a pool of talented and experienced soldiers to support potential expansibility of the Army in the future.
—*The Soldier:* Offers opportunity to continue serving with varying levels of participation over the course of a lifetime of service.
—*The Times:* Provides a cost-effective personnel management system for the Army.

The flexibility of the Continuum of Service Human Capital Management Strategy will:

—Help retain a reservoir of talent and experience through incentives and access to transitioning Active component personnel.
—Ease movement between components and civilian employment by incentivizing transition to the Army Reserve and expanding support for civilian career opportunities.
—Flexible Service Options—IRR Affiliation to Reserve unit, Volunteer Only IRR options or Traditional Reserve service.

Integrated Human Capital Strategy:

Focus is on change to Army regulations, policies, and procedures that can be acted on now.

Policy

—Modifications to existing policy and directives to manage the Army as a Total Force.
—Joint education programs.

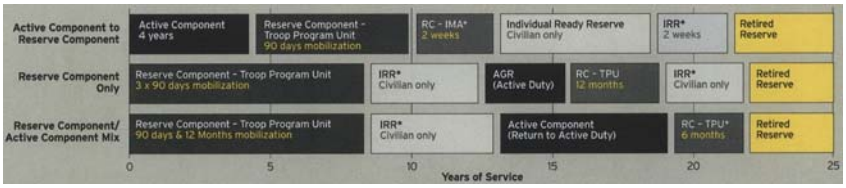
Processes

—Integrated processes and systems for seamless transitions, along with portability of benefits.

Culture

—Requires a culture change in the way the Reserve component is used as an indispensable part of the Total Force.

Varying Levels of Participation:



Acronyms:
RC = Reserve component • IMA = Individual Mobilization Augment • IRR = Individual Ready Reserve • TPU = Troop Program Unit

READINESS

Critical Readiness Programs That Sustain an Operational Army Reserve
—Sustain an Operational Army Reserve.
—Sustain modern training equipment, facilities, and installations that support rapid mobilization capabilities.
—Protect the force, physical security, management of the Physical Security Program.

Sustain an Operational Army Reserve

The Army Reserve provides operational capabilities and strategic depth to the Army to meet national defense requirements across the full range of military operations. The Army Reserve participates in a full range of missions that support force generation plans. Units and individuals participate in an established cyclic or periodic cycle of readiness that provides predictability for combatant commands, the Total Force, servicemembers, their families, and employers. In their strategic roles, units, and individuals train or are available for missions in accordance with the national defense strategy. This force provides strategic depth and is available to transition to operational roles whenever needed. Accordingly, it is critically important that the Army Reserve provide capabilities and generate a force that is available to support Army needs. Properly sustaining the Army Reserve as an operational force means success in ongoing operations in which the Army Reserve now plays a vital role, as well as in future contingencies in which it will play a critical role.

Mandays To Support an Operational Reserve

The Army Reserve was successful in obtaining an approved training strategy to provide trained companies and brigade and battalion staffs to combatant commanders upon mobilization.

Homeland Operations

Homeland Defense, Homeland Security and Defense Support of Civil Authorities: These important missions require the unique enabler capabilities resident in the Army Reserve. Today, the Army Reserve provides seven aviation units in support of the Defense Chemical Biological Radiological Nuclear (CBRN) Response Force (DCRF). These units work directly with their Active Duty counterparts as the initial title 10 response force for CBRN or terrorist incidents. The Army Reserve provides an additional 12 units as part of the Command and Control CBRN Response Element.

Responding to Defense Support of Civil Authorities (DSCA) situations, the Army Reserve provides all of the Army Emergency Preparedness Liaison Officer (EPLO) capability. These soldiers conduct valuable operations at various Federal, State, and local emergency operations centers during all phases of incident management operations. The Army Reserve provides the potential for additional incident response forces including, but not limited to, the following types of units:
—medical aviation;
—transportation;
—engineer;
—communications; and
—civil affairs.

These capabilities can be packaged with the appropriate command and staff structure to facilitate assistance to civil authorities. This packaging also provides necessary command and control of title 10 Department of Defense resources in a defined joint environment. With approval of NDAA 2012 the Army Reserve can provide significant resources to support civil authorities in domestic disasters and emergencies.

The Army Reserve's fiscal year 2013 budget request properly funds the Operational Reserve to ensure the force structure required for homeland operations. The requirement to maintain a specific portion of our soldiers on orders to support DCRF mission response time is critical to mission accomplishment and success. National level response goals to save lives and conduct search and rescue operations in the first 72 hours of an incident, requires immediate access to Army Reserve forces for these critical missions. Resourcing to purchase and maintain specialized commercial off-the-shelf equipment allows interoperability between the Army Reserve forces employed at an incident location with Federal, State, and local first responders.

Sustain Modern Training Equipment, Facilities, and Installations That Support Rapid Mobilization Capabilities

Sustaining modern training equipment, facilities, and installations is critical to successful mobilization of the Army Reserve within established timelines when needed. Army Reserve soldiers and units need to train on the same modernized equipment the Army uses in the field as well as access to modern facilities designed and maintained to sustainable standards. Timely deployments of forces with the skills needed for success in 21st-century engagements depends on congressional support.

Mission Training Complexes

Mission Training Complexes (MTCs) provide the training for Army Reserve leaders and battle staffs in support of mobilization. This is essential to meet ARFORGEN readiness goals and metrics used to evaluate the readiness of the force. The Army Reserve successfully negotiated for upgrading three of our five MTCs and the new construction of one MTC.

Simulations and Simulators

Simulations and simulators (weapons and systems simulators) programs are critical in supporting an operational force as well as for collective and individual training. Training for the full range of military operations and for contingencies is evaluated using the aim points in ARFORGEN. To ensure the Total Force is properly trained, the Army Reserve has a simulation requirement and is programmed to maximize funding from the President's budget.

Electronic-Based Distance Learning

The Army is allowed to provide discretionary payments for selected Reserve soldiers, not in Active service or on Active Duty, who are directed by their commanders to complete Department of the Army-approved training requirements by means of electronic-based distributed learning (EBDL).

Equipment Fills for Training Unit Table of Distribution and Allowances

The Army Reserve has Table of Distribution and Allowance (TDA) equipment funding, which is an area of risk within the strategy for training facilities. Modernized pieces of equipment are required to conduct training during various stages of the force generation model. The use of training simulators and equipment loans mitigates equipment shortages.

Transient Training Facilities (Operational Readiness Training Complex) Fort Hunter Liggett

Transient training facilities are critical for requirements for our Army Reserve platforms to support our units as they progress through the ARFORGEN cycle. These facilities provide the barracks, classroom, motor pool, and administrative space for units to conduct effective institutional and collective training on our installations. Sufficient resources are included in the Army Reserve's budget to ensure the construction and modernization of transient training facilities for an operational force.

Protect the Force, Physical Security, Management of the Physical Security Program

The Army Reserve faces unique challenges and vulnerabilities when it comes to Physical Security. The Army Reserve span of control includes personnel at more than 950 stand-alone facilities across the continental United States (CONUS). Phys-

ical security inspectors and antiterrorism assessment specialists in the field mitigate these challenges.

The Army Reserve Manages the Risk of Damage, Destruction or Loss of Personnel, Weapons, or Equipment to Criminals or Terrorists by Having the Intrusion Detection System

The intrusion detection systems (IDS) monitor arms rooms at Army Reserve facilities 24 hours a day. The monitoring program notifies authorities immediately should an arms room at a remote facility be breached. These systems require technology upgrades and maintenance because Army Reserve facilities are distinctive as standalone facilities in remote parts of the country.

Provisioning for Antiterrorism Officers at All Major Subordinate Commands Enables Commanders To Protect the Force

Antiterrorism assessment specialists are the key component to the Antiterrorism Program. They conduct vulnerability assessments and program reviews of Army Reserve commands and facilities across the Nation. Antiterrorism programs detect, deter, and defeat threats against Army Reserve personnel, equipment, and facilities. The scope of this mission has grown and requires capable individuals to manage and enact commanders' programs. Antiterrorism officers provide the expertise and ability to synchronize command protection-based programs, which further promotes unit readiness.

Law Enforcement

Adequate resources are required for law enforcement functions on all five Army Reserve installations:

—Fort Buchanan;
—Fort Devens;
—Fort McCoy;
—Fort Hunter Liggett; and
—Camp Parks.

Law enforcement focuses on protecting Army Reserve equities, both human and material, from criminal offenders, as well as assisting and serving the community. The resources provide installation commanders a fully trained and responsive cadre of Army civilian police, support the Military Working Dog (MWD) Program at Fort Buchanan, and provide support to missions in the Caribbean and South America. Funding also assures criminal deterrence, protection, and safety of soldiers, family members, and civilians who work, train, and live on Army Reserve installations.

SERVICES AND INFRASTRUCTURE

Critical Facilities Programs That Sustain an Operational Army Reserve

—MILCON & MILCON Tails
—Facility Sustainment, Restoration, and Modernization
—Energy Security and Sustainability
—Army Reserve Communications

Facilities

The Army Reserve has completed its transition from a strategic Reserve to an operational force through reorganization, realignment, and closure of some organizations. With this came greater efficiencies and readiness but also the need for sufficient facilities to meet mission requirements at the least cost, with acceptable quality and quantity, and at the right locations. Therefore, Services and Infrastructure Core Enterprises (SICE) is poised to anticipate and respond appropriately to emerging requirements to provide training platforms, maintenance facilities, and enhanced capabilities to meet army mission requirements.

Today's ARFORGEN is a supply-based rotational model. ARFORGEN builds a structured progression of readiness over time to produce trained, ready, and cohesive units. Last year's move to a supply-based model creates a cultural shift in the way we provide services and installation infrastructure at Reserve Centers and training sites. The "Reserve Center" is no longer an administrative facility but an Operations Complex that supports preparation, training, maintenance of equipment and family support activities crucial to the health, welfare, and morale of soldiers and families.

In today's economic environment—the Nation as well as the Army Reserve—is required to become even more efficient in the use of our scarce resources. The Army, in concert with the Army Reserve, is developing a Facility Investment Strategy, which focuses on incorporating the major acquisition of units and equipping programs, that serves to advise the Construction Requirements Review Committee and the overall Army Military Construction (MILCON) program prioritization and review process. More importantly, this strategy will ensure our planning is proactive, efficient, and capable of supporting long-term mission requirements in both CONUS and OCONUS.

THE ARMY RESERVE FACILITY INVESTMENT STRATEGY INCREASES EFFICIENCY AND REDUCES COST

Cornerstones

Construct: Build out critical shortfalls.
Sustain: Repair, improve, and sustain existing facilities.
Dispose: Reduce inventory and cost through an aggressive disposal system.
Enhance: Improve existing facilities.

MILCON and MILCON Tails

Under Military Construction Army Reserve (MCAR), we have MILCON & MILCON Tails as our number one budget priority. Sufficient MILCON resources support new Organizational Readiness Training Centers (ORTCs) requirements. Older Reserve centers in the Northeast/Midwest areas of the country no longer support 21st-century recruiting markets, now burgeoning in the southern and western parts of the United States. While base realignment and closure (BRAC) facility construction efforts improved 17 percent of our facility portfolio, the average age remains at 40 years, down from an average age of 43 years prior to BRAC. With adequate resources for MILCON, we can avoid a continuous cascading effect of project implementation setbacks. Procurement and installation of fixtures, furniture and equipment, National Environmental Protection Act requirements, information technology and security equipment are additional costs that must be factored in.

Facility Sustainment, Restoration, and Modernization

Sustainment, the cornerstone of facilities stewardship, inhibits deterioration, improves building systems quality and prevents sustainment migration. Continued support for sustainment activities helps us achieve the 60 years of average facility service life that supports Army Reserve future operational requirements. Restoration and modernization enhancements are increasingly advantageous for the Army Reserve as we anticipate increased efficiencies in military construction.

Energy Security and Sustainability

The Army Reserve included in its fiscal year 2013 budget request Energy security and sustainability funding to meet the minimum congressional and Federal energy sustainability mandates. This includes energy metering; green house gas emission reductions; energy consumption and security; expanding our use of renewable energy sources; achieving "Net-Zero" in water, waste and energy; and operational energy requirements to enhance the safety of our soldiers, family members, and Army Reserve civilians.

Army Reserve Communications

The Army Reserve Network (ARNet) Management/Security/Defense encompasses three Management Decision Execution Packages (MDEPs):

—Base Information Management Operations;
—Defense/Information Assurance; and
—Long Haul Communications.

Army Reserve operations depend on ARNet functionality, agility, reliability, and security of critical mission information. ARNet defense denies adversaries and others the opportunity to exploit vulnerabilities. Long Haul Secure Communications are critical for mission command along with mobilization support.

An uninterrupted information flow is a combat multiplier by synchronizing other joint capabilities. Continued funding included in the Army Reserve's budget request supports the information environment with global access, standard infrastructures and common policies that provide information services from the generating force to the tactical edge. Adequate resourcing allows normalization of ARNet defense, tactics, techniques, and procedures. Secure Internet Protocol Router Network

(SIPRNet) and Secure-Video Teleconferencing (S–VTC) access for battalion and above are vital for pre-mobilization training and readiness requirements. Continued support for these programs permits secure communications and defends the ARNet from compromise.

MATERIEL

Critical Equipping Programs That Sustain an Operational Army Reserve

—Equipment Refresh/Life Cycle Replacement.
—Standard Army Management Information Systems and Logistics Automation Systems.
—Second Destination Transportation of Equipment.
—Five-Year Reviews of Resource Management Manpower, Training, and Hiring Practices.

Army Reserve Materiel

The Army Reserve has reached a level of logistics readiness unseen in its history, enhancing its ability to execute assigned missions for the Army and the Nation. There are critical areas where the momentum must be maintained to sustain our current level of readiness and capability—Equipment Refresh/Life Cycle Replacement, Second Destination Transportation and Surface OPTEMPO Tactical Maintenance Shops.

Equipment Refresh/Life Cycle Replacement

The Army Reserve works closely with Software Engineer Center—Lee (SEC-Lee) to ensure that all systems migrating to the Global Combat Support System-Army (GCSS-Army) have the latest technology upgrades. This ensures that Army Reserve logistics information technology systems are replaced by GCSS-Army and are robust enough to operate the new system. GCSS-Army fielding does not have hardware associated with it so it is essential that legacy systems are capable of operating the new software platform. GCSS-Army is an Enterprise Resource Planning (ERP) solution that creates a single, integrated logistics information system across the Army. When finished, the Army will have a single logistics information and management system with an integrated data warehouse across all components. The system will provide management tools to enable the Army to implement and sustain the ARFORGEN model more efficiently.

Second Destination Transportation

Second Destination Transportation (SDT) is essential to implementing and sustaining ARFORGEN in the Army Reserve. First, it is needed to support the "bridging" strategy of moving equipment from units in Reset and the early years of the ARFORGEN cycle to units in the later years of ARFORGEN. Second, it is needed to execute the Army Reserve's equipping strategy of reducing fleet management and inventory costs by concentrating equipment where it is needed, with the prospect of later cost savings from reduced transportation costs and more efficient management of equipment and maintenance resources.

Surface Operations Tempo Tactical Maintenance Shops

The appropriate level of resourcing will allow Regional Support Commands to continue contract maintenance labor in their Area Maintenance Support Activities and Equipment Concentration Sites. Contract labor addresses manpower shortages in shops as they are currently manned at only 56 percent of requirements. Additionally, actions taken under Grow the Army have increased maintenance intensive equipment by more than 18 percent. Once the requirements are documented to maintain this increase in equipment, the maintenance structure of the Army Reserve will only be filled to 39 percent of requirements. As the Army continues to field more equipment to the Army Reserve, these shortfalls will continue to grow.

Resource Management

Five-Year Periodic Reviews of Resource Management Manpower, Training, and Hiring Policies

Funding for periodic reviews (every 5 years) and authority within available funding allows the Army Reserve to implement changes in Resource Management Manpower Authorizations, Training, Hiring Policies, and Procedures unique to the Army Reserve, execute fiduciary responsibilities, and support the Army Reserve mission.

This review includes a comprehensive examination of the distinctive systems/software used by the Army Reserve to conduct its core business processes (the Reserve Level Application System (RLAS), is one primary example) and provides the ability to fund changes necessary due to advances in technology.

CONCLUSION: THE FORCE IS IN GOOD HANDS

The Army Reserve provides trained, cost-effective and ready units, that enable the Total Army Force to meet and sustain global and domestic requirements. As military force draw down and overseas contingency operations (OCO) funding diminishes, continued use of the Army Reserve in an operational role is contingent upon congressional support of the fiscal year 2013 base budget request.

The greatest asset the Army Reserve has today is the high quality and devotion to country of our warrior-citizens. The skills they bring to the fight and the leadership they bring back to their jobs and their communities is remarkable. Establishing a continuum of service that enables soldiers to meet the needs of serving their Nation, their families, and their civilian careers is paramount. Their dedicated service to the Nation should never be hindered by outmoded bureaucratic complexity. We need to think in terms of cultivating a "Soldier for Life" to retain the quality, highly experienced soldiers needed to sustain the expansible/reversible Army Reserve as an enduring operational force.

With the impending downsizing of Army strength in the coming years, the Army Reserve will focus on retaining mid-grade enlisted and officers in key specialties required by the Army Reserve. We will increase our presence at Active component transition points and reach out to soldiers well before they are due to transition to help them recognize the value of continued service to their Nation in the Army Reserve.

We will promote the Army Reserve managed Employer Partnership of the Armed Forces program as a tool for transitioning Active component soldiers, leveraging the program to develop the careers of soldiers through extensive internship and externship programs with key organizations. A great example of this is the Army Reserve's partnership with GE Healthcare to provide civilian training and certification of our Army Reserve xray technicians. We see this part of the program expanding as we move to share training and resources with our industry partners to our mutual benefit.

We seek continued funding of recruitment, retention, and transition incentives to allow us to shape the force with less reliance on cross leveling to offset our mid-grade strength imbalances. Future recruiting efforts will target incentives to more prior-service military personnel, who bring more experience than first-term soldiers into the Army Reserve. These experienced soldiers are critical in filling shortages among mid-level commissioned and noncommissioned officers.

Realization of a 5-year supply-based ARFORGEN Cycle means all of our operational units now have an "available force pool" date, which will allow us to build progressive readiness throughout the cycle and tailor our manning, equipping and training strategies, and our soldier and family support programs to best sustain the force throughout deployment cycle.

Why an enduring operational force? Army Reserve capabilities are well-suited to support and participate in security cooperation activities and peace operations worldwide. Security cooperation builds relationships that promote specified U.S. interests, develops allied and friendly and capabilities for self-defense and coalition operations and provides U.S. forces with peacetime and contingency access. The extensive operational experience and relevant civilians skill-sets resident within the Army Reserve are essential in meeting Combatant Command requirements for international engagement activities that improve infrastructure, security, and institutions within foreign nations of strategic interest to the United States.

We take our commitments to our Nation, to our Army, and to our soldiers, families, and our employer partners seriously. We are effective stewards of our Nation's resources. America's sons and daughters serve with an unwavering commitment, willingly answering the call to duty in a time of war or national emergency. As we position ourselves as an essential provider of combat support and combat service support to the United States Army, we look to the Congress and our fellow citizens for strength and support as our partners in maintaining an enduring operational Army Reserve for the 21st century.

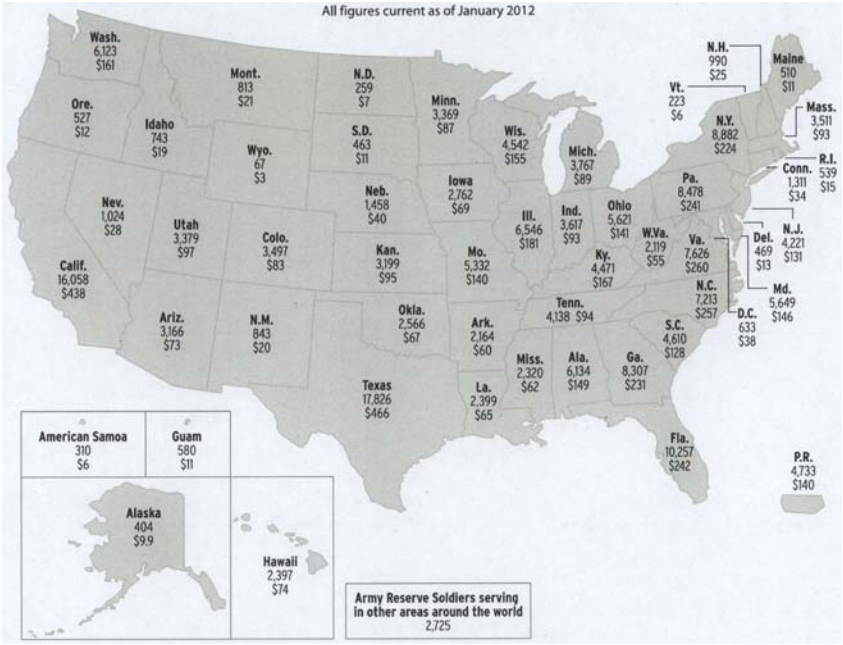
YOUR ARMY RESERVED

The United States Army Reserve provides trained units and qualified soldiers available for Active Duty in the Armed Forces in time of war or national emergency, and at such other times as the national security may require. Throughout the

United States, the Army Reserve has four Regional Support Commands that provide base support functions, and 13 Operational and Functional Commands available to respond to homeland emergencies and expeditionary missions worldwide.

ARMY RESERVE SOLDIERS AND ECONOMIC IMPACT BY THE STATE

[DOLLARS IN MILLIONS]



Economic impact consists of the payroll for Select Reserve Soldiers and Civilian support, Army Reserve military construction (MILCON) projects, leases, utilities, municipal services, engineering services, fire and emergency services, maintenance and repair, minor construction, environmental compliance, environmental conservation, and pollution prevention.

ARMY RESERVE SNAPSHOT

Mission.—The Army Reserve provides trained, equipped, and ready soldiers and cohesive units to meet global requirements across the full spectrum of operations.

Vision.—As an enduring operational force, the Army Reserve is the premier force provider of America's citizen-soldiers for planned and emerging missions at home and abroad. Enhanced by civilian skills that serve as a force multiplier, we deliver vital military capabilities essential to the Total Force.

Key Leaders

Secretary of the Army: The Honorable John M. McHugh

Army Chief of Staff: General Raymond T. Odierno

Chief, Army Reserve and Commanding General, U.S. Army Reserve Command: Lieutenant General Jack C. Stultz

Assistant Chief, Army Reserve: Mr. James Snyder

Deputy Commanding General, (Operations): Major General Jon J. Miller

Deputy Chief Army Reserve, Individual Mobilization Augmentee: Major General Marcia M. Anderson

Deputy Chief Army Reserve/Human Capital Enterprise: Brigadier General James V. Young

Deputy Commanding General (Support)/Chief of Staff: Major General Keith L. Thurgood

Director for Resource Management/Materiel Enterprise: Mr. Stephen Austin

Deputy Chief of Staff, G–3/5/7/Force Programs Division/Readiness Enterprise: Brigadier General Scott L. Donahue

Chief Executive Officer/Director, Services and Infrastructure Enterprise: Mr. Addison D. Davis

Command Chief Warrant Officer: Chief Warrant Officer 5 James E. Thompson

Command Sergeant Major: Command Sergeant Major Michael D. Schultz

Army Reserve Basics

Established: April 23, 1908
2011 Authorized End Strength: 205,000
Selective Reserve Strength: 204,647
Accessions Goal for Fiscal Year 2011: 19,000
Accessions Achieved Fiscal Year 2011: 19,608
Accessions Goal for Fiscal Year 2012: 16,000
Reenlistment Goals for Fiscal Year 2011: 10,990
Reenlistment Goals Achieved for Fiscal Year 2011: 11,719
Reenlistment Goals for Fiscal Year 2012: 13,106
Soldiers Deployed Around the World: 19,156
Soldiers Mobilized Since September 11, 2001: 200,148
Number of Army Reserve Centers: 1,100

Distinctive Capabilities

The Army Reserve contributes to the Army's Total Force by providing 100 percent of the:

—Theater Engineer Commands
—Civil Affairs Commands
—Training Divisions
—Biological Detection Companies
—Railway Units
—Replacement Companies

. . . more than two-thirds of the Army's:

—Medical Brigades
—Civil Affairs Brigades
—PSYOPS Groups
—Expeditionary Sustainment Commands
—Dental Companies
—Combat Support Hospitals
—Army Water Craft
—Petroleum Units
—Mortuary Affairs Units

. . . and nearly one-half of the Army's:

—Military Police Commands
—Information Operations Groups
—Medical Units
—Supply Units

Army Reserve Demographics

Ethnicity (in percent):	
Caucasian	57.9
Black	21.9
Hispanic	13.4
Asian	4.0
Pacific Islander	1.0
Native American	0.7
Other	1.1
Average Age	32.1
Officers	40.5
Enlisted	30.3
Warrant	43.0
Married (in percent)	45.2
Officers	66.2
Enlisted	40.7
Warrant	73.3
Gender (in percent):	
Male	76.9
Female	23.1

Army Reserve Budget Figures

Total fiscal year 2012 enacted budget	$8.8 billion
Operations and maintenance	3.3 billion
Military Personnel	5.2 billion
Military Construction	281 million

Army Reserve Installations

Fort Buchanan, Puerto Rico
Fort McCoy, Wisconsin
Fort Devens, Massachusetts
Fort Hunter Liggett, California
Fort Dix, New Jersey
Camp Parks, California

I am an American Soldier.
I am a Warrior and a member of a team. I serve the people of the United States and live the Army Values.
I will always place the mission first.
I will never accept defeat.
I will never quit.
I will never leave a fallen comrade.
I am disciplined, physically and mentally tough, trained, and proficient in my warrior tasks and drills. I always maintain my arms, my equipment and myself.
I am an expert and I am a professional.
I stand ready to deploy, engage, and destroy the enemies of the United States of America in close combat.
I am a guardian of freedom and the American way of life.
I am an American Soldier.

Chairman INOUYE. Sergeant, thank you for your service to our Nation. We are very proud of you, so please be recognized. And I think an important partner is your wife.

And I'll call upon the General of the Marines, General Hummer.

STATEMENT OF LIEUTENANT GENERAL STEVEN A. HUMMER, DIRECTOR, RESERVE AFFAIRS, UNITED STATES MARINE CORPS

General HUMMER. Thank you very much, Chairman Inouye, Vice Chairman Cochran, and members of this subcommittee.

It's an honor and a privilege to speak with you here today on behalf of your United States Marine Corps Reserve.

Mr. Chairman, we welcome your leadership and your support. The subcommittee's continued unwavering support for Marine Corps Reserve and its associated programs enables marines and sailors to professionally and competently perform in an operational capacity, and it is greatly appreciated.

With me today, and I'd ask them to stand up, are my two senior enlisted advisers and leaders, Sergeant Major James E. Booker, and Command Master Chief Eric E. Cousin.

These gentlemen epitomize the Navy-Marine Corps team, and proudly represent our services' enlisted marines and sailors who collectively form the backbone of Marine Forces Reserve.

The Marine Corps is as strong today as ever in its 236-year history. Our marines have been doing what they have done best since 1775, standing shoulder-to-shoulder to fight our Nation's battles.

I'm pleased to report to you today that today's Marine Corps attends to its commitments as a Total Force, and as such, the Marine

Corps Reserve is integrated in all areas of the Marine Corps as never before.

Since 2001, this great Nation required the Marine Corps Reserve to be continuously engaged in combat operations in Iraq and Afghanistan as well as in regional security cooperation and crisis prevention activities in support of various geographical, combatant commanders.

Almost 80,000 reservists have been activated or mobilized since September 11. This operational tempo has built a momentum among our warfighters and a depth of experience throughout our ranks that is unprecedented in the generations of Marine Corps Reservists.

This operational tempo has enabled the Marine Forces Reserve to evolve from a Strategic Cold War Reserve to an operational force capable of simultaneously filling both roles, both the strategic and the operational role.

In the operational role, Marine Forces Reserve has sourced, preplanned, rotational and routine combatant commander and service requirements across a variety of military operations.

Marine Forces Reserve continues to perform its strategic role with combatant commander exercise involvement and focused readiness that coherently enables a rapid transition to operational roles or support to major contingency operations.

As I sit here today, we have almost 1,500 marines and sailors deployed on five continents in support of six geographic combatant commanders, which includes conducting combat operations in Afghanistan, to theater security activities by a special Marine Air Ground Task Force in Eastern Africa.

As the Active component Marine Corps reshapes from 201,000 marines, to a force of approximately 182,100, the diverse depth and range of the Marine Corps Reserve will be leveraged to mitigate risk and maximize opportunities where available.

I am highly confident that the authorized Marine Corps Reserve end-strength of 39,600 is appropriate for providing us with the personnel required to support the Total Force during Active component build down.

Accordingly, our manpower bonus and incentive programs for Reserves are essential tools in achieving 100 percent of our authorized end-strength, and the continued use of these programs is critically important as we rebalance the Total Force.

PREPARED STATEMENT

It's a privilege to serve during these very important and challenging times in our Nation's defense, especially as a leader of our All-Volunteer Reserve Component Force.

With your continued support, I'm highly confident that your Marine Corps Reserve will remain a ready, relevant and responsive force that continues to be fully vested in the Total Force Marine Corps.

Thank you for your demonstrated support for our reservists, their families and their employers, and from your Marines, semper fidelis.

Chairman Inouye and distinguished members of the subcommittee, I look forward to your questions.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL STEVEN A. HUMMER

Chairman Inouye, Ranking Member Cochran, and distinguished members of the subcommittee, it is my honor to report to you on the state of the Nation's Marine Corps Reserve and our reservists, who enthusiastically and professionally contribute to the balanced air-ground-logistics team that underscores America's Expeditionary Force in Readiness—the U.S. Marine Corps. We are extremely grateful for your continued support of programs like tuition assistance and transition assistance, Manpower Retention Incentives, and the Yellow Ribbon Reintegration Program, as well as the recently approved section 12304b in chapter 1209 of title 10. These help to sustain us as an Operational Reserve and as a crucial part of the Total Force.

INTRODUCTION

The Marine Corps is as strong today as ever in its 236-year history. That's a bold statement, but it's backed by equally bold Active and Reserve component marines who are experienced in taking the fight directly to the enemy. Our marines have been doing what they have done best since 1775—standing shoulder-to-shoulder to fight and win the Nation's battles. We don't differentiate; all marines—whether Reserve or Active component—are disciplined, focused, and lethal. We are a Total Force, and as such, the Marine Corps Reserve is integrated in all areas of the Marine Corps as never before.

I continue to be humbled on a daily basis in my interactions with our magnificent reservists. Like their Active Duty brothers and sisters, they sacrifice so much of their time—and so much of themselves—to protect and serve this great Nation. The way they balance their family responsibilities, civilian lives, and occupations—and still stay marine—continues to amaze me. They do it with humility, without fanfare, and with a sense of pride and dedication that is consistent with the great sacrifices of marines of every generation. I am reminded daily about the seriousness of the environment in which we operate and the uncertain times that lay ahead in this fiscally constrained environment. That said, I remain highly confident in the ability of the Marine Corps Reserve to meet these challenges due to the tremendous talent that fills our ranks and the incredible support by this subcommittee and the American people who sustain us.

The four priorities outlined by the Commandant of the Marine Corps in his 2012 Report to Congress on the Posture of the United States Marine Corps will continue to ensure the Total Force is able to meet the demands of the future. They are:

—Provide the best trained and equipped marine units to Afghanistan. This will not change and remains our top priority;
—Rebalance our Corps, posture it for the future and aggressively experiment with and implement new capabilities and organizations;
—Better educate and train our marines to succeed in distributed operations and increasingly complex environments; and
—Keep faith with our marines, our sailors, and our families.

The priorities I've outlined for Marine Forces Reserve are nested within the Commandant's priorities to ensure today's Marine Corps Reserve is a nimble, fully engaged part of the Total Force that is necessary for modern combat. I believe Active component Marines and senior leadership at all levels appreciate a fully engaged Operational Reserve Force. As an integral element of the Total Force Marine Corps, our marines and sailors share the culture of deployment and expeditionary mindset that has dominated Marine Corps culture, ethos, and thinking since our service's beginning more than 2 centuries ago. Accordingly, the U.S. Marine Corps Reserve is organized, manned, equipped, and trained, like our Active Duty brethren, to provide a professionally ready, responsive, and relevant force as a Marine Corps solution to enable joint and combined operations. We are, and will remain, a key component in the Corps' role as America's Expeditionary Force in Readiness.

AN OPERATIONAL RESERVE

Since 2001, this great Nation required its Marine Corps Reserve to be continuously engaged in combat operations in Iraq and Afghanistan as well as in regional security cooperation and crisis prevention activities in support of the various geographical combatant commanders. This operational tempo has built a momentum among our war fighters and a depth of experience throughout the ranks that is unprecedented in generations of Marine Corps Reservists.

As of February 1, 2012, 61,123 marines from the Ready Reserve have executed a total of 79,420 sets of mobilization orders. This operational tempo has enabled Ma-

rine Forces Reserve to evolve from a strategic to an operational force, capable of simultaneously fulfilling both roles. In the operational role, Marine Forces Reserve has sourced preplanned, rotational, and routine combatant commander and service requirements across a variety of military operations. We have routinely supported operations in Afghanistan and Iraq while sourcing combatant commander requirements, such as Special Purpose Marine Air Ground Task Force in support of U.S. Africa Command (AFRICOM); Black Sea Rotational Force in support of U.S. European Command (EUCOM); Unit Deployment Program (UDP) in support of U.S. Pacific Command (PACOM); and Southern Partnership Station in support of U.S. Southern Command (SOUTHCOM). Additionally, Marine Forces Reserve continues to perform its strategic role with combatant commander exercise involvement and focused readiness that coherently enables a rapid transition to operational roles or support to major contingency operations.

During the previous year, Marine Forces Reserve operations continued on a high-operational tempo as we supported all of the geographical combatant commanders across the globe. Our force-level units and major subordinate commands—the 4th Marine Division, 4th Marine Aircraft Wing, and 4th Marine Logistics Group—were called upon to provide 3,227 marines to support Operation Enduring Freedom (OEF) and plan to deploy 788 marines this fiscal year. Marine Forces Reserve also deployed marines to a multitude of theater-specific exercises and cooperative security efforts, which were designed to increase interoperability with our Partnership For Peace NATO allies as well as for developing Theater Security Cooperatives in countries such as Morocco, South Africa, Romania, Georgia, the Black Sea region and with our partners throughout the Pacific Rim.

Marine Forces Reserve's operational focus will continue to directly support the geographical combatant commanders this year in various roles that includes multiple bilateral exercises, such as African Lion in Morocco, Key Resolve and Ulchi Freedom Guardian in South Korea, Cold Response in Norway, Tradewinds in Barbados, and Agile Spirit, which is an ongoing effort with the Georgian Army in and around Tbilisi. The way ahead for Marine Forces Reserve includes continued support to OEF while also maintaining a high operational tempo by deploying forces to meet high-priority combatant commander requirements. Principle among these deployments is the support to an AFRICOM Special Purpose Marine Air Ground Task Force, forward deploying an Artillery Battery to Okinawa, Japan, as part of the Unit Deployment Program, and the building of partner capacity in the Black Sea region on behalf of the geographical combatant commander by providing Marine Reservists to conduct operations of various sizes and complexities throughout the region to assure stability and sustainability in this high priority geopolitical region. Like our Active Duty counterparts, our training and exercise support will incorporate amphibious operations and a refocused concentration on our Naval heritage. During January, our personnel participated in Bold Alligator, the largest amphibious exercise the Navy and Marine Corps have conducted in more than a decade.

In addition to operational requirements, Marine Forces Reserve personnel and units conduct community relations events nationwide. Due to the command's unique geographical dispersion, Marine Forces Reserve personnel and units are advantageously positioned to interact with the American public, telling the Marine Corps story to our fellow citizens who typically have little or no contact with the Marine Corps. Therefore, for the preponderance of the American public, their perception of the Marine Corps is informed by dialogue with our reservists during the myriad of community relations events that occur throughout the year across the country.

During the previous year, Marine Forces Reserve supported more than 10 significant community relations events, which included among others Marine Week St. Louis, Armed Forces Bowl in the Dallas/Fort Worth area, New York City Fleet Week, Baltimore Fleet Week, and Public Service Recognition Week and Joint Service Open House in the District of Columbia area. Marine Forces Reserve also supported more than 50 community relations events of a lesser scale that included various air shows, memorials, and assorted flyovers across the Nation. Additionally, more than 380 community events of a routine nature were supported across the Nation, such as color guard details, vehicle and weapon static displays, and speaking engagements.

The significant community relations events required a footprint of Marine Forces Reserve assets that mirrored an operational Marine Air-Ground Task Force. Of note is the Marine Week concept, which is a Headquarters Marine Corps strategic engagement activity that was initiated during 2009. This strategic engagement initiative was created to articulate to the American public what the U.S. Marine Corps stands for, what we do, who we are, and what the Corps aspires to accomplish in the future. This week-long event generally encompasses a series of more than 60 smaller events, which may include formal ceremonies, various static displays of air-

craft, vehicles and weapons, and other outreach events such as sports demonstrations, concerts, and tactical demonstrations. However, months prior to the event, key leaders from throughout the Marine Corps interact with the local community through leadership panels and discussion groups covering topics such as diversity, roles and opportunities for service by women, and general leadership principles. Marine Forces Reserve was the lead element for Marine Week since its inception, sourcing the Marine Air Ground Task Force command element and the preponderance of the subordinate units for Marine Week Chicago in 2009, and has done so for subsequent Marine Weeks: Boston in 2010 and St. Louis in 2011. Marine Forces Reserve will take the lead once again for Marine Week Cleveland this June and is likely to be the Force of Choice to form the command element on behalf of the Marine Corps for all Marine Weeks hereafter due to our national footprint, deep connection with local communities, and integration of Active and Reserve component personnel at our Reserve centers across this great Nation.

I would be remiss if I didn't include veterans as key components to our continued success in communities across the country. Veterans provide our personnel, Active and Reserve, with unsurpassed support. Veterans often serve as a communication conduit between our marines and local leaders and business owners. They are also instrumental in assisting with community engagement, such as Marine Week and the Marine Corps Reserve Toys for Tots program.

In addition to participating in operational requirements across the globe and in community relations events here at home, our Active Duty marines who are assigned to our Inspector—Instructor and Reserve Site Support staffs steadfastly and diligently execute the significant responsibility of casualty assistance. Continued operational efforts in Afghanistan have required that these marines remain ready at all times to support the families of our fallen marines in combat abroad, or in unforeseen circumstances at home. By virtue of our geographic dispersion, Marine Forces Reserve personnel are well-positioned to accomplish the vast majority of all Marine Corps casualty assistance calls and are trained to provide assistance to the families. Historically, our personnel have been involved in approximately 80 percent of all Marine Corps casualty notifications and follow-on assistance calls to the next of kin. During calendar year 2011, our Inspector—Instructor and Reserve Site Support staffs performed 83 percent of the total casualty calls performed by the Marine Corps (310 of 375). There is no duty to our families that we treat with more importance, and the responsibilities of our Casualty Assistance Calls Officers (CACO) continue well beyond notification. We ensure that our CACOs are well trained, equipped, and supported by all levels of command. Once a CACO is designated, he or she assists the family members from planning the return of remains and the final rest of their Marine to advice and counsel regarding benefits and entitlements. In many cases, our CACOs provide a long-lasting bridge between the Marine Corps and the family while providing assistance during the grieving process. The CACO is the family's central point of contact and support, and he or she serves as a representative or liaison to the funeral home, government agencies, or any other agency that may become involved.

Additionally, Marine Forces Reserve units and personnel provide significant support for military funeral honors for our veterans. The Inspector—Instructor and Reserve Site Support staffs, with augmentation from their Reserve Marines, performed 91 percent of the total funeral honors rendered by the Marine Corps during calendar year 2011 (15,366 of 16,943). We anticipate providing funeral honors to more than 16,000 marine veterans during calendar year 2012. Specific authorizations to fund Reserve Marines in the performance of military funeral honors have greatly assisted us at sites such as Bridgeton, Missouri, where more than 10 funerals are consistently supported each week. As with casualty assistance, we place enormous emphasis on providing timely and professionally executed military funeral honors support.

The upcoming implementation of the Marine Corps' Force Structure Review (FSR) of the Total Force—Active, Reserve, and civilian—will not impede our operational excellence, community involvement, casualty assistance, or funeral honors. The FSR initiative evaluated and refined the organization, posture, and capabilities required of America's Expeditionary Force in Readiness in a post-OEF security environment. It was further informed by the Department of Defense budget that was developed and incorporated in the fiscal year 2013 President's budget. Throughout the implementation plan, Marine Forces Reserve is prepared to work with any personnel affected by this initiative to locate a suitable opportunity. In some cases, the servicemember may be afforded an opportunity for inactive duty training travel reimbursement or additional training to obtain a new military occupational specialty. I appreciate in advance your support as we move forward to seamlessly implement the FSR plan.

PREDICTABILITY

Our Force Generation Model is one of the most important planning mechanisms for facilitating the operational use of the Marine Corps Reserve. The Model, which was implemented in October 2006, continues to provide long-term and essential predictability of future activations and deployments for our reservists. The Model provides our reservists, their families, and their employers, the ability to plan for upcoming duty requirements in their lives 5 or more years out. This empowers servicemembers and their families to achieve the critical balance between family, civilian career, and service to the Nation while enabling employers to plan for and manage the temporary loss of valued employees. The Force Generation Model also assists service and joint force planners in maintaining a consistent and predictable flow of fully capable Marine Corps Reserve units.

The Force Generation Model is a simple management tool that is based on 1-year activations followed by 5 years in a nonactivated status. This allows for a continued and sustainable 1:5 deployment-to-dwell ratio for our reservists as well as the ability to support unplanned requirements. In fact, the Marine Corps Reserve can potentially source 3,000 marines per rotation and 6,000 marines annually at a 1:5 deployment-to-dwell ratio as programmed in the Force Generation Model. Furthermore, projecting predictable activation dates, mission assignments, and geographical destination years in advance enables units to focus training on core mission requirements early in the dwell period, then transition the training to specific mission tasks when the unit is 12–18 months from activation.

The fiscal year 2012 National Defense Authorization Act that was signed into law by the President on December 31, 2011, greatly advances this predictable employment of the Reserve component as an operational Force. Specifically, the Reserve involuntary activation authority delegated to the Service secretaries to order Reserve component members to Active Duty for not more than 365 consecutive days for preplanned and budgeted missions promotes our ability to proactively plan for and provide well-equipped, trained, and competent Reserve Forces to the various geographic combatant commanders to fulfill their Theater Security Cooperation requirements.

Title 10, chapter 1209, section 12304b, provides the appropriate authorities to ensure Marine Forces Reserve's continued level of support to geographic combatant commanders' Theater Security Cooperation and Phase 0 shaping operations as well as maintain readiness across the Total Force. Of particular note, this authority facilitates a Total Force sourcing solution to meeting global requirements by allowing the Secretary of a military department to determine when to use the Reserve component. This amendment provides for the flexibility Service planners need to determine force sourcing solutions based on Force Generation Models and policies. Over the last decade, the Services have seen an increasing demand signal from the geographical combatant commanders to support their Theater Security Cooperation and Phase 0 shaping operations. We certainly expect this demand will continue to increase in the post-OEF environment as geographic combatant commanders increase engagement activities across the globe.

PERSONNEL

Marine Forces Reserve consists of Force-level units, such as Intelligence Support Battalion and Civil Affairs Groups, and our major subordinate commands—4th Marine Division, 4th Marine Aircraft Wing, and the 4th Marine Logistics Group. Marine Forces Reserve comprises a large percentage of the Selected Marine Corps Reserve's authorized end-strength of 39,600. Additionally, Marine Forces Reserve administers approximately 57,000 marines who serve in the Individual Ready Reserve. The Selected Marine Corps Reserve is comprised of marines in Reserve units and the Active Reserve program as well as Individual Mobilization Augmentees and those in initial training. The Selected Marine Corps Reserve and the Individual Ready Reserve form the Ready Reserve.

We continue to enjoy strong accessions and an increase in retention over the historical norm, which greatly enhanced our ability to improve manning to our end strength during fiscal year 2011. Our bonus and incentive programs for Reserves were essential tools in achieving 100 percent of our authorized end strength. The continued use of these programs is a critical enabler for us as we rebalance the Force during the upcoming implementation of the Force Structure Review. Our authorized end-strength of 39,600 is appropriate for providing us with the personnel we require to support the Total Force while achieving the Secretary of Defense's goal of a 1:5 deployment-to-dwell for Selected Marine Corps Reserve units.

I am pleased to report that the Marine Corps/Navy Reserve team is as strong as ever. During calendar year 2011, the Navy ensured Marine Forces Reserve units

were fully manned and supported with Program 9—U.S. Navy personnel in support of Marine Forces—and Health Service Augmentation Program personnel during all deployment phases. Four hundred eighty-six U.S. Navy personnel were sourced to staff Marine Forces Reserve units that deployed to Iraq and Afghanistan, as well as numerous joint and/or combined exercises. These individuals focused almost entirely on providing medical, dental and religious services. The Navy Mobilization Office works with my headquarters, as well as with my major subordinate commands, to source 100 percent of all requirements.

Manning to authorized end strength requires an institutional approach. The Marine Corps is unique in that all recruiting efforts fall under the direction of the commanding general, Marine Corps Recruiting Command. This approach provides tremendous flexibility and unity of command in annually achieving Total Force recruiting objectives. Like the Active component Marine Corps, Marine Corps Reserve units rely primarily upon a first-term enlisted force. Marine Corps Recruiting Command achieved 100 percent of its recruiting goal for nonprior service recruiting (5,730 enlisted marines and 96 officers) and prior service recruiting (4,058) for fiscal year 2011. As of February 29, 2012, 2,216 enlisted nonprior service and 1,242 enlisted prior service marines have been accessed, reflecting 38.8 percent of the nonprior service and 49.7 percent of the prior service annual enlisted recruiting mission for the Selected Marine Corps Reserve. We fully expect to meet our Selected Marine Corps Reserve recruiting goals again this fiscal year.

Officer recruiting remains our most challenging area. Historically, the Active component Marine Corps has been the exclusive source of senior lieutenants and captains for the Marine Corps Reserve, and it remains a source of strength in meeting our company grade requirements. Through our transition assistance and educational outreach programs, we continue to ensure that each transitioning Active component marine is educated on continued service opportunities in the Marine Corps Reserve. To compliment the Active-to-Reserve component company grade accessions, we continue to offer three Reserve commissioning initiatives that focus exclusively on the most crucial challenge of manning the Marine Corps Reserve with quality company grade officers. These Reserve commissioning initiatives are the Reserve Enlisted Commissioning Program (RECP), which was expanded to qualified Active Duty enlisted marines in addition to qualified Reserve enlisted marines; Meritorious Commissioning Program—Reserve (MCP–R), which is open to individuals of the Active and Reserve components who have earned an associate's degree or equivalent in semester hours; and Officer Candidate Course—Reserve (OCC–R). Since 2004, these three programs have produced a total of 456 lieutenants for the Marine Corps Reserve. The OCC–R program has been the most successful of the three Reserve commissioning initiatives, producing 422 officers. It focuses on ground billets with an emphasis on ground combat and combat service support within specific Reserve units that are scheduled for mobilization. Thus, the priority to man units with these officers is tied to the Force Generation Model. These programs, combined with our prior service recruiting efforts, are projected to provide at least 90 percent manning of critical combat arms and engineer company grade officer billets by September 30, 2015.

As the Marine Corps begins to draw down Active component end strength to 182,100, the option to continue to serve in the Reserve component will undoubtedly be increasingly appealing to young marines leaving Active Duty. Those approaching the end of their current contracts—Active or Reserve component—receive more focused counseling on the tangible and intangible aspects of remaining associated with, or joining, the Selected Marine Corps Reserve. All commanders and senior enlisted leaders across Marine Forces Reserve are tasked to retain quality marines through example, mentoring, and information and retention programs. This takes place across the marine experience, not just in the final days of a marine's contract. Your continued support regarding enlistment, affiliation, and re-enlistment bonuses along with other initiatives that promote service to this great Nation greatly influences my ability to gain and retain the very best servicemembers. I greatly appreciate the continuance of these programs, especially since they are most likely to prove instrumental in aligning the right people to the right place as we rebalance the Force.

EQUIPMENT

The Commandant of the Marine Corps signed the Service's Ground Equipment Reset Strategy on January 1, 2012. This strategy resets the Force in support of the Commandant's reconstitution objectives. As the executive agent for the execution of this strategy, Marine Corps Logistics Command will ensure the timely and responsive reset of the Reserve component equipment to maintain a high state of readiness

across the Force. The unique geographic dispersion of our Reserve units and their limited capacity to store and maintain the total war fighting equipment set onsite underscores the unique relationship between Marine Corps Logistics Command and our Reserve units. This relationship assures high training readiness by using a specific training allowance at Reserve Training Centers while maintaining the remainder of the war fighting requirement in enterprise-managed facilities. This strong relationship, which is necessary for a viable operational Reserve, is inherent in the service's reset strategy. I am confident that Marine Forces Reserve will continue to meet the Commandant's first priority—provide the best trained and equipped Marine units to Afghanistan—while protecting the enduring health of the operational Reserve.

Although we have been engaged in combat operations for more than a decade, our equipment readiness rates remain above 97 percent. To be sure, this last decade has demonstrated the need to maintain a significant Reserve Force readiness posture, even during periods of no or low conflict. However, our current 97-percent readiness level has only been attained and sustained by the availability of contingency funding. As the contingency funding draws down and on-hand assets increase as a result of the Reset, we will rely solely on our Operations and Maintenance, Reserve appropriation. Additionally, equipment preventive maintenance and organizational maintenance programs have also become more developed due to increased training associated with mobilizations over the past decade. Thus, the requirement to maintain them will still exist as the contingency funding that supports these capabilities decreases.

Several resources and programs combine to form the basis to the Marine Corps Reserve approach to maintenance. Routine preventive and corrective maintenance are performed locally by operator and organic maintenance personnel. This traditional approach to ground equipment maintenance was expanded to include an increasing reliance on highly effective contracted services and depot-level capabilities, which were provided by the Marine Corps Logistics Command. Over the past year, we experienced significant success with the Marine Corps Logistics Command's "Mobile Maintenance Teams" that have provided preventive and corrective maintenance support to all 183 Marine Corps Reserve centers across the United States. This maintenance augmentation effort has directly improved our equipment readiness as well as provided valuable "hands on" training to our organic equipment maintainers.

Additionally, the Marine Corps Logistics Command's "Enterprise Lifecycle Maintenance Program" provides for the rebuilding and modifying of an array of principal end items, such as the light armored vehicle, the amphibious assault vehicle, and our entire motor transport fleet. Finally, we continue to reap significant benefits from the Marine Corps Corrosion Prevention and Control Program. Dollar for dollar, this program has proven highly effective in the abatement and prevention of corrosion throughout the Force. Collectively, these initiatives and the hard work and dedication of our marines and civilian marines across Marine Forces Reserve sustain our ground equipment readiness rates at or above 97 percent.

The National Guard and Reserve Equipment Appropriation (NGREA) has been used to modernize and equip the Reserve component. It has funded equipment that provides both maximum interoperability and balance between the Active and Reserve components. Building on the $65 million and $45 million that we received in fiscal years 2009 and 2010 to supplement baseline procurement dollars and accelerate the fielding of various programs throughout the Marine Air Ground Task Force, fiscal year 2011's $70 million in NGREA support was used to procure 10 light armored vehicle logistics variants, which completed our light armored vehicles requirement. The funds were also used for the procurement of satellite network packages for command and control, Raven Unmanned Aerial Vehicle systems, various combat vehicle training and marksmanship systems, and virtual convoy trainers and simulators enhanced Reserve component modernization programs.

As articulated in our fiscal year 2013 National Guard and Reserve Equipment Report (NGRER), the Marine Corps' Total Force fielding policy is accentuated by a methodology of horizontal fielding of equipment to enable the Service concept of "mirror imaging" between the Active and Reserve components. Accordingly, as the Marine Corps incorporates modernization programs to posture our capabilities to meet the ever-changing character of current and future operations, we have identified five modernization priorities that could be funded with the fiscal year 2012 NGREA that have been already provided.

The first three priorities relate to the incorporation of aircraft flight training devices (FTDs) and their linkage via the Aviation Virtual Training Environment (AVTE). These devices will not only allow aircrews to conduct more sorties via the simulators/training devices but will also allow the Reserve component to train with

other units and aircrews as a way to reduce costs in a resource-constrained environment. The first priority is to procure a CH–53E FTD, which will enable aircrew refresher and proficiency training along with AVTE linkage to other FTDs. The second and third priorities are to procure 2 UH–1 and 1 MV–22 FTDs, respectively, allowing for both aircrew refresher and proficiency training, as well as conversion training prior to the UH–1Y and MV–22B aircraft delivery to the Reserve component.

The fourth and fifth priorities involve the modernization of the KC–130T, which will remain in service in the Reserve component beyond the year 2020. Procurement of the Digital Engine Indicator Panels will mitigate parts obsolescence issues and the Electronic Prop Control Systems will increase the mean time between failures for the KC–130T community's top degrader. The modernization of the KC–130T will serve as a bridge to the KC130J, which may not be fielded to the Reserve component until 2020.

TRAINING

For the fourth year in a row, Marine Forces Reserve will sponsor exercise Javelin Thrust stateside this July, which will focus on Marine Air Ground Task Force core competency training. Javelin Thrust 2012 will be conducted aboard installations throughout the Western United States with both virtual and real world aspects to the exercise. This year, Javelin Thrust has been designated as Large Scale Exercise 1 for the Marine Corps and will serve as an aid-to-construct for future Large Scale Exercises. Javelin Thrust 2012 will be executed as a Marine Air Ground Task Force deployment vice a compilation of numerous annual training events, with units participating based on their future deployment schedule according to the Force Generation Model. Javelin Thrust will provide all elements of the Marine Air Ground Task Force with the opportunity to complete some of the training necessary to expeditiously forward-deploy in any operational environment. Additionally, individuals serving on the exercise's Marine Air Ground Task Force staffs will receive training that will enable them to competently perform as individual augments on a Marine Air Ground Task Force and/or joint staff overseas. The Large Scale Exercise will be an assessed Marine Air Ground Task Force exercise at the Marine Expeditionary Brigade level composed of Marine Forces Reserve units from Force-level units and all three major subordinate commands and an integrated Active and Reserve component headquarters. This aspect of the exercise is aimed at validating the Total Force approach with an emphasis on interoperability of Active component and Reserve component Marine forces.

One of the most exciting areas where we continue to transform the depth and scope of our training remains the cutting-edge arena of Training Simulation. We continue to maximize our efficiencies by utilizing our training simulators wherever possible in order to preserve our fiscal resources. Marine Forces Reserve continues to field several immersive complex digital video-based training systems, complete with the sights, sounds and chaos of today's battlefield environments. These systems are particularly important, considering the limited training time and facilities available to our commanders. Last year, we completed the fielding and upgrading of the Indoor Simulated Marksmanship Trainer-XP. These simulators make it possible for the Marines to "employ" a variety of infantry weapons—pistol through heavy machinegun—in rifle squad scenarios.

The Virtual Combat Convoy Trainer-Reconfigurable Vehicle System provides invaluable predeployment training for the drivers of all makes and models of tactical vehicles. This trainer provides various conditions of terrain, road, weather, visibility and vehicle condition as well as various combat scenarios, which includes routine movement, ambush, and IED, among others. The Virtual Combat Convoy Trainer-Reconfigurable Vehicle System is a mobile, trailer-configured platform that utilizes a HMMWV mock-up, small arms, crew-served weapons, 360-degree visual display with after-action review/instant replay capability. Incorporation of this training system is attributed with saving countless lives in Iraq and Afghanistan, and upwards of $37 million a year in training dollars. We are now preparing to accept the fourth generation of this system and have doubled student throughput.

The HMMWV Egress Assistance Trainer and the Mine-Resistant Armor Protected (MRAP) Egress Trainer are mechanical simulation trainers that familiarize Marines with the techniques and procedures to egress a HMMWV or a MRAP vehicle that has overturned. Both Trainers are training tools that provide Marines with the opportunity to experience vehicle roll-over conditions to enable them to rehearse actions and physically execute the steps necessary to survive a vehicle rollover. These systems support the U.S. Central Command requirement for all marines to complete vehicle roll-over training prior to deploying to designated combat zones.

Language and culture training is available to all Marine reservists and is delivered via a variety of techniques from live instruction to portable media to Web-based tutorials and applications. Our Afghanistan culture training leverages academia, utilizes Afghan-American expertise, and includes Web-host detailed and tailored courses of instruction. These courses can be accessed by any computer and have the added functionality of being iPod compatible to download for transportability and accessibility by our marines. We beta-tested our first Pashtu language course for an infantry battalion that deployed to South Asia. This was an 18-week, 108-hour course that was a Webinar-linked program, which allowed geographically separated marines and instructors to "meet" in a virtual classroom that consisted of using course-provided computing systems. It was synonymous with the program Special Operations Command has been running for a number of years. This course was directed to provide Pashtu language capability down to the squad level with participants at the rank of lieutenant, sergeant, corporal and below. In comparison to some of the resident training programs offered within the Joint and larger DOD community, this course yielded better results on the proficiency exam. Additionally, our marines also participated in introductory Pashto immersion training, which was conducted in 5- and 8-week blocks of instruction and was supported by the Partner Language Training Center Europe (PLTCE) Garmisch, Germany, and the Language Acquisition Resource Center at San Diego State University. Last, given that our Marines deploy throughout the globe, we access a variety of other sources of language and cultural training, such as the Marine Corps' Center for Advanced Operational Culture and Language, the Defense Language Institute, and Regional Language Centers. Your continued support of these enhanced language and culture learning opportunities critically enables our competence in the current fight in Afghanistan and global Theater Security Cooperation requirements.

Last, Marine Forces Reserve has integrated safety programs in training to maximize Force preservation. Of particular note is our Center for Safety Excellence aboard Naval Air Station Joint Reserve Base New Orleans in Belle Chasse, Louisiana, where we address the current lead cause of death of our personnel—motor vehicle accidents. At the Center, personnel receive training in the safe operation of their motor vehicles, which includes both cars and motorcycles. I'm pleased to report that anecdotal evidence suggests this program was instrumental in the reduction of fatal motorcycle mishaps by 33 percent from fiscal year 2010 to 2011. Coupling these results with a renewed emphasis on personal responsibility, I directed leaders at all levels to establish a culture among our personnel that promotes making responsible choices.

Responsible choices are the foundation of our Corps Values. In calendar year 2012, Marine Forces Reserve implemented the Culture of Responsible Choices program, which is really a change in mindset vice an actual new formal program. This mindset pertains to all Marines and people in Marine Corps organizations who are asked to rethink how they do business and conduct their lives to ensure their decisions lead to safe and healthy outcomes. The Culture of Responsible Choices program emphasizes personal responsibility and accountability for decisionmaking and behavior—not only within our fence lines and work centers but at home, in leisure activities, and in our personal lives. The program addresses a wide range of unhealthy and healthy human behaviors, such as alcohol misuse, drug use, tobacco use, physical fitness, sound financial management, vigorous suicide prevention, effective sexual assault response and prevention, and safe practices at work, at home, and on vacation. Alcohol misuse is our first target. Anecdotal evidence suggests alcohol misuse has been the common denominator for many poor choices and negative decision events across the behavioral health spectrum.

FACILITIES

Marine Forces Reserve has facilities in 48 States, the District of Columbia, and Puerto Rico. These facilities include 32-owned sites, 151 tenant locations, three family housing sites, and a marine barracks. Although some Reserve centers are located on major DOD bases and National Guard compounds, many of our centers are openly located within civilian communities. Therefore, the condition and appearance of our facilities informs the American people's perception of the Marine Corps and the Armed Forces throughout the Nation. Our facilities' efforts focus on maintaining the physical resources to support ideal operational training that enables Marine Forces Reserve to support Service and combatant command operational requirements. The largest part of the budget for facilities is used to maintain the existing physical plant at diverse sites.

Ninety-three of our 183 Reserve centers are more than 30 years old and 54 are more than 50 years old. Through recent increases in Marine Forces Reserve facili-

ties sustainment, restoration, and modernization (FSRM) support and $39.9 million in American Recovery and Reinvestment Act (ARRA) funding, we have improved the overall readiness of our facilities inventory and corrected facility condition deficiencies. The FSRM funding was used to complete more than 150 projects during fiscal year 2011. Eighty-four FSRM projects are scheduled for fiscal year 2012. The ARRA funding was applied to 25 projects across 11 States, which accomplished much needed repairs and renovations, while enhancing energy efficiency. Eight of those ARRA projects are still under way. Projects funded by ARRA include upgrades to meet antiterrorism force protection standards as well as building access compliance requirements of the Americans with Disabilities Act of 1990.

The Base Realignment and Closure (BRAC) 2005 enabled us to consolidate and replace Reserve centers across the country, which included replacement of 22 centers. Under BRAC 2005, Marine Forces Reserve executed 24 of the Marines Corps' 47 directed actions, and successfully completed all its remaining relocations during fiscal year 2011. Of these 24 BRAC actions, 21 were shared with Army and Navy military construction projects. Our BRAC plans were tightly linked to those of other Services and government agencies as we developed cooperative agreements to share Reserve centers and joint bases. Marine Forces Reserve units are aboard 8 of the 12 joint bases that were created under BRAC 2005. The accomplishments of BRAC 2005 represent the largest movement and upgrade in memory for the Marine Corps Reserve with 17 projects completed in 2011.

The Marine Corps' Military Construction—Naval Reserve (MCNR) construction program focuses on new footprint and recapitalization of our aging facilities. The construction provided by BRAC 2005 and the annual authorization of MCNR funding have been important factors in moving Marine Forces Reserve forward in its facilities mission and taking our number of inadequate or substandard-sized Reserve centers significantly below the 50-percent level. Continued annual funding for our MCNR program will keep us moving in a positive direction, which will enable Marine Forces Reserve to constantly improve the physical infrastructure that supports and reinforces the mission readiness of our units.

To address the implementation of sustainable design principles, Marine Forces Reserve has adopted the U.S. Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) Green Building Rating System for New Construction and Major Renovation. LEED is a performance-oriented system based on accepted energy and environmental principles where credits are earned for satisfying criteria designed to address specific environmental impacts inherent in the design, construction, operations, and maintenance of buildings. During fiscal year 2011, we completed our first LEED Silver-certified rehabilitation project in Baltimore, Maryland.

There are significant opportunities to improve the energy and water efficiency of Reserve facilities and expand the use of renewable resources. During 2010 and 2011, we completed energy assessments at our 32-owned sites and are implementing the recommendations from those assessments, initially targeting the sites that are the biggest energy users nationally. In addition, we have a contract in place and are well on our way to having advanced meters installed at our 32-owned Reserve centers across the country to measure building electrical usage and are on track for completion by the October 1, 2012, deadline. Since 2010, eight solar/photovoltaic energy and lighting projects have been completed at Reserve centers in California and Louisiana, and we have three more projects scheduled for completion during fiscal year 2012. The 225kw Louisiana project that was completed in August 2011 is the largest photovoltaic project in State history. Four small wind turbines are scheduled for construction in fiscal year 2012 with at least three more planned for fiscal year 2013. Our investment in these technologies provides energy security, efficiency, and cost avoidance for our geographically dispersed sites.

Our environmental program continues to excel. I consider environmental compliance a priority for the command, and reinforce environmental compliance by directing continual training for our Marines and Sailors at each unit and site. Furthermore, our environmental program supports our FSRM and MCNR programs by ensuring compliance with the National Environmental Protection Act for each project and action.

Of special note, this year is the movement of my headquarters and consolidation of our major subordinate commands in New Orleans. This unique BRAC project, which integrated State, local and Federal efforts, was completed on time. The State of Louisiana provided construction dollars for the new headquarters facility, saving the Federal Government more than $130 million. The Department of the Navy provided the interior furnishings, information technology, and security infrastructure. This building incorporates multiple energy and environmentally friendly processes that meet LEED-certifiable standards. We were assisted by Department of Energy's

Federal Energy Management Program in identifying future projects for maximizing the sustainability and energy efficiencies of the buildings and the compound. This building and its surrounding acreage is the newest Marine Corps Installation: Marine Corps Support Facility, New Orleans.

Last, implementation of the Force Structure Review provides an opportunity to better align mission changes with facilities infrastructure capabilities. As the process moves forward, the total impacts will be analyzed to gain efficiencies and reduce the backlog of unfunded MCNR projects, allowing targeted investment in those sites that provide the best operational return on investment.

HEALTH SERVICES AND BEHAVIORAL HEALTH

Our Marines, sailors, and their families remain our highest priority. Therefore, we remain keenly attentive to their health and resiliency. During dwell, our health services priority is to attain and maintain the DOD goal of 75 percent "Fully Medically Ready." In fiscal year 2011, Marine Forces Reserve individual medical and dental readiness rates were 56 percent and 83 percent, respectively. We are aggressively working to improve the medical readiness of the Force to achieve the goal of 75 percent "Fully Medically Ready."

Healthcare for the Reserve component integrates many diverse programs across the spectrum of the deployment cycle—premobilization, deployment, and postdeployment—and is categorized into two areas: unit medical readiness and behavioral health. Unit medical readiness programs include the Reserve Health Readiness Program and TRICARE Reserve Select. Behavioral health programs include the Post Deployment Health Reassessment and the Psychological Health Outreach Program.

The Reserve Health Readiness Program is the cornerstone for individual medical and dental readiness. This program funds contracted medical and dental specialists to provide healthcare services to units not supported by a military treatment facility. During fiscal year 2011, the Reserve Health Readiness Program performed 12,398 Periodic Health Assessments, 781 Post-Deployment Health Reassessments, and 7,685 Dental Procedures. TRICARE Reserve Select, a premium-based healthcare plan, is also available to our marines, sailors, and their families.

Behavioral health has increasingly become an integral part of medical readiness over the past few years. Navy medicine continues to address this complex issue through various independent contracted programs, such as the Post-Deployment Health Reassessment and the Psychological Health Outreach Program. The Post-Deployment Health Reassessment identifies health issues with specific emphasis on mental health concerns, which may have emerged since returning from deployment. The Psychological Health Outreach Program addresses postdeployment behavioral health concerns through a referral and tracking process. These programs have proven effective in the overall management of identifying those marines and sailors who need behavioral health assistance and have provided an avenue to those servicemembers who seek behavioral health assistance.

The Commandant of the Marine Corps directed that we more fully integrate behavioral health services to help reduce redundancies and ultimately improve the overall quality and access to care. The Marine Corps integrated its behavioral health programs in order to provide an integrated service delivery of innovative, evidence-based practices to commanders, servicemembers, and their families. This service delivery will be woven into the larger support network of our command structures and health and human services across the Marine Corps to better build resilience and strengthen marines and families. This efficiency initiative successfully integrates our Combat and Operational Stress Control, Suicide Prevention, Sexual Assault Prevention and Response, Substance Abuse Prevention, and Family Advocacy Programs and will be instrumental in synchronizing our prevention efforts. In regard to Combat and Operational Stress Control, training for leaders on this program was incorporated throughout Marine Forces Reserve at all levels. The training provides knowledge, skills, and tools required to assist commanders to prevent, identify, and manage combat and operational stress concerns as early as possible. This training is provided to servicemembers of units that are deploying for more than 90 days during predeployment training.

Given that the signs of operational and combat stress and suicide can manifest long after a servicemember returns home from deployment, there are unique challenges posed for Reservists who can be isolated from the daily support network inherent in one's unit and vital medical care. Encouraging marines to acknowledge and vocalize mental health issues is also a ubiquitous challenge facing our commanders. We are actively combating the stigma associated with mental healthcare through the immersion of key programs in the demobilization and reintegration

processes of our Reserve Marines following deployment, such as the Yellow Ribbon Reintegration Program. Your continued support of these programs is greatly appreciated.

There are six suicide prevention initiatives that we leverage for our Reserve marines and sailors:

In-Theater Assessment.—Reservists who exhibit or are struggling with clinically significant issues should be seen by competent medical authorities and evaluated for postdeployment treatment with follow-up decisions made prior to their return home.

Post-Deployment Health Reassessment.—It is important that if any issues emerge during the Reservist's Post Deployment Health Reassessment (PDHRA) that they are immediately evaluated and referred for treatment by the clinician interviewer. This includes referral recommendations based on the available local resources, such as the Veterans Administration, MilitaryOneSource, or private mental health providers.

Psychological Health Outreach Program.—I enthusiastically recommend continued delivery of the Psychological Health Outreach Program (PHOP), which is an essential program for treatment referral and follow up to ensure they are receiving the appropriate behavioral health services.

Care Management Teams.—This suicide prevention initiative includes the Veterans Administration's OIF/OEF care management teams that are a readily available resource for our reservists. The VA assigns a Primary Care manager, who is responsible for referral and follow-up, to any Reservist who has a healthcare issue.

Never Leave a Marine Behind Suicide Prevention Course.—We continue to implement the Marine Corps' Junior Marine, Non-Commissioned Officer, Staff Non-Commissioned officer, and Officer modules of the Never Leave a Marine Behind (NLMB) Suicide Prevention Course. The NLMB series provides the best skills and tools available to marines, sailors, and their leaders so that they can better cope with the challenges of combat and the rigors of life both deployed and in garrison. Marine Forces Reserve has trained hundreds of Marines who can deliver the Course at more than 130 different Reserve sites around the country.

Telemedicine.—Telemedicine initiatives enable us to ensure there are effective mechanisms available to identify reservists in need and a way to treat those who may sometimes be geographically isolated from the TRICARE networks.

Additionally, any Reservist and their family can access Marine Corps installations behavioral health programs through Marine Corps Community Services programming while they are on any type of Active Duty orders. When they are not on Active Duty orders, MilitaryOneSource provides counseling, resources, and support to Reserve servicemembers and their families anywhere in the world. The DSTRESS Line will also be available to all Reserve marines, sailors, and family members. The DSTRESS Line is a by-Marine-for-Marine anonymous counseling and referral line, manned by veteran Marines and licensed behavioral health counselors who have been specifically trained in Marine Corps culture and ethos. Its mission is to foster resilience and build coping skills and includes a Web site with chat capability and interactive resource directory.

Another resource Marine Forces Reserve utilizes to ensure the health and resiliency of our marines, sailors, and their families is our Chaplain Corps, which is composed of Active and Reserve Component chaplains. Specifically, my chaplains deliver the Chaplain Religious Enrichment Development Operations (CREDO) Marriage Enrichment Retreats, which focuses on strengthening the wellness of the Force by addressing the stressors on a marriage that may result from military service. That is, these retreats offer an opportunity for marines and sailors throughout our 183 Reserve centers to enrich and enhance their marriage in the presence of high-operational deployment cycles and the corresponding challenges that may ensue due to family separation. During fiscal year 2011, 166 couples participated in these retreats. Anecdotal evidence suggests that these retreats were effective in strengthening their marriages, which in turn, enhanced the readiness of our Force.

Sexual Assault Prevention and Response (SAPR) continues to be a priority throughout the Force. A Force-wide 24/7 Help Line is available to Reserve and Active component servicemembers. The Help Line is staffed by marines who are trained to discretely respond to victims of sexual assault and refer them to services available throughout the United States. The Help Line is periodically assessed by my SAPR office, as well as Headquarters Marine Corps and the Naval Audit office for process improvement. Every Marine Reserve center has a Uniformed Victim Advocate (UVA) who is readily available to assist a victim whenever necessary. Developing a functional 24/7 response in the Reserves has required that our leaders research and develop relationships with other military and civilian behavioral health

resources. Accordingly, many of the site's UVAs have created networks with Rape Crisis centers in their local areas in order to provide the best care available to victims whenever required. Sexual assault prevention and response training has been updated and includes the "Take A Stand" video-based, bystander intervention curriculum. This 3-hour annual training requirement began in January and is mandatory for all noncommissioned officers. The objectives of the course are to reduce the number of sexual assaults and to increase reporting. The course stresses the responsibility of noncommissioned officers to one another, as well as to one of the Marine Corps' most at-risk populations—junior marines. "Take A Stand" also stresses the importance of stepping in to prevent sexual assault through bystander intervention. Similar training will be provided to all ranks during fiscal years 2013 and 2014. The command climate within Marine Forces Reserve and throughout the Marine Corps fully supports sustaining an environment where sexual assault is not tolerated in any capacity on any level, which is essential in eradicating interpersonal violence from the Marine Corps.

QUALITY OF LIFE

We are devoted to ensuring an appropriate balance and effective performance of our quality-of-life programs and services to ensure our programs and services meet the needs and expectations of our Active Duty personnel and reservists, including those Reserve servicemembers in the Individual Ready Reserve (IRR). In doing so, we continue to operate Family Readiness Programs, revitalize services, and proactively reach out to and keep faith with our marines, sailors, and their families.

To meet the challenge of deployments, and to maintain a constant state of readiness, the Marine Corps continues to enhance family support through our full-time Family Readiness Officer (FRO) program. This program is staffed by either civilians or Active Duty Marines and collateral duty uniformed Deputy FROs at the battalion/squadron level and above. Additionally, modern communication technologies, such as the recently launched e-Marine Web site, expanded our ability to better inform and empower family members—spouses, children and parents—who often have little routine contact with the Marine Corps and oftentimes live considerable distances from large military support facilities.

We fully recognize the strategic role our families have in mission readiness, particularly mobilization preparedness. We prepare our families for day-to-day military life and the deployment cycle by providing predeployment, deployment, postdeployment, and follow-on educational opportunities at unit Family Days, Pre-Deployment Briefs, Return and Reunion Briefs, and Post-Deployment Briefs. This is accomplished through unit-level Family Readiness programs that are the responsibility of the local commanding officer, and is managed by the full-time, non-deploying FRO who is supported by trained volunteers and Force-level programs that are provided by a professional staff at Marine Corps Family Team Building (MCFTB).

The MCFTB programs provide educational resources and services to foster personal growth and enhance the readiness of Marine Corps families. The program's core training is available to marines and their families and consists of Readiness and Deployment Support Trainer (RDST); Family Readiness Program Training (FRPT); Lifestyle Insights, Networking, Knowledge, and Skills (L.I.N.K.S.); and LifeSkills. During fiscal year 2011, 176 MCFTB training events were conducted across the United States at various Marine Corps Reserve units, which resulted in 7,710 marines, sailors, and family members receiving critical and vital information and support.

The goals of RDST and FRPT are to prepare marines, sailors, and their families for the unique challenges of deployment, in addition to maintaining a constant state of readiness independent of deployment. Each Marine Corps installation and Marine Forces Reserve are staffed with trainers who coordinate and deliver program trainings, pre-, mid-, and post-deployment briefs and support at the unit level for servicemembers and their families.

The L.I.N.K.S. program is a training and mentoring program designed by marine spouses to help participants thrive in the military lifestyle and adapt to challenges, which includes those challenges that are presented by deployments. The program offers an orientation to the Marine Corps lifestyle by helping spouses, marines, children, teens, parents, and extended family members understand and adapt to the unique challenges that military life often presents.

The objective of our LifeSkills training and education initiatives is to offer an opportunity for our marines, sailors, and their families to grow both personally and professionally by participating in workshops that cover a broad spectrum of life competencies in areas such as communication, relationships, and wellness. Online

versions of all MCFTB trainings are slated to be available this year, which should make these valuable tools more readily accessible to families of our geographically dispersed servicemembers who are not in close proximity to Marine Corps installations.

The Marine Forces Reserve Lifelong Learning Program continues to provide educational information to servicemembers, families, retirees, and civilian employees. More than 1,700 Marine Forces Reserve personnel (Active and Reserve component) enjoyed the benefit of tuition assistance, utilizing more than $4.5 million that funded more than 5,500 courses during fiscal year 2011. Tuition assistance greatly eases the financial burden of education for our servicemembers while enabling them to maintain progress toward their education goals. Additionally, our partnership with tutor.com offers our marines, sailors, and their families access to 24/7 no-cost, live online tutoring services for K–12 students, college students, and adult learners.

Our Semper Fit program is fully engaged to deliver quality, results-based education and conditioning protocols for our marines and sailors. The program includes hands-on strength and conditioning courses, online physical fitness tools and recorded webinars, and instruction on injury prevention, nutrition, and weight management. Our marines' and sailors' quality of life is also increased through various stress management and esprit de corps activities, such as unit outings and participation in competitive events. These programs are key to unit cohesion, camaraderie, and motivation. Also, through the DOD contract with the Armed Services YMCA, the families of our deployed Reservists enjoy complimentary fitness memberships at participating YMCA's throughout the United States and Puerto Rico. Our Active Duty marines and their families located at independent duty stations have the ability to access these services as well.

The Marine Corps' partnership with the Boys and Girls Clubs of America (BGCA) and the National Association for Child Care Resources and Referral Agencies (NACCRRA) continues to provide a great resource for servicemembers and their families in selecting child care, before, during, and after a deployment in support of overseas contingency operations and planned deployments. The Boys and Girls Clubs of America provide outstanding programs for our Reservists' children between the ages of 6 and 18 after school and on the weekends. Under our agreement with BGCA, Reserve families can participate in more than 40 programs at no cost. Our off-base child care subsidy program helps families of our reservists locate affordable child care that is comparable to high-quality, on-base, military-operated programs. This program provides child care subsidies at quality child care providers for our Reservists who are deployed in support of overseas contingency operations and for those Active Duty marines who are stationed in regions that are geographically separated from military bases and stations. Additionally, our marine families (Active and Reserve) who are enrolled in the Exceptional Family Member Program are offered up to 40 hours of free respite care per month for each exceptional family member. This allows our families the comfort that their family member will be taken care of when they are in need of assistance.

Marine Forces Reserve has fully implemented the Yellow Ribbon Reintegration Program at each of the five stages of deployment to better prepare our servicemembers and their families for activation and return to civilian life after mobilization. During fiscal year 2011, we took proactive steps to maximize participation while minimizing costs by hosting Yellow Ribbon Reintegration events at Reserve centers. This step lowered the average cost per participant to $340 per training session and I anticipate additional cost savings this fiscal year because of these efforts. More importantly, this enables our units to proactively plan around the operational and unique individual needs of their marines, sailors, and families in addition to keeping unit leadership in the forefront of the issues that affect their servicemembers. In fiscal year 2011, we executed 155 events in which 6,264 servicemembers—including marines in the Individual Ready Reserve—2,399 family members, and 3,673 nondependent family members and/or designated representatives participated for a total of 12,366 persons served by our program. Additionally, we are particularly supportive of Military OneSource, which provides our marines, sailors, and their families with an around-the-clock information and referral service via toll-free telephone and Internet access on subjects such as parenting, childcare, education, finances, legal issues, deployment, crisis support, and relocation. Your support of these programs enables Marine Forces Reserve to keep faith with our servicemembers and their families.

Managed Health Network (MHN) is an OSD-contracted support resource that provides surge augmentation counselors for our base counseling centers and primary support at sites around the country to address catastrophic requirements. This unique program is designed to bring counselors on-site at Reserve centers to support all phases of the deployment cycle. Follow-up services are scheduled after

servicemembers return from combat at various intervals to facilitate on-site individual and group counseling.

Marines, sailors, and their families, who sacrifice so much for our Nation's defense, should not be asked to sacrifice quality of life. We remain a forceful advocate for these programs and services and continue to transition and align our programs and services to meet current and future challenges. The combined effect of these programs is critical to the readiness and retention of our marines, sailors, and their families, and your continued support of these programs is greatly appreciated.

SUPPORTING OUR WOUNDED, ILL, AND INJURED MARINES AND THEIR FAMILIES

The nonmedical needs of our wounded, ill, and injured (WII) marines and their families can be extensive and vary in type and intensity depending upon the phase of recovery. There is no "one size fits all" approach to WII care. The Marine Corps' Wounded Warrior Regiment (WWR) strives to ensure there is one standard of care for all WII marines—whether they are Active component or Reserve component. The WWR holds high levels of subject matter expertise with regard to the unique challenges faced by Marine Reservists and has set up component of care accordingly. For example, the WWR has dedicated staff—the Reserve Medical Entitlements Determinations Section—to specifically maintain oversight of all cases of reservists who require medical care beyond their contract period for service-connected ailments. Additionally, the WWR has Recovery Care Coordinators who provide one-on-one transition support and resource identification required to support WII reservists and families who are often living in remote and isolated locations away from the support resident on bases and stations. Another significant support component of the WWR that makes a positive difference in the lives of our WII reservists is the Sgt. Merlin German Wounded Warrior Call Center. This 24/7 Call Center provides support on numerous issues that includes referral for psychological health matters, pay and entitlement questions, financial assistance resources, awards, and information on benevolent organizations. The WWR also uses the Sgt. Merlin German Wounded Warrior Call Center to conduct important outreach calls to various populations to check on their well-being and update them on changes in benefits and entitlements. Finally, the WWR has District Injured Support Coordinators (DISCs)—geographically dispersed Mobilized Marine Reservists—who assist Reserve Marines throughout the country, which includes face-to-face contact.

CONCLUSION

Marine Forces Reserve is well-positioned to be the Force of Choice for augmentation to the Active component, reinforcement for Service priorities, and sustainment as a relevant force now and for the future. Aligned with the middle weight force of America's Expeditionary Force in Readiness, Marine Forces Reserve provides options to Active component leaders and combatant commanders, from being ready for immediate use in support of disaster relief to providing strategic depth through sustained augmentation for major contingency operations. We live in a world of increasingly complex security challenges and uncertainty. Marine Forces Reserve is a learning organization that has institutionalized training, personnel management, and the Force Generation process to effectively and efficiently mobilize and deploy combat ready forces. We are well-postured to meet the current operational requirements and rapidly respond to future emergent contingencies. Your continued unwavering support of the Marine Corps Reserve and its associated programs enables our marines and sailors to professionally and competently perform in an operational capacity and is greatly appreciated. Semper Fidelis.

Chairman INOUYE. All right. Thank you very much, General Hummer.

Now, may I recognize General Stenner.

STATEMENT OF LIEUTENANT GENERAL CHARLES E. STENNER, JR., CHIEF, AIR FORCE RESERVE, UNITED STATES AIR FORCE

General STENNER. Mr. Chairman, Senator Cochran, thank you for the opportunity to appear here before you today.

And I'd like to introduce my newest Command Chief of the Air Force Reserve Command and have her stand, please, Chief Master Sergeant Kathleen Buckner.

Sir, I strongly believe today's Air Force Reserve is an operationally essential component of the Total Force because of our capability, capacity, and accessibility as a title 10 resource.

Air Force Reserve airmen are seamlessly integrated into every service core function across the full spectrum of operations.

The Air Force Reserve is responsive to national security needs and is an effective, efficient, and affordable component of your Air Force, a ready force deployable within 72 hours.

The Reserve is able to do this because of the depth of experience among our citizen airmen. Our Air Force Reserve personnel, most of whom come to us from the Active Force, average 7 years of additional experience over our Active Duty counterparts, and our equipment mission capability rates reflects that every day.

Without a doubt, the Reserve is uniquely positioned to retain the Air Force's vast investment in human capital and maintain a cost-effective hedge against unanticipated requirements.

The Reserve has experience from over 20 years of continuous operational engagement in both combat and humanitarian missions, and we've balanced this operation tempo (OPTEMPO) while maintaining our Nation's critical, strategic, surge capability.

Our Air Force Reserve succeeds at being operationally engaged and strategically prepared due to our focus on maintaining the right balance. The correct Reserve, Guard, and Active Force mix is adaptable to circumstances, and I believe today's fiscal and security environments require increased reliance on the Reserve, and that our Air Force resourcing priorities should reflect such.

The President and Secretary of Defense are clear about the need for reversibility of resources. The Air Force Reserve is their leverage to make this happen. The Nation can trust that the Air Force Reserve will be there when called, prepared, trained, and equipped to the same standards of the Active component.

But there are challenges to maintaining this capability. The Air Force Reserve is forecasted to reduce by 900 personnel. However, that figure is just the proposed fiscal year 2013 President's budget request and is the tip of the iceberg.

Our Reserve is losing trained personnel and taking on new missions. The personnel losses are in specialties that are still essential to the Total Force, and at the same time, don't easily transfer to newly assigned mission areas.

For instance, an aircraft maintainer with 17 years of experience cannot become a cyber warrior, with 17 years of experience, overnight.

With that perspective, the Air Force is actually losing the capability of 5,000 to 6,000 experienced and trained personnel, and that loss could seriously affect the strategic reserve posture.

The alternative to these losses once again is to focus on the correct balance, to adjust all three components mix, to better suit reversibility and maintain crucial capacity. I believe the Active component should be an advance force that is reactionary in nature, globally fielded in smaller numbers and highly responsive.

In addition to the advance forces, the Air Force Reserve should be a more robust Reserve component as a projection force, based on the predictability of steady state and surge operations.

PREPARED STATEMENT

The Air Force Reserve is engaged today and poised for the future. With the right mix of Guard, Reserve, and Active components, we can support the President's reversibility plan, contribute to the Nation's economic recovery and ensure the security of our Nation and its interests.

Mr. Chairman, members of the subcommittee, Senator Cochran, I am honored to have served the last 4 years as Chief of the Air Force Reserve and Commander of the Air Force Reserve Command.

I sincerely appreciate this subcommittee's enduring support of our Nation's citizen airmen, and I stand ready to respond to your questions. Thank you.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL CHARLES E. STENNER, JR.

We live in a time of increasingly limited resources, where efficiencies and reduced budgets will dominate the foreseeable future—the Air Force Reserve is not immune from the implications of this issue; rather, we stand ready as an operationally effective and cost-efficient solution. Today, your Air Force Reserve, partnering with the Active component and Air National Guard, is committed to providing a Total Force solution for the Nation that is second to none. Air Force Reserve airmen are seamlessly integrated into every service core function across the full spectrum of operations, supporting missions in every area of responsibility with the full flexibility that a title 10 force provides. We carry out missions across the globe as an effective and cost-efficient solution for America's defense: 69,141 citizen airmen have deployed since September 11, 2001, and we currently have approximately 5,700 personnel serving on Active Duty.

The Air Force Reserve of today is a ready force, deployable within 72 hours. We train to the same standards on the same equipment as the Active and the Air National Guard; offering a plug-and-play capability that cannot be matched by any other service. The most recent large-scale example was the Air Force response to coalition operations during Operation Odyssey Dawn. Within 45 hours of notification a blend of Active and Reserve personnel and equipment deployed and began executing missions with resounding success. We have not always been able to respond so effectively, and with the continued support of the Congress, we will never return to the days of a "hollow force."

OPERATIONAL COMMAND WHILE MAINTAINING STRATEGIC RESERVE

Sustained operational taskings over more than two decades, combined with recent policy changes, have institutionalized the operational capability of the Air Force Reserve. Our operational capacity supports growth, sustainability, and an affordable balance among the Active and Reserve components. This operational capability results in increased force readiness while ensuring our ability to provide strategic depth.

The Air Force continues to leverage the skills and expertise of our citizen airmen as we grow in mission areas deemed vital to supporting our National Defense Strategy: Space Superiority, Cyber Superiority, Global Integrated Intelligence, Surveillance, and Reconnaissance, Special Operations, Nuclear Deterrence Operations, and Agile Combat Support. We offer a flexible method to rapidly increase these critical capabilities.

In order to maintain our high level of support, Air Force Reserve Command (AFRC) must be adequately resourced and have the same authorities as our partner major commands (MAJCOMs). We have numerous steady-state missions requiring military personnel appropriations (MPA) execution. These include Reserve-specific missions like hurricane hunters, aerial firefighting, and aerial spraying as well as our baseline support of instructors and daily operations across the Air Force. We currently rely on our partner MAJCOMs to provide the MPA budget to fund these AFRC steady-state missions.

Under the proposed force structure, the Air Force Reserve is forecast to retire 82 aircraft and reduce end-strength by 900 personnel. This manpower reduction is misleading since we are losing trained personnel in legacy missions while taking on new missions where the experience does not easily transfer. For example, an experienced aircraft maintainer cannot become a cyber-warrior overnight. Based on this

reality, the Air Force Reserve is actually losing a capability of 5,000–6,000 personnel and risks breaking the Strategic Reserve.

COST-EFFECTIVE CAPABILITY

National Guard and Reserve Equipment Account (NGREA) funds are critical for ensuring readiness through execution year funds. Our modernization strategy has consistently focused on providing our force with the most up-to-date systems possible, protecting airmen while they defend our Nation, equipping them for Irregular War Operations, and providing a common picture of the battlefield. Our strategy intends, first and foremost, to alleviate critical mission capability shortfalls that potentially cause mission failure or loss of life. Upgrade of defensive systems, communications equipment and data links, precision engagement capabilities to include target identification, and replacement of obsolete mission equipment are just a few examples of recent modernization efforts. All of this is due to the hard work of the members of this subcommittee and your staffs supporting the administration's budget requests.

Military Construction (MILCON) is not a luxury; it is a necessity that impacts readiness. In addition to funding new facilities, we rely on MILCON as we repurpose existing buildings for use in new missions. The Air Force MILCON Program is based on mission-required construction priorities and distributes funds across installations based on their respective plant replacement value percentages. Using these calculations the Air Force Reserve should receive 4 percent ($17.7 million) of the Air Force MILCON budget ($442 million); however, we are projected for only 2.5 percent ($11 million) of the program. The Active component and Guard both exceeded their equitable share at the expense of the Air Force Reserve.

The Air Force Reserve provides our Nation cost-effective and efficient combat capability. We provide 3.5 combat-ready reservists for the cost of 1 Active-Duty airman. Our Air Force Reserve is rich with combat veterans and highly skilled reservists who average 4–5 years more experience than their Active Duty counterparts. In fact, more than 56 percent of Air Force Reserve airmen have prior military experience—representing an immense pool of talent that our Nation otherwise would have lost were it not for our Reserve component. The proposed Air Force Reserve budget is about 4.6 percent of the Air Force's $110.1 billion allocation. This includes more than $5 billion in funding for citizen airmen who fulfill title 10 or Federal roles and missions in time of war or national emergency. Our people and programs are created exclusively for the Nation's strategic capabilities that reach all the States as well as worldwide.

In these times of constrained budgets, it is prudent to rebalance the force with a goal of maintaining to the fullest extent, the capability and professionalism that already exists in today's force to meet the challenges of the future. The American taxpayer has spent trillions of dollars training and equipping our airmen, and the Air Force Reserve is well-positioned to capture and preserve that investment. This is consistent with the principle of "reversibility" from the most recent strategic guidance.[1] Assigning resources to the Air Force Reserve maintains the ability to generate capabilities that might be needed to meet future, unforeseen demands, maintaining intellectual capital and frontline experience that could be called upon when required.

Force rebalancing should be based on carefully considered analysis produced by all three of our components. As the Air Force works through this tough decision-making process, it is imperative that we ensure roles, missions, and force balance of all the components are appropriately considered. Trading away highly experienced Reserve personnel to invest in future Active component operations is a suboptimal choice that exchanges trained and available combat capability in the Air Force Reserve for recruiting and training new personnel in the Active component. A recent study found that Reserve component wings generally provide mission-ready aircraft, aircrews, and maintainers at lower annual cost when compared to the Regular Air Force.[2] Operating characteristics of the Reserve, such as highly experienced aircrews that require fewer sorties to maintain proficiency, and lean infrastructure at many of our operating locations are contributing factors. This cost advantage means that Reserve resources provide surge capacity for less cost than other Air Force components.

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[1] Presidential and Secretary of Defense strategic guidance, Sustaining U.S. Global Leadership: Priorities for 21st Century Defense, January 2012.

[2] RAND Project Air Force, Comparing Costs: Active and Reserve Component Flying Units, PAF–1P–84, February 6, 2012, Al Robbert.

Our force is agile and responsive to uncertainty and rapid changes in national priorities. We are ready, available, and accessible to fulfill operational requirements. And based on the force generation model, we can sustain operations at significantly lower cost than Active Forces.

CITIZEN AIRMEN

In addition to their military obligation, citizen airmen balance the needs of their families and civilian employers—what we like to call "The Reserve Triad." Our policies and actions must continue to support the viability of these relationships, especially as we adjust to meet the requirements of new strategic guidance. The Triad is foundational to our continued ability to provide a sustainable and effective fighting force. Openly communicating expectations, requirements, and opportunities provides predictability and stability within the Triad.

The Air Force Reserve continues to recruit and retain the most qualified personnel available. We have met or exceeded our recruiting goals for the past 11 years and are able to select the best of the best by accessing just 26 percent of the qualified candidates. Similarly, our retention rates are at record highs, allowing us to maintain our depth of experience.

The Air Force leverages the expertise of the Reserve component through associate constructs in which units of the three components share equipment and facilities to carry out a common mission. We have established a wide variety of associate units throughout the Air Force, combining the assets and manpower of all three components to establish Total Force units that capitalize on the strengths of each individual component. In 2011, the Air Force announced the stand up of three active Associations in the Combat Air Forces (CAF): one at Homestead Air Reserve Base, Florida; another at Naval Air Station Joint Reserve Base Fort Worth, Texas (formerly Carswell); and a third at Whiteman Air Force Base, Missouri. Today, the Air Force is leveraging more than 103 associations and capitalizing on more than four decades of the associate experience, from which we have garnered countless successes.

We thank this subcommittee for your continued support in funding our Yellow Ribbon Program. The Yellow Ribbon Reintegration Office provides support to military members and their families at a time when they need it the most, to ease the stress and strain of deployments and reintegration back to family life. Since the standup of the program in August 2008, more than 21,000 reservists and 15,000 family members have attended these events. From exit surveys and through formal and informal feedback, attendees feel "better prepared, (and) confident following events."

CONCLUSION

I am honored to have served the last 4 years as Chief of Air Force Reserve and Commander of Air Force Reserve Command. I take pride in leading the world's best Air Force Reserve, one-third of a Total Force that is fully trained and ready to defend our Nation. In a time of constricted budgets, thorough analysis is required to prioritize our requirements and ensure we meet our assigned missions. We must do so while keeping in mind the importance of our role in supporting joint and interagency operations.

My top priority is to ensure that we fulfill our commitments as the title 10 Reserve component of the Total Force. We recruit and retain reservists in every Air Force career specialty in order to fulfill the Nation's need for cost-effective and efficient daily operations as well as a ready global surge capability.

We will concentrate our resources to ensure maximum return on investment, while providing our citizen airmen the tools they need and the predictability their families and employers deserve.

I sincerely appreciate the enduring support of this subcommittee. I look forward to continuing our work and ensuring the Air Force Reserve remains the finest in the world.

TRANSFORMATION OF ARMY RESERVE FROM STRATEGIC TO OPERATIONAL

Chairman INOUYE. Thank you very much, General Stenner.

May I now call upon General Stultz. During your tenure as Chief of the Army Reserve, you were called upon to transform the Reserve from strategic to operational.

Can you give us an update on where you are at this moment? And also, how do you think your Operational Reserve can be used in Afghanistan?

General STULTZ. Yes, Sir.

Coming into this job 6 years ago, which I only planned to stay for 4, that was really the task I had at hand, is how can you transform the Reserve from a strategic footing to an operational footing, and put them on a rotational employment basis, and do that at the same time while we're trying to fight a war on two fronts, Iraq and Afghanistan, and lesser contingencies down in the Horn of Africa.

I can report to you today, Sir, that that has been a success. Over the last 10 years, during the period of Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF), the Army Reserve has mobilized more than 200,000 of our soldiers and put them into support missions, both in Iraq, Afghanistan and here at home.

We have continually kept on Active Duty somewhere between 20,000 and 30,000 soldiers every day since that inception. Those soldiers are doing critical missions.

As I mentioned earlier, I say our force is an indispensable force because we are what we call the enablers for the Army. We are the engineers, the medical structure, the logistics, transportation, military policemen, all those kind of capabilities that the Army, over time, has shifted more and more into the Reserve component.

As an example, today, if you look at the transportation capability, critical capability as we're looking at trying to reduce our force footprint in Afghanistan, that transportation ability to get soldiers and get equipment out of there, is critical.

Eighty-five percent of that capability for the Army rests in the Guard and Reserve. Seventy percent of the medical capability rests in the Guard and Reserve. Eighty-five percent of civil affairs and psychological operations, like Sergeant Burgess here, rest in the Reserve.

And so the Army can't do what they do without us. So that transformation has been hugely successful. And I'll tell you, in my opinion, why. It's not the leadership that I've given. It's the dedication our soldiers have given.

The culture of the Army Reserve has changed. Soldiers that are in the Army Reserve today either have joined our force or re-enlisted to stay in our force while this Nation's at war. They know what they signed up for.

And that culture says, I'm joining to go and do something to serve my country. I'm not joining to be a weekend warrior, the Strategic Reserve.

The challenge we've got, Sir, is how do we keep them? And it's critical that we have the right training, the right equipping and all to make sure that we retain that force and keep them ready because we're not very good at predicting the future.

We don't know where the next conflict will be, but there will be one, and the Army is going to have to call upon us on short notice to get there and to get into the theater of operations and to sustain combat operations.

And that's why things like the NGREA that you give us is so critical to me. That allows me flexibility to buy equipment that I need now, that is not programmed yet. That allows me to go and

buy simulations equipment that I can use to train our soldiers to maintain that edge and keep them ready.

So the NGREA, the OCO to Base money that we're transferring around $200, $250 million to provide extra training days for these soldiers in their fourth and fifth year of that rotation cycle, is critical.

But I can report to you today, Sir, the Army Reserve is an operational force. And it's highly successful, and it's successful because of soldiers like Sergeant Burgess and others.

Chairman INOUYE. We've been advised that you have equipment shortfalls. How does that impact upon your mission?

General STULTZ. What I can tell you, Sir, is if you look at the figures that says equipment on hand for the Army Reserves, we're better than we've ever been, 86 percent. However, we're 66-percent modernized.

The equipment we have, as was discussed earlier with the National Guard, in a lot of cases, is old equipment that is substitute items for the modern equipment.

Now, as far as our soldiers being able to do their job in Afghanistan, Iraq, and other places, not an issue because we make sure they're using modernized equipment in those theaters. We give them the best training, the best equipment, before we put them in harm's way.

Where it impacts me is back home. It impacts me back home because now, and especially now that we've drawn out of Iraq and we're going to start drawing down out of Afghanistan, I'm focusing on home station training.

How do I keep these soldiers trained at home so they're ready to go when I need them? And I need that modernized equipment back here.

It's a morale factor. If you're a young soldier and you've been trained and equipped to the best standards, and you come home and you go to your weekend drill in your Army Reserve unit, and there's a piece of old equipment that you know we don't use anymore in a war time environment, it does have an impact on a soldier saying, well, why aren't we training with what we just had in Afghanistan?

And so to me, the modernization of that equipment is critical for our retention, and it's critical for our readiness because to be ready, I've got to train on the right equipment.

ARMY RESERVE MODERNIZATION

Chairman INOUYE. Are you satisfied that the pace of modernization is sufficient?

General STULTZ. Say again?

Chairman INOUYE. Are you satisfied that the modernization program, as we have now, is adequate?

General STULTZ. I have some concerns, Sir.

My concern, I guess, would be that as the Army is going through restructure, and as the Army has already announced, they're drawing down their end-strength over a period of years, I think that's going to lead us to make some equipping decisions for the future that might say we can delay some modernization until we decide what the force structure looks like.

And I can't afford to wait because my soldiers need equipment today. And it's probably a smart thing to do in some cases. If we're going to draw down units in the Active Force that have modern equipment, then it would cascade to me, and I would have that modern equipment.

So the Army might say, we're not going to buy some more. We'll just give you what we have in the Active when we do away with those units. However, that's going to be several years down the road, and I can't afford to wait.

That's why the NGREA funding that you give us is so critical, because if the Army says, we're not going to buy any more modernized trucks, for instance, because we're going to probably take some of the active trucks and give them to you in 2016, I can go ahead and buy some today and put them in my units, and then when the other ones come, fill out the rest of the units.

So I'm not satisfied that our modernization strategy is going to meet my needs for the immediate future, no, Sir.

ACTIVE FORCE END-STRENGTH REDUCTIONS AND POTENTIAL TRANSITION TO RESERVE FORCES

Chairman INOUYE. I'd like to ask a question of all of you. The strategic plans for the next 5 years call for drastic reduction in end-strength, which gives you an opportunity to get Active Duty people transitioned into the Reserves.

Do you have any plans to bring this about?

Admiral DEBBINK. Chairman Inouye, we certainly do in the Navy.

In our primary office that we've set up a couple of years ago, we call it the career transition office in Millington, that it now is handling all of these transitions.

We're also very proud of the work that they've done to reduce the time it takes to make the transition, what used to literally be 4 to 6 months, down to somewhere 2 or 3 days by analyzing the process and making it smoother.

We do believe that as we look forward here in the next couple of years that the Active component, a lane that's been so full and stayed full, just starts to transition, that we'll have an opportunity to bring those sailors into the Reserve component.

And we want to make that transition as seamless as possible. And most of that we've discovered has been our regulations and policies within the department. There have been several things over the last several years that you all have been very helpful with in making that happen.

I would say, the most important thing that we need to do, as I mentioned earlier, is to have what we call real and meaningful work for those sailors, soldiers, airmen, marines, coastguardsmen to do when they get to the Reserve component.

And, again, that's why assured access and other provisions are going to be very important to us moving forward.

Chairman INOUYE. What about the Marines?

TRANSITION ASSISTANCE

General HUMMER. Thank you, Mr. Chairman.

The commandant has recently, since he's taken over as the commandant, General Amos, has revamped the transition assistance program from the Active component.

And he has various aspects. Used to be, it would be bringing the Marines together for a couple of days, give them some fast and furious education and training, and then, they'd be out the door.

Now, there's a couple times in their transition, a year before they get out, right before they get out. And then, all this information is put on the Web so that they can get access to it, for that legendary marine who wants to get out and go surfing in Mexico for 6 months before we wants to get a job or go to school.

In the meantime, along that, there's four tracks that are provided. One, is an educational track, so it's focused and customized for them. A trade skill track, if they're going to go to school, for a trade school.

A business track, if they want to get into business, or if they want to start a business, there's an entrepreneurial track.

With regard to the Reserves, we have room for them in our 39,600 with our latitude. We do see the Individual Ready Reserve (IRR) increasing. Right now, we're about 57,000. An estimate would be up to perhaps 75,000.

But those are marines that we also pay attention to and take care of as much as we can even though they're not drilling reservists. So, there is a plan.

We are tightly integrated with the Active component in that continuum, in that Marine for Life program, that brings them in, trains them, and then gives them the opportunity to join the Reserves if they want to.

And then continue to be valuable citizens throughout their life. Thank you.

Chairman INOUYE. Thank you. How about the Air Force?

General STENNER. Mr. Chairman, we too have a robust program, and we have worked very closely with our Active component over the last couple of years, as they have worked aggressively to downsize.

The critical skills that we're short in are the ones we're focusing on, and we have in-service recruiters that interview every single person that is leaving the Active Force and offer them the opportunity to continue to serve in those particular areas where we have the needs.

We try to match the critical skills to where the needs are. We also offer cross training to the folks that might be interested in continuing to participate in a different career field.

Just as importantly, I think the Active Force has used some very significant tools to include volunteer early retirement, and some of the other kinds of options to depart the Active Force, which does, in fact, put some folks into what General Hummer mentioned, in the Individual Ready Reserve.

We're also working on musters inside those IRR members, once a year, at several different locations, very much targeting the skills that we need, and mustering folks in.

Because we've found that within that first year after somebody leaves, they may not be just as satisfied as they thought they were going to be, and we have found a very lucrative recruiting ground

from some of those folks who come back to us in the Reserve component out of the IRR.

So we're working aggressively with our Active and Guard partners to keep the critical skills that have been trained. We can't afford to retrain, and we must keep that capacity and capability.

Chairman INOUYE. So you're satisfied with your program?

General STENNER. Yes, Sir, we are.

Chairman INOUYE. General Stultz.

TRANSITION FROM ACTIVE TO ARMY RESERVE

General STULTZ. Yes, Sir.

It is a critical part of our strategy for the future, our human capital strategy. And we have learned from my good friend, Steve Hummer, here in the Marine Corps, that the marine-for-life mentality needs to be in the Army also. A soldier for life mentality.

We're doing several things, Sir. We are putting, I am putting manpower on the Active Duty installations to start working more aggressively with the transition process much further out than we have in the past.

That soldier that decides he's going to leave the Army from an Active status, we're telling him he's not getting out. He's transitioning. He's transitioning into Reserve status. Whether it's Active or Inactive Reserve status, he's still going to be a soldier.

But we need to start talking to him 6 to 9 months before he leaves, not 2 weeks. We need to start talking to him, first of all, about what he's going to do for civilian work. And we need to help him get a job.

And so, one of the cornerstones of our program is our employer support program that we've developed over the last 4 years, where we now have more than 3,000 employers across America that have partnered with us.

We have 700,000 jobs on the Web portal that are available out there in those employers, and we have program support managers on the ground, contractors that we've hired, to help facilitate between the employer and that soldier.

And we want to facilitate that before he ever leaves Active service. We want to have a smooth transition where he can come off of Active Duty, go right into a civilian job, if that's what he chooses to do. And we can also facilitate him coming into the Reserve whether he comes in an Active Reserve status or whether he says, I just want to take a break for a while and be in the IRR.

Okay. Fine. You're still going to belong to us, and when you're ready to come back and start drilling with us, we'll bring you back.

But it's that employer piece that's critical because if I bring a soldier into the Reserve, and he doesn't have a job, I'm at risk, because he's got to pay his mortgage. He's got to pay for the kids to go to college. He needs civilian employment and he needs a good, comfortable career.

So we're putting forces on the installations. We're putting forces out there with the employers, and we're going to make that as a cornerstone of our program.

I can tell you today, it's working. In the past couple of years, we've already put at least 1,000 soldiers that we know into civilian

jobs in our force. There's many thousands others that we know have already, using the portal and the Web, gotten jobs.

And the employers are telling us, and we didn't even know the soldier, because the soldier just used the technology themself to do it. But the program is working. Soldiers are happy. The employers are happy. We've got a good force.

Chairman INOUYE. Thank you very much.

I'll be submitting a few other questions for your consideration, so expect that.

Senator Cochran.

Senator COCHRAN. Mr. Chairman, thank you.

General Stenner, I've given to your staff some questions about reassigning aircraft that are now based at Keesler Air Force Base, Biloxi, and I hope you can take a look at those and address a response to the subcommittee as soon as reasonably possible.

What we're concerned about is the readiness, of course, of an Operational Reserve, and how that may be affected by the Air Force's restructure decisions.

Do you have any comments that you can make as a way of introduction to what you're thoughts are on that subject?

General STENNER. Senator Cochran, I can do that.

And let me just refer to the previous panel's remarks, especially those of General Wyatt, as he was discussing some of the same kinds of issues as we look at downsizing some of the fleets that we have as a result of age, or as a result of requirements.

And that's the tricky part of this is, how do we look at this across the systems, in the C–130s in this example, and ensure that we meet the requirements of the combatant commanders which, if we do that, will allow us to reduce the numbers that we currently have.

We did have a very rigorous process that we went through, and there are four very major tenets of kinds of things that we looked at that include, no negative impact to the combatant commanders, make sure the movements don't create any new bills, increase mission capable rates as a requirement when we do this.

And then, we need to look at all the locations that we've got out there, apply that criteria, and in some cases, there is judgment that needs to go into it at the end.

But we will certainly come back to you very quickly with the questions that you've asked.

I use that as a prelude, and we work that through our corporate structure that General McKinley and General Wyatt mentioned in their testimony, to come to the realization that we have in the fiscal year 2013 projection, that those are the kinds of things that need to be done to ensure we meet, and don't become hollow, in other parts of this force as well.

So, we'll get back to you, Sir, soon.

Senator COCHRAN. I'm looking forward to going down to the Mississippi gulf coast for the christening of the USS *Mississippi*, the newest submarine that will be joining the fleet. That will be an exciting occasion for all of our State.

We identify very closely with the Navy's presence down there, and the shipbuilding capability along that gulf coast. And, person-

ally, serving in the Navy, I'm a little biased about the importance of the U.S. Navy.

But, what is the prospect for this budget if we approve the schedule for ship construction, and maintenance, and adding new ships to the fleet?

Is it robust enough to take care of the responsibilities for national defense that falls exclusively onto the jurisdiction of the Navy?

SHIP BUILDING PROGRAM ADEQUACY

Admiral DEBBINK. Yes, Sir.

And I would respectfully like to defer that question, if I could, primarily because in the Navy Reserve, which is my responsibility, obviously, we do have a Navy Reserve fleet of now nine frigates.

And as we're retiring those frigates, we're bringing active frigates into the Reserve Fleet to replace them until we then will retire all of our Navy Reserve frigates.

As I look forward in the future, our involvement in the Navy Reserve, once those frigates are retired, will primarily be with littoral combat ship program, which as you know, is ramping up.

And we're in very active discussions with the Navy on where we, in the Navy Reserve, will play into that.

The larger question of the entire shipbuilding program, I think, is probably one that I would like to defer, obviously, to the Secretary and the CNO.

I will say, from my own perspective, having been in the Navy for 35 years, that our fleet today, and the *Mississippi* is a great example of it, is far more capable than any fleet that we've ever had in the past, regardless of numbers.

And, if we had to use that fleet, I would rather use the fleet that we have today in looking into the near future than any fleet we've had in the past, both for the capabilities of those platforms, as well as for the training and the dedication and the honor, courage, and commitment of the sailors that serve in that fleet today.

Senator COCHRAN. Thank you very much.

Mr. Chairman, thank you for conveying the hearing. And let me say to all of the panel, we appreciate your dedication and your commitment to helping strengthen and maintain the best Reserve components of our military establishment. Thank you very much.

ADDITIONAL COMMITTEE QUESTIONS

Chairman INOUYE. I'd like to join my Vice Chairman in thanking all of you for your testimony, and for the service to our country.

I would also like to note, as General Stultz pointed out, the critical role that you play, and continue to play, in the Middle East. Most people in the United States don't realize this. They think it's just the Active components. But the role that the Reserves and Guards play is very, very important. This subcommittee appreciates that very much.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO VICE ADMIRAL DIRK J. DEBBINK

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUYE

CONTINUUM OF SERVICE

Question. Gentlemen, in accordance with the new defense strategy as well as fiscal constraints, the Active components will significantly reduce their end strengths over the next 5 years. This seems to create an opportunity for the Reserve components to recruit servicemembers coming off of Active Duty to continue their military service in the Reserves. How are the Reserve components planning to leverage this opportunity to retain these skilled and experienced personnel?

Answer. In addition to the reductions programmed for the Active component, significant end-strength reductions are planned at this point for the Navy Reserve over the next 5 years. Although there will be an increased pool of personnel leaving Active Duty, reduced Reserve end-strength may limit the opportunity for transition to the Navy Reserve for some sailors. In order to maximize this opportunity, the Navy Reserve has implemented the following programs to ensure desired skills and expertise are retained to the maximum extent:

Career Transition Office.—The Career Transition Office (CTO) supports rapid and seamless transitions across Active and Reserve Components (AC/RC) that will encourage a lifetime of Navy service. The CTO Transition Assistants provide NAVET Officers and Enlisted with counseling and guidance on the benefits of the Navy Reserve, and assists sailors transitioning from AC to RC. Through centralized processing, CTO has reduced transition processing time from months to days. The CTO has reduced the necessary paperwork and time required to transition a sailor from AC to RC, and increased direct transition rates to more than 50 percent.

Perform-to-Serve With Selected Reserve Option.—Perform-to-serve (PTS) gives enlisted Active component and full-time support sailors the option of requesting a Selected Reserve (SELRES) quota, in-rate or a rating conversion quota, as they approach their Expiration of Active Obligated Service. PTS streamlines the application, evaluation, approval and notification process for sailors requesting SELRES affiliation. SELRES PTS quota approvals are linked to the Career Management System/Interactive Detailer (CMS/ID), which further eases the AC-to-RC transition process.

Career Management System/Interactive Detailer.—Career Management System/Interactive Detailer (CMS/ID) allows sailors with approved SELRES PTS quotas to select the Navy Operational Support Center (NOSC) where they will conduct their Reserve drills after their transition. PTS approvals are linked to the CMS/ID system, only allowing approved sailors to access the system. CMS/ID gives sailors greater predictability in their future Reserve career, and is linked to the Assignment Information Systems that can generate Intermediate Stop (I-Stop) Orders for sailors who request them.

Intermediate Stop Orders Generation.—This process allows Active component and full-time support sailors transitioning to the Selected Reserve to receive funded separation orders that include a 3-day I-Stop at their requested Navy Operational Support Center (NOSC). This intermediate stop during the critical 72-hour transition period allows the sailor to complete their release from Active Duty (separation) processing and Reserve affiliation at their new drilling location. Under this process sailors affiliating with a NOSC greater than 50 miles from their residence are authorized up to 3 days per diem while completing their Active Duty to SELRES processing at the NOSC. I-Stop orders smooth the transition process, allowing the sailor to get familiar with their new community sooner while facilitating immediate Navy Reserve leadership engagement through Command Sponsorship and Command Indoctrination.

Mobilization Deferment Program.—Current policy allows all Navy veteran (NAVET) and other Service veteran (OSVET) personnel who affiliate with the Navy Reserve within 6 months (183 days) of release from Active Duty to qualify for a 2-year deferment from involuntary mobilization, commencing on the date they affiliate with the Navy Reserve. All personnel who affiliate between 7 and 12 months (184–365 days) of release qualify for a 1-year deferment from involuntary mobilization commencing on the date they affiliate with the Navy Reserve. Members may still volunteer for mobilization.

Enlisted Early Career Transition Program.—Early Career Transition Program (ECTP) provides opportunities for Active component (AC) and full-time support (FTS) enlisted sailors to transition into the SELRES more than 90 days prior to their Expiration of Active Obligated Service (EAOS). Eligible sailors may submit

requests up to 15 months prior but no later than 3 months prior to desired transition date (not EAOS). If approved, members will incur mandatory drilling Reserve obligation equal to the remaining Active portion of their current contract. The minimum obligation will be for 1 year if remaining in-rate; 4 years if converting.

SELRES Affiliation Bonuses.—Navy veterans and other service veterans are eligible to receive affiliation bonuses when affiliating with the Navy Reserve in targeted officer designators, enlisted rates, and specialties. There are 16 officer designators and 11 subspecialties that are eligible for affiliation bonuses of up to $10,000; in fiscal year 2012 execution, 451 officers have taken the affiliation bonus. There are 27 enlisted rates and 33 Navy Enlisted Classification codes that are eligible for affiliation bonuses of up to $20,000; in fiscal year 2012 execution, 169 sailors have taken the initial affiliation bonus and 500 sailors will receive an anniversary bonus payment.

Navy Reserve Support for Reserve Component Accessions.—SELRES are conducting NAVET outreach and engagement in all Navy enterprises to support Navy Recruiting Command (NRC) and the Career Transition Office (CTO) efforts to meet RC accession goals. Navy Reserve Sailors occupy a unique position by residing in communities all across the country, and are leveraging this position as well as their Navy and civilian experiences to communicate with and mentor RC candidates and support recruiting. Through SELRES outreach at all leadership levels (Flag Officer, Senior Officer, Junior Officer), NAVETS will know that they are valued for their service and will make better informed affiliation decisions based on knowledge of Reserve benefits and pay, drilling requirements, NOSC and billet locations. SELRES recruiting and mentorship helps RC candidates understand better what a SELRES actually does and answers questions that range from Reserve community missions and capabilities to managing the AC to RC transition and associated lifestyles changes. Better informed NAVET affiliation decisions will help achieve Navy Reserve meeting accession goals, and also have direct impact on reduced RC attrition and increased overall Navy Total Force readiness through the retention of trained and experienced sailors.

Question. Have you developed programs to allow for ease in transition for servicemembers going from Active Duty to the Reserves?

Answer. Yes. Navy has developed numerous programs, and continues to improve processes, to assist sailors transitioning from the AC to the RC. Specific initiatives include:

—Updating Navy's automated reenlistment/career management tool to facilitate affiliation in the SELRES and NOSC selection before leaving Active Duty.
—Intermediate Stop (I-Stop) program allows Sailor's affiliating with the RC to transfer on Active Duty orders from their current command to an approved NOSC.
—Mobilization Deferment Program allows Navy Veteran (NAVET) and other Service Veteran (OSVET) personnel affiliating with the RC within 6 months of release from Active Duty to qualify for a 2-year deferment from involuntary mobilization.
—Enlisted Early Career Transition Program (ECTP) provides opportunities for AC enlisted sailors to transition to the SELRES more than 90 days prior to Expiration of Active Obligation Service (EAOS).
—Career Transition Office (CTO) supports rapid and seamless transitioning between AC and RC to encourage a lifetime of Navy service while reducing costs and manpower hours associated with recruiting NAVETS.
—Navy Reserve Support for RC Accessions: SELRES are conducting NAVET outreach and engagement in all Navy Enterprises to support Navy Recruiting Command (NRC) and Career Transition Office (CTO) efforts to answer questions and aid in affiliation.
—SELRES affiliation bonuses: NAVETS and OSVETS in targeted officer designators, enlisted rates, and specialties are eligible for Navy Reserve affiliation bonuses.
—Finalizing plans for a Delayed Affiliation Program (DAP) that will allow AC enlisted sailors who desire a delay in affiliation, or are unable to obtain a SELRES in-rate Perform to Serve (PTS) quota, to delay in-rate affiliation through a quota reservation system.

RESERVE EQUIPMENT SHORTFALLS

Question. Gentlemen, over the last several years, the Reserve components have transitioned from a Strategic to an Operational Reserve, but annual budget requests have not adequately addressed the additional equipment requirements associated with this new role. The Congress has consistently added money to the National

Guard and Reserve Equipment Appropriation (NGREA) to try to alleviate this problem. How have these increases improved your ability to train and deploy?

Answer. The additional funding appropriated through NGREA has given the Navy Reserve the ability to procure and upgrade technical systems such as the Night Vision Device "Heads Up Displays" and Forward Looking Infrared (FLIR) sensors on our helicopters. These advanced systems have given our helicopter crews the ability to search, detect, track, and engage surface vessels of interest in challenging nighttime, low-light conditions. Due to a shift in drug trafficking tactics to exploit the night regime, this new and enhanced capability has allowed our Navy crews and USCG Law Enforcement Teams to be more effective against narco-terrorists, smugglers, and pirates. Just recently, the USN–USCG team on board the USS *Elrod* has captured a record-breaking amount of narcotics, mostly attributable to these new equipment additions through NGREA funding. Additionally, the NVG–HUD and FLIR add another layer of safety for our crews and law enforcement while flying under difficult environmental conditions.

Within our Fleet Logistics community, the Navy Reserve C–130Ts are currently undergoing Electronic Prop Control System (EPCS), GPS and Engine Instrument Display System (EIDS) modifications. The EPCS modification replaces a legacy hydro-mechanical prop control system with a more simple and reliable electronic system—addressing and mitigating one of the C–130's biggest maintenance degraders while increasing crew safety and aircraft reliability. The forecasted impacts of this modification are a 4-percent increase in mission capable (MC) rate, 15-percent decrease in propeller nonmission capable (NMC) hours, 15-percent decrease in propeller maintenance man-hours (MMH), and a 7-percent reduction in overall system cost. The ROI for this modification is 6 years and is 1:1 per aircraft. The Garmin GPS modification provides crews with a global navigation system certified for primary navigation and instrument approaches. This capability allows Navy C–130 crews to fly more direct, efficient routes while complying with new, more stringent air traffic management mandates. Additionally, it provides crews with greater situational awareness and increases safety margins by reducing aircrew workload during critical phases of flight. As part of the GPS modification, the EIDS upgrade replaces the entire cluster of 36 mechanical engine gauges and replaces them with a single digital display and is expected to reduce maintenance man-hours and supply chain delays while providing crews greater engine status awareness. The result of these NGREA-funded modifications is a safer, more efficient airlift fleet that is reliable and postured for longevity.

Additionally, the Navy Reserve has used NGREA to invest heavily in its Adversary Air Program. In an effort to provide Fleet Aviators with the most effective training possible, improvements to both the airframe and avionics suites of our aircraft have been necessary. The F–5 has undergone numerous structural sustainment and safety upgrades to ensure this low cost, but capable, airframe remains viable for the foreseeable future without sacrificing safety. Similarly, the incorporation of the Joint Helmet Mounted Cueing System (JHMCS) and external jamming pods bring enhanced tactical capabilities. JHMCS gives the Reserve F/A–18s additional capability to meet COCOM requirements when called upon. These enhanced capabilities also offer more dynamic air to air scenarios, and allow us to keep pace with the technological advances of potential threat aircraft. It is these upgrades which allow us to provide training that very closely mirrors what pilots can expect to see in any engagement around the world.

NGREA has allowed the Navy Reserve Force to purchase expeditionary warfighting equipment for the Naval Expeditionary Combat Enterprise (NECE) in support of operations in Iraq and Afghanistan, essential training upgrades in support of the adversary mission, and warfighting and personal protection equipment for Navy Special Warfare units. For example, NGREA funding allowed for the procurement of 10 Surface Amphibious Navy Maritime Prepositioning Force Utility Boats (MPFUBs). These boats replaced the LCM–8s utilized for Joint Logistics Over the Shore (JLOTS) Navy Beach Group Surface Reserve training missions, providing an essential training upgrade. We augmented these purchases with additional OMNR funding to provide for spare parts and associated items for the boats lifecycle maintenance. Additional equipment purchases for NECE included loader vehicles, concrete mixers, cargo trucks, fork lifts, and rapid response kits to enhance the Navy's rapid engineering response capability. Naval Special Warfare units also benefitted from personal and squad level tactical equipment items such as night vision optics and dive gear. Unlike most other appropriations, NGREA provides important, in-execution year flexibility to address equipment needs of the Force, which makes it an invaluable resource.

Question. Gentlemen, how much additional funding would you need to fully equip your component?

Answer. The current dollar amount of Navy Reserve equipment shortfalls is $5 billion and is published in table 8 of the National Guard and Reserve Equipment Report. Recent funding increases have bolstered recapitalization of critical RC equipment and enabled aviation modernization upgrades and table of allowance equipment buys that maintain our capability. The Navy Reserve's top equipment priorities continue to be aircraft procurement and the outfitting of special warfare units.

FAMILY SUPPORT AND YELLOW RIBBON PROGRAMS

Question. Outreach efforts such as the Yellow Ribbon Reintegration Program (YRRP) are particularly important for guardsmen and their families who are geographically dispersed across the country. Please update the subcommittee on your Service's Yellow Ribbon efforts and their effectiveness.

Answer. The YRRP has consistently received praise for its ability to smooth the process for Reserve servicemembers transitioning from mobilized service to the civilian sector. Specific programs under the Yellow Ribbon program include:

Deployment Readiness Training.—Navy Reserve's Pre-Deployment Yellow Ribbon and family readiness event, Deployment Readiness Trainings (DRTs) provide our members and families with education about the rigors of a deployment and the challenges of family separation and accessing family programs. The Navy Reserve Psychological Health Outreach Program (PHOP) teams of licensed mental health professionals embedded in each Reserve Region are also available for support and screening and to provide psychological health training at these events.

During-Deployment Support.—During-deployment support is provided using the Ombudsman, family readiness programs, and U.S. Fleet Forces' IA grams. Command Individual Augmentee Coordinators (CIAC) have monthly contact with both the deployed sailor and his/her family. The PHOP teams are also available to support the Ombudmen, family readiness program staff, CIACs and families during deployments.

Post-Deployment Events.—Included in this category are the Warrior Transition Unit in Kuwait, the CONUS Navy Mobilization Processing sites (NMPS), Returning Warrior Workshop (RWW), and the Post-Deployment Health Reassessment Program (PDHRA). PHOP teams provide training and support to the NMPS. RWWs are Navy's 60-day Reintegration Event for sailors and their guests. RWWs provide education, facilitate discussions, seek to improve psychological health and resiliency, and honor sailors and their guest. The PDHRA is the 90-day post-mobilization event and completes YRRP. PDHRAs are conducted online, with follow up phone conversation with a healthcare provider, and help to provide mental health distress symptom warning and identification. The PHOP teams also make contact with demobilized reservists to assess needs and provide support to reservists and their families during reintegration. They can also help to find local resources for any needs identified during the PDHRA and the annual Periodic Health Assessments (PHA). PHOP teams also support the Navy Operational Support Center (NOSC) medical department representatives with Line of Duty (LOD) determination packages, and the Reserve Force Surgeon, medical case managers and Safe Harbor nonmedical case managers with finding local care and resources for wounded warriors.

Question. Are family support programs fully funded in the fiscal year 2013 budget request? From your perspective, are there programs that could be improved?

Answer. Navy family support programs received funding for all known requirements in the fiscal year 2013 President's budget request. Family Support programs are continually evolving, so there is a possibility for growth or program expansion after the budget request is submitted. For example, the Veteran's Employment Initiative Program (VEIP) has grown in scope since submission of the fiscal year 2013 request. In some cases, family support programs are managed by the Active Force, but cover all eligible populations, Active and Reserve. In other cases, particularly those in which the needs of Active and Reserve component sailors differ, there are separate Active and Reserve programs. Regardless of the program management approach, Navy's goal is to ensure the needs of both Active and Reserve families are met.

With regard to improving programs, Navy is using social media and virtual learning platforms to expand the knowledge base. While this has greatly extended awareness and support to most families, providing support to remotely located families remains a challenge and focus for improvement.

QUESTIONS SUBMITTED BY SENATOR DANIEL COATS

Question. During your tenure as the Chief of Navy Reserves, what efforts have you initiated to increase the number of officers completing Joint Professional Military Education (JPME) Phase I? During your tenure by year, what were the number of Commanders and Captains who had completed JPME Phase I? How do these numbers and percentages compare to their Active Duty counterparts/running mates? Why the difference? What more can be done?

Answer. Increasing the number of Reserve component (RC) officers who complete JPME has been a priority for the Navy Reserve since 2008. As the table below depicts, the number of RC officers with JPME 1 has doubled through increased in-residence opportunities and via distance learning.

Fiscal year	Inventory of RC JPME I Graduates	Percentage of RC CDRs/ CAPTs	Inventory of AC JPME I Graduates	Percentage of AC CDRs/ CAPTs
Fiscal year 2008	415	6.5	2,105	21.0
Fiscal year 2009	568	9.0	2,398	23.5
Fiscal year 2010	704	11.1	2,631	25.3
Fiscal year 2011	793	12.5	2,732	25.6
Fiscal year 2012	827	13.0	2,755	27.3

From 2010 to 2012 Navy Reserve in-residence opportunities increased from 12 to 40, however, a majority of our officers must complete JPME 1 via distance learning. Navy Reserve Officers are enrolled in every distance learning program offered by the services.

The Active Duty Navy continues to offer resident and nonresident opportunities to our highly capable, board screened officers. We continue to publicize JPME opportunities by releasing ALNAVRESFOR messages and publishing on a dedicated Navy Reserve Web site JPME Web page and CNRFs Facebook Page.

Question. During your tenure by year, what were the number of E–8 and E–9 who had completed the Senior Enlisted Academy (SEA)? How do these numbers and percentages compare to their Active Duty counterparts/running mates? Why the difference? What more can be done?

Answer. Please see the table below for year-by-year statistics. Approximately 20 percent of both the Reserve component (RC) and Active component (AC) Senior Enlisted population have attended the Academy.

Fiscal year	Total RC SEA graduates	Total AC SEA graduates
Fiscal year 2008	90	461
Fiscal year 2009	79	382
Fiscal year 2010	54	296
Fiscal year 2011	39	300
Fiscal year 2012	38	145
Totals	300 (21.7 percent of RC E8/E9 population)	1,584 (19.6 percent of AC E8/E9 population)

The Navy Reserve is committed to increasing Senior Enlisted Academy attendance by our eligible sailors who have not attended the Academy. Navy Reserve Force Senior Enlisted Leadership developed and implemented a Force-wide communication strategy employing Facebook, the Navy Reserve Web site, and Chief's Mess calls to emphasize the benefits of the Academy and encourage more Reserve component attendance. Since implementing this strategy in 2011, Reserve applications have doubled. Additionally, Navy Reserve leadership continuously reviews faculty assignments to ensure an appropriate amount of facilitators are available to meet fleet demand.

Question. In 2015, the Navy Reserve will celebrate its 100th anniversary. What efforts are underway to capture and write of the history and contributions of the Navy Reserve over this 100-year period? How do you plan on commemorating this important anniversary? Do you have a full-time historian on your staff? If not, why not?

Answer. Navy Reserve is coordinating with the Naval History and Heritage Command's Office of Commemorations in preparation for the 100th anniversary of the Navy Reserve. The work of this joint effort will include a written history that identi-

fies and illustrates notable contributions of the Navy Reserve to the Navy and Joint Forces during the last century. Although exact plans are not yet finalized, there will be a series of 100th anniversary recognition events and ceremonies throughout the year at Reserve units and facilities across the country.

In lieu of a full-time historian on staff, Navy Reserve employs a full-time Public Affairs Officer, supported by a Strategic Communications team.

Question. What are the unfunded requirements of the Fleet Historian program?

Answer. The fleet historian program is currently staffed by Reserve sailors and covers 16 commands including numbered fleets, with the exception of the 4th fleet. As of early March 2012, 33 of the 35 Reserve billets allocated were filled. Additionally, 12 civilian positions were approved in the fiscal year 2012 budget, and are currently being filled. The Navy is assessing the total requirement in order to ensure the Fleet Historian Program is adequately sized given current pressures in funding and personnel.

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL JACK STULTZ

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUYE

CONTINUUM OF SERVICE

Question. In accordance with the new defense strategy as well as fiscal constraints, the Active components will significantly reduce their end-strengths over the next 5 years. This seems to create an opportunity for the Reserve components to recruit servicemembers coming off of Active Duty to continue their military service in the Reserves. How are the Reserve components planning to leverage this opportunity to retain these skilled and experienced personnel?

Answer. The Army Reserve is setting the conditions early in order to be prepared for the Active Army drawdown and support of the continuum of service. In order to satisfy the force structure requirements established for the Army Reserve through the Total Army Analysis process, the Manpower Balancing Strategy is designed to:

—Increase Prior Service Accessions;
—Decrease reliance on Non Prior Service Accessions to fill shortages;
—Reduce Shortages in Mid-Grade Officers and NCOs; and
—Make Space Available for Increased AC Transitions by removing unsatisfactory participants from our rolls.

Question. Have you developed programs to allow for ease in transition for servicemembers going from Active Duty to the Reserves?

Answer. Yes. The U.S. Army Reserve is establishing 16 Transition Assistance Teams (TAT) located at various Army Active Duty installation transition points in the United States and overseas. The TAT consists of 2–3 full-time support soldiers from the Army Reserve Careers Division (ARCD) and 1 contract civilian employee from the Employer Partnership Officer at each transition point. The contractor will serve as the Transition Point Employment Liaison (TEL). The TEL will assist soldiers with registering on accepted jobs portal, resume development/enhancement, application process, interview assistance, and jobs skills translation. The TEL will track soldiers' progress and assist soldiers as necessary. Together, the TAT will counsel soldiers considering a career in the Reserve component, find them a unit of assignment, and assist them in obtaining employment in the area/State of the soldier's choice. The TEL will assist soldiers in finding employment opportunities even if they decide not to affiliate with the Reserve component. Case management of a soldier is handed to another TEL or Army Career Employment Specialists (ACES) if a soldier chooses to relocate to an area or State outside of the current TAT's responsibility. All soldiers transitioning from Active Duty are provided briefings on the benefits of affiliation with the Reserves and they are also afforded an opportunity to actual sign-up prior to separation from Active Duty. All soldiers transitioning from Active Duty are provided briefings on the benefits of affiliation with the Reserves and they are also afforded an opportunity to actual sign-up prior to separation from Active Duty.

RESERVE EQUIPMENT SHORTFALLS

Question. Gentlemen, over the last several years, the Reserve components have transitioned from a Strategic to an Operational Reserve, but annual budget requests have not adequately addressed the additional equipment requirements associated with this new role. The Congress has consistently added money to the National

Guard and Reserve Equipment Appropriation (NGREA) to try to alleviate this problem. How have these increases improved your ability to train and deploy?

Answer. NGREA is an invaluable tool for the Army Reserve (AR). It enables the AR to procure modernized equipment not resourced in the Army's budget. NGREA assists with mitigating critical equipment shortfalls. NGREA helps fill the resourcing gap to meet the Army Campaign Plan objective of transforming to an Operational Army Reserve. NGREA greatly enhances the AR's ability to procure modern equipment to improve readiness and modernization capability.

Question. Gentlemen, how much additional funding would you need to fully equip your component?

Answer. The funding shortfalls for fiscal year 2013 is $9 billion. This funding would support equipment modernization systems such as tactical wheel vehicles, general engineering and combat mobility, field logistics, liquid logistics. Our major equipping challenges include; equipment modernization for critical systems, critical dual use equipment for national response, and institutional training equipment requirements.

FAMILY SUPPORT AND YELLOW RIBBON PROGRAMS

Question. Outreach efforts such as the Yellow Ribbon Reintegration Program (YRRP) are particularly important for guardsmen and their families who are geographically dispersed across the country. Please update the subcommittee on your Service's Yellow Ribbon efforts and their effectiveness.

Answer. Army Reserve Soldiers will continue to mobilize, deploy, fight, and then return home to their loved ones. I cannot adequately express both the tangible and intangible benefits derived from the YRRP for our soldiers and their families. The Army Reserve's Yellow Ribbon program is an integral part of our efforts to build resilient families and Army Strong Soldiers who can endure the mobilizations, separations, and sacrifices we ask of them as part of their selfless service. We continue to work to provide the soldiers and families, their employers and the local communities where they live some stability and predictability. This allows our Reserve component soldiers opportunities to pursue both their military and civilian careers fulfilling their soldier-citizen role. The YRRP program provides deployment support and services never afforded to the Reserve component before 2009. Participation in Yellow Ribbon events provides attendees with sufficient information and services, opportunities for referral and proactive outreach from our commands and our communities build self-reliant and resilient families and soldiers. Our events rely on the support and involvement of command staffs, employers, community partners, and a host of volunteers. Yellow Ribbon events also provide a platform for and rely on the energy, enthusiasm, and impact of local, regional, and national community leaders and businesses (employers, educational institutions, Veterans' organizations, community healthcare, and so on) who are rallying to support our commands and individual soldiers who deploy. There is nothing else like a Yellow Ribbon event to help soldiers and families prepare for and endure the challenges of their deployment and reintegration. We help families network together, connect with each other and keep the families in touch with their unit/command and Family Programs' Office/staff during the deployment of their soldiers. This has been important to get soldiers and families connected and keep them connected despite their geographical dispersion. Family members get to understand the sanctioned military benefits, entitlements and the resources available to them. The Reserve components' "new normal" battle rhythm for pre-deployment, deployment, redeployment, and reintegration have recurring, yet different stress points for both the soldier and their family members. We are committed to providing our soldiers and families a level of benefits and quality of life that is commensurate with their service to the Nation. The geographic dispersion and numbers of Army Reserve families and soldiers, combined with the challenges that may exist with a civilian employer or educational pursuits, is unparalleled by any other service or service component.

Question. Are family support programs fully funded in the fiscal year 2013 budget request? From your perspective, are there programs that could be improved?

Answer. Army Reserve Family Programs are fully funded in fiscal year 2013 budget request to deliver the baseline programs and services designed to sustain soldiers and families through the soldier's lifecycle. The funding supports the both the Family Programs and the Child, Youth and School Services delivery models that reach the geographically dispersed. Yellow Ribbon Program: Yellow Ribbon Reintegration Program (YRRP) funding is separate from family readiness/family support funds. The Yellow Ribbon program has been funded to meet the mission expected in fiscal year 2013. Overseas contingency operations (OCO) funding has been used to perform all tasks associated with program execution. The Army Reserve con-

tinues to be able to put soldiers and family members on travel orders to attend appropriately conducted events and receive access to services and resources that help prepare each for and through a deployment; as well as, receive reunion and reintegration assistance and support. The Army Reserve supports full implementation of the YRRP and is actively involved with the Department of Defense, other Services, the Army National Guard, and AR staffs at all levels of command to provide the most effective and efficient program for soldiers and their families.

UTILIZING THE OPERATIONAL RESERVE

Question. General Stultz, during your tenure as Chief of the Army Reserve, you have led the effort to transform the Army Reserve from a strategic to an Operational Reserve. As you prepare to retire, can you update the subcommittee on how this transition is going and how you think this new Operational Reserve can be best utilized as we draw down the mission in Afghanistan?

Answer. Given our extensive participation in the conflicts in Iraq and Afghanistan, as well as our active preparation for homeland defense missions and to exercise our new authority from the 2012 Authorization Act to assist with disaster response, I would say that the Army Reserve is already fully functioning as an Operational Reserve. As the mission in Afghanistan draws down we will be seeking new opportunities and predictable, recurring missions to leverage the rich skills of the citizen-soldiers of the Army Reserve and hopefully forestall the need for robust deployments like those that we are just completing. In this regard we hope to be able to actively utilize the newly enacted 10 U.S.C. 12304b authority to support preplanned missions of our combatant commanders.

Question. General Stultz, do you believe the Army is adequately resourcing the Reserve to make this transition?

Answer. Yes. The current level of resourcing is acceptable and does not require us to assume undue levels of risk. That might not be the case should resourcing drop, for example, should we have to contend with sequestration. We are actively engaged to ensure that any essential resources that flow from overseas contingency operation funding find their way into the base budget. We are monitoring reset and retrograde operations closely to make sure that they fully take our equipping needs into account and will be prepared to advise the Congress how this is going. We are ready and available to augment the Force when required as authorized by U.S.C. 12304b.

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL STEVEN A. HUMMER

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUYE

CONTINUUM OF SERVICE

Question. Gentlemen, in accordance with the new defense strategy as well as fiscal constraints, the Active components will significantly reduce their end strengths over the next 5 years. This seems to create an opportunity for the Reserve components to recruit servicemembers coming off of Active Duty to continue their military service in the Reserves. How are the Reserve components planning to leverage this opportunity to retain these skilled and experienced personnel?

Answer. The Marine Corps intends to leverage opportunities to retain qualified servicemembers leaving the Active component over the next 5 years with a number of programs designed to recruit skilled and experienced personnel. One such program is the fiscal year 2012 pilot program dubbed "Active Component (AC) to Selected Marine Corps Reserve (SMCR) Direct Affiliation." The Direct Affiliation Program focuses on highly qualified candidates recruited to fill available Reserve assignments with grade and military occupational specialty (MOS) matches at a Select Marine Corps Reserve unit. The program will begin with marines on their initial contract and company grade officers. Affiliation bonuses or prior-service MOS retraining (if requested and available) can also be offered through direct affiliation. The marine leaves Active Duty but "stays Marine" by joining the new Reserve unit within 60 days of their end of Active service (EAS) date, without a break in service. Upon affiliation, the Reserve unit welcomes and sponsors the new direct affiliate and assists in the marine's transition. One benefit associated with this program is an automatic 6-month extension of existing TRICARE medical coverage, to include dependents, for participation as a direct affiliate.

Another retention tool is the 60 Composite Point Bonus Program. Active component and Reserve component corporals can elect to receive 60 points towards their promotion cutting score for a 12-month commitment to a Selected Marine Corps Re-

serve (SMCR) unit. This bonus is intended to incentivize prior service corporals to affiliate with a Selected Marine Corps Reserve unit and aid in the retention of existing Reserve component corporals. Released earlier this fiscal year, more than 240 Corporals have accepted this bonus and roughly one-half have been promoted as of June 1, 2012.

Finally, each month, Marine Corps Reserve Affairs communicates via email with all Active component Marines approaching their EAS date. This email communication provides a summary of Reserve opportunities and key Reserve transitional points of contact. Reserve Transition Coordinators at Camp Lejeune, Marine Corps Air Station New River, Camp Pendleton and Okinawa provide ongoing education on Reserve opportunities to Active component career planners. These educational engagements inform career planners so that the career planner community can better counsel transitioning marines on service in the SMCR.

Question. Have you developed programs to allow for ease in transition for servicemembers going from Active Duty to the Reserves?

Answer. Our transition assistance programs will be integrated into the lifecycle of a Marine from recruitment, through separation or retirement, and beyond as veteran Marines. Once implemented, this will assist marines as they transition from the Active Duty ranks back to their civilian lives, which may include time in the Marine Corps Reserves.

Our first step is our revised Transition Readiness Seminar (TRS), which now gives Marines a choice of focusing on one of four pathways during this program:

—College/University education;
—Employment;
—Vocational or technical training; or
—Entrepreneurialism.

Marines receive information on the Reserves during TRS that highlight the benefits of a Reserve career including educational opportunities, promotions, and certain commissary and exchange privileges. This revised seminar requires marines to complete assignments beforehand in order to maximize the seminar's efficiency and effectiveness. This tailored approach reduces information overload, targets individual needs of the marine and the Marine Corps, and promotes effective military skills translation.

The Marine for Life Program, with its nationwide network of Hometown Links, will support improved reach-back and outreach support for those veteran marines who require localized support in their hometowns with information, opportunities, or other specific needs. These assets help veterans develop and maintain local networks of marine-friendly individuals, employers, and organizations.

RESERVE EQUIPMENT SHORTFALLS

Question. Gentlemen, over the last several years, the Reserve components have transitioned from a strategic to an Operational Reserve, but annual budget requests have not adequately addressed the additional equipment requirements associated with this new role. The Congress has consistently added money to the National Guard and Reserve Equipment Appropriation (NGREA) to try to alleviate this problem. How have these increases improved your ability to train and deploy?

Answer. Reserve equipment inventory levels continue to rise to meet Reserve training and deployment requirements. The NGREA remains a significant force multiplier for the Reserve component (RC), allowing the Marine Corps flexibility to balance requirements based on a Total Force perspective. Affording the Marine Corps the ability to purchase or accelerate the fielding of mission essential items for the Reserves directly impacts the RC's ability to train. The RC has been able to ensure units augmenting and reinforcing the Active component (AC) are as proficient as their AC counterparts. The NGREA has been a critical resource solution towards training and readiness for the RC in the following areas:

Training and Simulators.—The Marine Corps Reserve strives to incorporate the latest technological innovations to create cost-effective training and education opportunities for Reserve Marines, increasing their ability to perform at the same level as their AC counterparts. Fielding modern, state-of-the-art training systems is part of this effort. Through the use of NGREA, the Marine Corps has procured the Medium Tactical Vehicle Replacement—Operator Driving Simulator (MTVR–ODS), Virtual Combat Convoy Trainer—Marine (VCCT–M), Deployable Virtual Training Environment—Reserves (DVTE–R), and other training systems. Additionally, the incorporation of aircraft Flight Training Devices (FTDs) and their linkage via the Aviation Virtual Training Environment (AVTE) will not only allow aircrews to conduct more sorties via the simulator/training device but the FTDs will also allow the RC to train with other units and aircrews as a way to reduce

costs in a resource-constrained environment. The Marine Corps continues to evaluate new training and simulation technologies to identify cost-effective training options.

Combat Equipment Procurement and Modernization.—The Marine Corps' various combat equipment modernization programs funded with NGREA are providing the RC with the latest generation of warfighting capabilities. These programs include the Logistics Vehicle System Replacement (LVSR), M1A1 tank suspension upgrades, and the A2 upgrade to the Light Armored Vehicle (LAV) family. The majority of the Marine Corps' modernization programs are already in the fielding phase or within the final phases of acquisition. NGREA funds were also utilized for the procurement of Support Wide Area Network (SWAN) satellite network packages for command and control, and RQ–11B Raven unmanned aerial vehicle systems

Aviation Modernization.—The RC is also included in the Marine Corps Aviation Plan. During this Future Year Defense Program (FYDP), Reserve squadrons will begin transition from the KC–130T to the KC–130J, the CH–46E to the MV–22B, and the UH–1N to the UH–1Y. The RC has used NGREA funding to provide upgraded capabilities to existing aircraft.

Question. Gentlemen, how much additional funding would you need to fully equip your component?

Answer. As discussed in the fiscal year 2013 National Guard and Reserve Equipment Report (NGRER), the projected fiscal year 2013 delta between the on-hand quantities of the RC and the wartime requirements is $819 million. Excluded from this requirement is the fielding of the KC–130J airframe. While the KC–130J has been fielded to the Active component Marine Corps, the first Reserve component KC–130J is not scheduled for delivery until 2015, and currently only 5 of the 28 airframes are programmed within the FYDP. The cost to procure the remaining 23 KC–130J airframes is $2.1 billion.

FAMILY SUPPORT AND YELLOW RIBBON PROGRAMS

Question. Outreach efforts such as the Yellow Ribbon Reintegration Program are particularly important for guardsmen and their families who are geographically dispersed across the country. Please update the subcommittee on your Service's Yellow Ribbon efforts and their effectiveness.

Answer. We continue to ensure our geographically dispersed Reservists and their families are cared for through our various outreach efforts, which includes the Yellow Ribbon Reintegration Program. Marine Forces Reserve has fully implemented the Yellow Ribbon Reintegration Program at each of the five stages of deployment to better prepare our servicemembers and their families for activation and return to civilian life after mobilization. During fiscal year 2011, we took proactive steps to maximize participation while minimizing costs by hosting Yellow Ribbon Reintegration events at Reserve centers. This step lowered the average cost per participant to $340 per training session, and we anticipate additional cost savings this fiscal year because of these efforts. More importantly, this enables our units to proactively plan around the operational and unique individual needs of their marines, sailors, and families in addition to keeping unit leadership in the forefront of the issues that affect their servicemembers. In fiscal year 2011, we executed 155 events in which 6,264 servicemembers, which include marines in the Individual Ready Reserve, 2,399 family members, and 3,673 nondependent family members, and/or designated representatives participated for a total of 12,366 persons served by our program. We'll continue to build these events around the operational needs of our units as well as the individual needs of our marines, sailors, and their families by giving unit leadership flexibility in selecting venue, resources, and agenda in accordance with current Department of Defense policy and guidance.

Question. Are family support programs fully funded in the fiscal year 2013 budget request? From your perspective, are there programs that could be improved?

Answer. The Marine Corps family support portfolio focuses on sustaining and enhancing essential programs that support the health, welfare, and morale of our marines and their families. We continually seek improvement and have been working hard to ensure our family support programs properly address the needs of our marines and families.

In the fiscal year 2013 President's budget, the Marine Corps ensures that family support programs are efficient while meeting all mission-critical needs. The Marine Corps family support budget reflects a balanced approach that is designed to enhance those elements of support that are the most critical to marines and their families. Funding for Marine Corps family programs in the fiscal year 2013 President's budget maintains the required level of family support throughout the Marine Corps

(Active Duty and Reserves). On the whole, it provides the necessary funding to ensure the health and well-being of our marines and their families. There were no significant programmatic reductions to family support programs in fiscal year 2012. Some aspects of Morale, Welfare and Recreation and family support programs are reduced in fiscal years 2013–2016, but these reductions are primarily a function of the drawdown in Marine Corps end strength. The fiscal year 2013 budget has increased funding in several family support areas in order to enhance essential programs that support our marines and their families.

The fiscal year 2013 President's budget is designed to preserve and enhance the quality of life for marines and their families and continues to provide the appropriate level of services in this mission critical area.

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL CHARLES E. STENNER, JR.

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUYE

CONTINUUM OF SERVICE

Question. Gentlemen, in accordance with the new defense strategy as well as fiscal constraints, the Active components will significantly reduce their end strengths over the next 5 years. This seems to create an opportunity for the Reserve components to recruit servicemembers coming off of Active Duty to continue their military service in the Reserves. How are the Reserve components planning to leverage this opportunity to retain these skilled and experienced personnel?

Answer. The Air Force Reserve's first choice to fill our ranks are those members leaving Active Duty. We have In-Service Recruiters at nearly every base personnel office to catch and educate members separating from Active Duty on the benefits of serving in the Air Force Reserve. While Active Duty Force shaping provides a great opportunity to add to our ranks, several factors influence an airman's decision including location, position availability, and career field. Another hindrance is that the career fields where the preponderance of our shortages exists are usually those career fields not targeted during force shaping thus, the career fields being downsized are usually not what we need. Nonetheless, we strive to place every eligible member to allow for continuum of service and retain these experienced airmen in the Air Force inventory.

Question. Have you developed programs to allow for ease in transition for servicemembers going from Active Duty to the Reserves?

Answer. Accessing separating Regular Air Force Active Duty members is a vital part of the Air Force Reserve strategic plan to meet end strength each year. In fact, approximately 30 percent of all Air Force Reserve gains over the last 5 years have been transitioning Regular Air Force members. Our success can be attributed to an aggressive, fully integrated In-Service Recruiting program that focuses on helping transitioning Airmen wade through their continuum of service options. In-Service Recruiters work with members once a date of separation is projected to provide briefings on Air Force Reserve membership and benefits, assist with assignments, and ensure transition processing is complete.

RESERVE EQUIPMENT SHORTFALLS

Question. Gentlemen, over the last several years, the Reserve components have transitioned from a strategic to an Operational Reserve, but annual budget requests have not adequately addressed the additional equipment requirements associated with this new role. The Congress has consistently added money to the National Guard and Reserve Equipment Appropriation (NGREA) to try to alleviate this problem. How have these increases improved your ability to train and deploy?

Answer. The Congress has been extremely generous in allocating greater amounts of NGREA over the last several years. Without these funds, modernization of Air Force Reserve systems would have clearly been inadequate. The Air Force Reserve uses these resources to not only modernize its systems but to procure equipment and vehicles needed to sustain the readiness of our Operational Reserve Force. Our modernization strategy focuses on upgrading defensive systems, communication and data links, and precision engagement capabilities. Continuing to upgrade our legacy systems provides not only the ability to train alongside our Active Duty counterparts but also enables the interoperability so vital in today's fight. Air Force Reserve Security forces and Civil Engineers have received the equipment and training needed to deploy with minimum spin-up time and be ready to operate immediately in the area of operations. Air Force Reserve aircraft are continuing to receive upgrades like C–130J large Aircraft Infrared Countermeasures, C–130H Secure Line-of-Sight/

Beyond Line-of-Sight, and F–16 Helmet Mounted Integrated Targeting which provide the combatant command with capabilities to complete the mission and keep our forces safe. In addition to the needs of the combatant command, NGREA is currently being used to purchase new modular area spray system equipment for Air Force Reserve C–130's that proved so vital in the Gulf of Mexico oil spill and are the only spray-capable aircraft in the Department of Defense.

Question. Gentlemen, how much additional funding would you need to fully equip your component?

Answer. The Air Force Reserve is currently scheduled to lose up to 82 aircraft in fiscal year 2013 due to force structure reductions. As good stewards of the Nation's dollars, we are currently re-shaping our modernization strategy so no funds are wasted on aircraft scheduled for removal from the inventory while preserving options pending final congressional action on force structure levels. Pending congressional action, our backlog of equipment requirements to support the current force structure is approximately $2.2 billion, excluding re-capitalization. The Air Force Reserve requires a minimum of $100 million a year to fully equip and modernize its forces, exclusive of re-capitalization costs. These funds will be used to upgrade the systems we have remaining as well provide units with modern equipment. Air Force Reserve vehicles are some of the oldest in the Department of Defense and need to be replaced along with a great deal of support equipment and infrastructure. We also continue to focus on modifications to increase aircraft survivability, improve precision engagement and enhance interoperability with our Active Duty partners.

FAMILY SUPPORT AND YELLOW RIBBON PROGRAMS

Question. Outreach efforts such as the Yellow Ribbon Reintegration Program are particularly important for guardsmen and their families who are geographically dispersed across the country. Please update the subcommittee on your Service's Yellow Ribbon efforts and their effectiveness.

Answer. The Air Force Reserve has conducted 51 Yellow Ribbon Reintegration Program events at 17 venues during fiscal year 2012. There are 27 additional events planned at 9 venues for this fiscal year. From our postevent surveys, we are experiencing a satisfaction rating of 4.5 points on a 5-point scale with 92 percent of attendees agreeing that the event information was useful to the member and their families. Approximately 52 percent of attendees submitting surveys decide they will seek further financial counseling after hearing the information presented at the program.

The Air Force Reserve Yellow Ribbon Reintegration Program is funded through overseas contingency operations funding. Our fiscal year 2013 requirement is $25.5 million.

Question. Are family support programs fully funded in the fiscal year 2013 budget request? From your perspective, are there programs that could be improved?

Answer. The Yellow Ribbon Reintegration Program is funded 100 percent through the overseas contingency funds (OCO). Air Force Reserve has requested $25.5 million for fiscal year 2013. We are concerned that if OCO funding goes away, sustaining the Yellow Ribbon Program would be extremely difficult. As for improving current programs, we are reviewing funding of Air Force Reserve family programs as the demands have traditionally increased during harsh economic times. However, at this point, there are no significant deficiencies in Air Force Reserve family programs.

AIR FORCE RESERVE—FORCE STRUCTURE CHANGES

Question. General Stenner, in March, the Air Force announced force structure changes and end strength reductions. The Air Force Reserve was impacted far less than the Air Guard in these proposed changes, which reduce Reserve end strength by 900 billets in fiscal year 2013. What input were you asked to provide during the deliberations over these force structure changes?

Answer. To say the Air Force Reserve was impacted far less than the Air National Guard is misleading. Although 900 manpower billets is the net amount of the force structure reduction, the actual drawdown of Selected Reserve equals 1,800 positions in fiscal year 2013, which is offset by a pre-programmed growth of 900 positions from fiscal year 2010. In fact, the total programmed reduction for the future years' defense program is 3,000 positions. The Air Force Reserve is certainly taking its fair share of reductions relative the Active Duty and Air National Guard.

The Air Force leveraged our Total Force Enterprise proportionately to present our enduring capabilities to the Joint warfighter and we have successfully met the demand of increased operations tempo over the last two decades through a combina-

tion of volunteerism, selective mobilization, and the creation of Active, Reserve, and Guard Associations. Over the years, we have adjusted the mix between Active and Reserve components to ensure we maintain a ready and sustainable force and can meet our surge and rotational requirements.

Senior leaders from each component worked closely together to submit a budget that:

—Shifts focus toward Asia-Pacific region, continues presence in Middle East, and maintains the ability to adapt to evolving strategic posture in Europe;
—Establishes an Active component/Reserve component mix based on readiness, rotational requirements and sustainable deploy-to-dwell ratios;
—Retains required Active component seasoning base to sustain Total Force;
—Provides an Operational Reserve component engaged in enduring and evolving missions;
—Meets required budget reductions while seeking to avoid a hollow force—prioritized readiness over force structure; and
—Produces a smaller, but flexible, agile, and ready force.

Maintaining an appropriate and equitable Active/Reserve mix will remain critical to sustaining Air Force capabilities for forward presence and rapid response and meeting overseas rotational demands with a smaller force. We were driven to consider reductions in fiscal year 2013 as a Total Force, and I carefully considered the ratio between the Active and Reserve components and made choices that:

—Ensures the Total Force could fulfill the Air Force's surge requirements as directed by the force sizing construct of the new strategic guidance;
—Maintains the balance between Active and Reserve components required to fulfill continuing rotational requirements at deployment rates and personnel tempos that are sustainable for both the Active and Reserve components;
—Makes sure the Active component retained the recruiting, training, and operational seasoning base required to sustain the Active Air Force, Air National Guard, and Air Force Reserve into the future; and
—Ensures the Reserve component remains relevant and engaged in both enduring and evolving missions.

The Air National Guard and Air Force Reserve Chiefs were involved in all analysis and decisions, and I employed the following realignment strategies in selecting specific locations for aircraft reductions and re-missioning plans:

—Ensure aircraft reductions do not negatively impact operational support to the Combatant Commands;
—Ensure force structure movements do not create any new Air Force bills;
—Ensure risk is minimized by optimizing crew ratios to exploit expected increase in mission capability rates; and
—Consider locations that continued to have an Air Force mission due to the presence of another Air Force component.

Question. Is the Air Force Reserve well-positioned to drawdown 900 billets in fiscal year 2013, and how will this affect readiness?

Answer. To clarify, 900 manpower billets is the net amount of force structure reduction in fiscal year 2013. The actual drawdown of Selected Reserve equals 1,800 positions, but is offset by a pre-programmed growth of 900 positions from fiscal year 2010 augmenting new and emerging missions, including new associations.

Air Force Reserve manpower reductions that are included in the fiscal year 2013 President's budget request are almost completely tied to the retirements in primary assigned aircraft. Wherever C–130, A–10, or KC–135 airframes were programmed for retirement, the corresponding aircrew, operations staff and maintenance manpower that will no longer be utilized were drawn down. Our new strategy requires us to balance risk across force structure, modernization, readiness, and people programs across all mission areas. Since the reduction of the aircraft is deemed congruent to the strategy, there is no offset to readiness. The reduction in manpower is excess to need and aligned with primary assigned aircraft reductions. The Air Force Reserve will continue to maintain the manpower necessary to ensure readiness does not suffer.

SUBCOMMITTEE RECESS

Chairman INOUYE. This subcommittee will reconvene on Wednesday, June 6 at 10 a.m. to receive testimony from outside witnesses.

And now we will stand in recess subject to call of the Chair.

[Whereupon, at 11:56 a.m., Wednesday, May 23, the subcommittee recessed, to reconvene at 10 a.m., Wednesday, June 6.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2013

WEDNESDAY, JUNE 6, 2012

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:03 a.m., in room SD–192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye and Cochran.

NONDEPARTMENTAL WITNESSES

OPENING STATEMENT OF CHAIRMAN DANIEL K. INOUYE

Chairman INOUYE. I would like to welcome our witnesses this morning to the Department of Defense subcommittee to receive public testimony pertaining to various issues related to the fiscal year 2013 Department of Defense (DOD) appropriations request. Due to the number of witnesses who wish to present testimony this morning, I'd like to remind each witness that they will be limited to no more than 4 minutes. However, your full statements will be made part of the official record, and I look forward to hearing from each of you today on the many important and serious subjects that you will address.

But before I do, I'd like to recognize the Vice Chairman of the Committee, Senator Cochran, for any comments he may wish to make.

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, I'm pleased to join you in welcoming our witnesses to the hearing today reviewing the fiscal year 2013 DOD request for appropriations. We appreciate the witnesses' interest in the subject and we look forward to hearing your testimony and hearing from each one of you.

Thank you.

Chairman INOUYE. Our first witness represents the Air Force Sergeants Association (AFSA), former Command Master Sergeant John R. "Doc" McCauslin.

STATEMENT OF CHIEF MASTER SERGEANT JOHN R. "DOC" McCAUSLIN, U.S. AIR FORCE (RETIRED), CHIEF EXECUTIVE OFFICER, AIR FORCE SERGEANTS ASSOCIATION

Sergeant MCCAUSLIN. Chairman Inouye, Ranking Member Cochran, and distinguished members of the Department of Defense sub-

committee: On behalf of the 110,000 members of the Air Force Sergeants Association, thank you for this opportunity to present the views of our members on the military personnel programs that affect those serving and who have served our Nation. Your continuing efforts toward improving the quality of lives have certainly made a real difference.

In the interest of time, I will briefly touch on four specific funding goals for this subcommittee. Those goals are: military pay; healthcare; Survivor Benefit Plan (SBP) Dependency and Indemnity Compensation (DIC); and Guard and Reserve GI Bill. Three others of great importance to us—tuition assistance, final pay, and sequestration–were covered in my written testimony to you.

Thanks to the great work of your subcommittee, the Congress has made significant strides to restore military pay comparability over these past 12 years, including a statutory change that explicitly ties military pay raises to the Employment Cost Index growth. Past history has regularly and consistently demonstrated that significant problems occur when those pay and benefits are reduced or eliminated.

The very top of all discussion about earned benefits is TRICARE. Healthcare and the immediate receipt of retirement pay are the only incentives that DOD can offer to entice someone to volunteer 20 or more years of their youth to our Nation just to be eligible. Despite acknowledging this long-term commitment, DOD again reintroduced plans, rejected by the Congress in the past, to force military dependents and retirees to either pay more for their healthcare coverage or to opt out of TRICARE entirely.

AFSA considers it a supreme breach of faith to force those who serve to sacrifice even more. It denigrates the years of up-front service and the unlimited liability required of career military and their families. And if breaking faith with those currently serving is wrong, so is imposing a major bait-and-switch change on those who already completed a 20- or 30-year career induced by promises of current benefits.

Recent public statements speak to the conundrum we presently think of. President Obama has said, "As a Nation, we're facing tough choices as we put our fiscal house in order. But I want to be absolutely clear: We cannot and we must not balance the budget on the backs of our veterans." All of our military retirees are those veterans.

An appropriate quote by Senator Jim Webb recently was, "You can't renegotiate the front end once the back end is done. This is an obligation that has been made to people whose military careers are now done." Senator Webb understands that very few join the military intent on making it a career.

I am pleased to note that the 2013 National Defense Authorization Act approved by the Senate Armed Services Committee 2 weeks ago rejects many of those planned increases and the bill now awaits action on your Senate floor. I urge you to support their efforts with the necessary appropriation.

AFSA endorses the view that surviving spouses with military survivor benefit plan annuities should be able to concurrently receive earned SBP benefits and DIC payments related to their sponsor's service-connected death. We would like to thank Senator Bill

Nelson for introducing S. 260 and the 50 Senators who have cosponsored this important repeal legislation.

Arguably, the best piece of legislation ever passed by the Congress, and thanks to the efforts of many of you here, the Post-9/11 GI Bill, is providing unprecedented educational opportunities for thousands of men and women who served in uniform since 9/11. Regrettably, benefits for joining the Selective Reserve were not included in that bill. AFSA strongly recommends the Congress work to restore basic Reserve Montgomery GI Bill benefits to the historic benchmark of 47 to 50 percent of active-duty benefits. In conclusion, on behalf of all AFSA members, we appreciate your efforts and, as always, we're ready to support you in matters of mutual concern.

PREPARED STATEMENT

AFSA contends that it is of paramount importance for a Nation to provide quality healthcare and top-notch benefits in exchange for the devotion, sacrifice, and service of our military members. To quote Bob Woodward from his book "The War Within", "Those who serve and their families are the surrogates of all Americans. They bear the risk and strain of a year or more in a foreign land. So many have spent their youth and spilled their blood in a fight far from home. What do we owe them? Everything. And what do we give them? Much less than they deserve."

[The statement follows:]

PREPARED STATEMENT OF CHIEF MASTER SERGEANT JOHN R. "DOC" MCCAUSLIN

Chairman Inouye, Ranking Member Cochran, and distinguished members of the Department of Defense subcommittee: On behalf of the 110,000 members of the Air Force Sergeants Association (AFSA), thank you for this opportunity to present the views of our members on the military personnel programs that affect those serving (and who have served) our Nation. This hearing will address issues critical to those serving and who have served our Nation.

Your continuing efforts toward improving the quality of their lives have made a real difference, and our members are grateful. In this statement, I have identified specific funding goals we hope this subcommittee will consider for fiscal year 2013 on behalf of current and past enlisted members and their families. AFSA represents Active Duty, Guard, Reserve, retired, and veteran enlisted Air Force members and their families. The content of this statement reflects the views of our members as they have communicated them to us. As always, we are prepared to present more details and to discuss these issues with your staffs.

PROPOSED FISCAL YEAR 2013 FUNDING

The administration requested $525.4 billion for Department of Defense (DOD) base budget for fiscal year 2013, a $5.2 billion or 1-percent reduction from this year's spending level. We understand a plan recently approved by the House Appropriations Committee provides an increase of $1.1 billion more than the fiscal year 2012 level and $3.1 billion more than the President's request. AFSA encourages you to follow their lead to ensure the Department has sufficient funds to meet the needs of our Nation's defense.

MILITARY PAY RAISES

Thanks to the great work of this subcommittee. The Congress has made great strides to restore military pay comparability over the past 12 years, including a statutory change that explicitly ties military pay raises to Employment Cost Index (ECI) growth. The current formula provides military servicemembers with a 1.7-percent pay raise in fiscal year 2013, and we urge you to set aside the necessary funding to make certain this is so. That said, we are very concerned that the administration plans break the tie to civilian pay growth in future years by limiting military raises to 0.5 percent, 1 percent, and 1.5 percent for 2015, 2016, and 2017, respectively.

Past history has clearly shown that significant retention problems will occur when pay and benefits are reduced or eliminated. Recent calls to cut back on military raises, create a new comparability standard or substitute more bonuses for pay raises in the interests of deficit reduction are exceptionally short-sighted in view of the extensive negative experience with military pay raise caps. AFSA urges the subcommittee to fully fund these important pay increases not just this year, but in future years, based on the ECI as specified in current law.

SEQUESTRATION

Our members are deeply concerned with the prospect of sequestration and how it could undermine proper defense funding in the coming years. As a result of the Budget Control Act of 2011, DOD now faces the specter of another $500 billion in defense cuts beyond $490 billion in reductions previously agreed to. That is, of course, unless the Congress intervenes. Military leaders from the top down have made it quite clear that an additional $500 billion of cuts would do catastrophic damage to our military, hollow out the force, and degrade its ability to protect the country. America's military strength exists to secure the blessings of ordered liberty for the American people. We sincerely hope Members of Congress can find an alternative to punitive reductions mandated by sequestration which would force across-the-board cuts to defense programs including pay and benefits which would threaten the future viability of the all-volunteer force. Less than 1 percent of the population is shouldering 100 percent of the burden of maintaining our national security, and we hope you will act soon so they won't be left wondering when, or if, the rug will be pulled out from underneath them.

RETIREMENT BENEFITS

The administration's proposed fiscal year 2013 budget called for the creation of a base realignment and closure-like panel that will review current military compensation and recommend changes (most likely reductions) for the Congress to consider. The commission is to be formulated on the premise that the groups agreed upon plan must save DOD money. Instead of approaching the subject with discussion on what is the Nation's obligation to those who serve, the administration plans to use a formula that lays out a predetermined result. We believe those who serve and have served in uniform deserve better. Senior military leaders often speak of the importance of "Keeping the faith" with military members, particularly where earned benefits are concerned—benefits like retired pay and healthcare. Right now, airmen are asking, "Where is the faith?" And they are looking to you, the Members of Congress, to provide that answer. "Passing the buck" to servicemembers instead fulfilling promised benefits will only serve to undermine long-term retention and readiness. Much of the success of the all-volunteer force can be directly attributed to the benefits we provide military members in return for their service and sacrifice. Not just them, but their families, too. Do we want to risk this? I urge you to resist any plan that reduces pay and benefits and fully fund the existing systems that have directly contributed to the extraordinary success of the all-volunteer force for nearly four decades.

TRICARE

No military personnel issues is more sacrosanct than pay and benefits, which is why healthcare is such a sensitive subject. It and the immediate receipt of retirement pay are the only incentives DOD can offer to entice someone to first volunteer 20 or more years of their youth to the Nation just to be eligible. Yet, despite acknowledging this long-term commitment, DOD again reintroduced plans—rejected by the Congress in the past—to force military dependents and retirees to either pay more for their healthcare coverage or to opt out of TRICARE entirely. Specifically, the department proposes to raise beneficiary costs by:

—raising annual fees by as much as $2,000 or more for retired families younger than age 65;
—establishing new annual enrollment fees of up to $950 for retired couples older than age 65;
—imposing "means testing" of military retiree health benefits based on their retired income—something no other Federal program does;
—dramatically increasing pharmacy co-pays to approach or surpass the median of current civilian plans; and
—tying future annual increases to an unspecified health cost index estimated to average more than 6 percent each year.

In announcing these so-called "modest" proposals, DOD leaders stressed their intent to "keep faith with currently serving troops" by avoiding any retirement

changes that would affect the current force. But their concept of "keeping faith on retirement" apparently doesn't extend to retirement healthcare benefits, as the proposed changes would affect any currently serving member who retires the day after they were implemented. Further, the proposed pharmacy changes would affect hundreds of thousands of currently serving Guard/Reserve members and families, as well as the family members of currently serving personnel who don't have access to military pharmacies.

Modest increases? How could raising out-of pocket healthcare costs $2,000 annually or increasing pharmacy copays up to 375 percent be considered modest? And I remind the members of this panel that our more senior retirees, those in TRICARE for Life, are already required to participate in Medicare Part B in order to retain their earned healthcare coverage.

AFSA regards all efforts to force those who serve and sacrifice the most, to sacrifice even more, as a supreme breach of faith. It denigrates the years of upfront service and sacrifice required of career military and their families, plus these anti-people proposals will be perceived very negatively by future generations, who may consider civilian employment far more rewarding and safer than military service. And if breaking faith with the currently serving is wrong, so is imposing a major "bait and switch" change on those who already completed 20–30 year careers, induced by promises of current benefits.

At a recent hearing to examine the administration's proposed fee hike, Senator Jim Webb (D-VA) accurately observed, "You can't renegotiate the front end once the back end is done. This is an obligation that has been made to people whose military careers are now done." Senator Webb understands few join the military intent on making it a career which involves multiple moves and hazardous deployments, their children constantly uprooted from schools and spouses from career opportunities, virtually zero in home ownership equity, and upon military retirement, potential age discrimination entering the civilian marketplace. In fact, only 8.5 percent of those who serve in the military ever reach retirement, a percentage derived by dividing DOD's 1.9 million retirees by the Department of Veterans Affairs' (VA) 22.2 million veterans—a percentage that is even less if medical retirees are excluded.

Like Senator Webb, our greatest concern is that the continued erosion of pay and benefits could lead to the end of a professionally led, all-volunteer military that for 39 years and more than a decade of nonstop war has served the American public extremely well. We hope you believe likewise, and will fully fund the military healthcare system.

Other healthcare issues included in our priorities are listed below. Funding for each of these issues is encouraged, and we would be happy to provide additional information if requested:

—exempt those military retirees who entered service prior to December 7, 1956, from the obligation of Medicare Part B payments;
—oppose the various recommendations for retirees aged 38–64 to seek healthcare coverage from somewhere else besides TRICARE;
—include Applied Behavior Analysis (ABA) therapy as part of regular TRICARE coverage; and
—establish a full optometry benefit for military retirees.

TUITION ASSISTANCE

The discretionary Air Force Tuition Assistance program is an important quality of life program that provides tuition and fees for courses taken by Active-Duty personnel. The program is one of the most frequent reasons given for enlisting and reenlisting in the Air Force, and we urge full funding for this program.

FAMILY READINESS AND SUPPORT

A fully funded, robust family readiness program is crucial to military readiness, and especially appropriate given the continuing demands of deployments and the uncertainty of the legacy of the effects 11 years of war have had on servicemembers and their families. AFSA urges the subcommittee to continue much-needed supplemental funding authority to schools impacted by large populations of military students (Impact Aid), fully fund effective family readiness programs, and support the child care needs of our highly deployable force.

MILITARY RESALE SYSTEM

AFSA strongly believes military commissary, exchange and Morale Welfare and Recreation programs contribute significantly to a strong national defense by sustaining morale and quality of life for military beneficiaries both within the United States and around the globe. In surveys looking at the benefits of service, military

servicemembers often cite access to the commissary and exchange as one of their top five benefits. With this in mind, we urge this subcommittee to resist initiatives to civilianize or consolidate DOD resale systems in any way that would reduce their value to patrons. AFSA instead urges a thorough review of the findings of an extensive and costly ($17 million) multiyear study that found consolidation is not a cost-effective approach to running these important systems.

RETIREE/SURVIVOR ISSUES

Concurrent Receipt.—AFSA continues its advocacy for legislation that provides concurrent receipt of military retired pay and veterans' disability compensation for all disabled retirees without offset. Under current statues, retirees with 50 percent or greater disabilities will receive their full-retired pay and VA disability in fiscal year 2014. The Congress should now focus on eliminating this unjust offset for veterans with lesser disabilities and in particular, individuals who were medically retired with less than 20 years of service due to a service-connected illness or injury. They are not treated equally.

Age-57 Dependency and Indemnity Compensation (DIC) Remarriage.—AFSA commends Members of Congress for previous legislation, which allowed retention of DIC, burial entitlements, and VA home loan eligibility for surviving spouses who remarry after age 57. However, we strongly recommend the age-57 DIC remarriage provision be reduced to age 55 to make it consistent with all other Federal survivor benefit programs.

Repeal Survivor Benefit Plan (SBP)/DIC Offset.—We endorse the view that surviving spouses with military SBP annuities should be able to concurrently receive earned SBP benefits and DIC payments related to their sponsor's service-connected death. We would like to thank Senator Bill Nelson (D-FL) for introducing S. 260 and the 50 Senators who have co-sponsored this important legislation to repeal the SBP–DIC offset. Despite budgetary difficulties, we sincerely hope the Congress will find the funding to eliminate this unfair offset.

Retention of Final Paycheck.—Current regulations require survivors of deceased military retirees to return any retirement payment received in the month the retiree passes away or any subsequent month thereafter. Once a retirees passes, the Defense Finance and Accounting Service stops payment on the retirement account, recalculates the final payment to cover only the days in the month the retiree was alive, and then forwards a check for those days to the surviving spouse.

Understandably, this practice can have an adverse impact on the surviving spouse. When the retirement pay is deposited, they use those funds to make payment on items such as mortgages, medical expenses, or other living expenses. Automatically withdrawing those funds can inadvertently cause essential payments to bounce and places great financial strain on a beneficiary already faced with the prospect of additional costs associated with their loved one's death. AFSA strongly encourages this subcommittee to appropriate the funds necessary to bring an end to this abhorrent practice.

GUARD AND RESERVE ISSUES

Reduce the Earliest Guard and Reserve Retirement Compensation Age From 60 to 55.—Legislation was introduced during the last Congress to provide a more equitable retirement for the men and women serving in the Guard and Reserves. The proposed legislation would have reduced the age for receipt of retirement pay for Guard and Reserve retirees from 60 to 55. Active-Duty members draw retirement pay the day after they retire. Yet, Guard and Reserve retirees currently have to wait until they reach age 60 before they can draw retirement pay. Although legislation addressing this issue does not exist in the 112th Congress, we urge the members of this subcommittee to support it when and if it is reintroduced.

Reduction of Retirement Age Due to Title 10 Service.—A provision in the fiscal year 2008 National Defense Authorization Act reduces the Reserve component retirement age requirement by 3 months for each cumulative 90 days ordered to Active Duty. However, this provision only credits active service since January 28, 2008, so it disenfranchises and devalues the service of hundreds of thousands of Guard and Reserve members who served combat tours (multiple tours, in thousands of cases) between 2001 and 2008. These contributions to national security are further demeaned by language that specifies eligible service must fall within a given fiscal year (e.g., a reservist receives no credit for a 90-day tour that began in August and ended in November because the period of service spanned 2 fiscal years).

AFSA supports full funding of initiatives that eliminate the fiscal year limitation and authorizes early retirement credit for all Guard and Reserve members who have served on Active-Duty tours of at least 90 days retroactive to September 11, 2001.

Provide Concurrent Retirement and Disability Pay (CRDP) for Service Incurred Disabilities.—National Guard and Reserve with 20 or more good years are currently able to receive CRDP; however, they must wait until they are 60 years of age and begin to receive their retirement check. This policy must be changed, and along with the reduction in retirement age eligibility, is a benefit our Guard and Reserve deserve. They have incurred a service-connected disability, and we must provide concurrent retirement and disability pay to them.

Many Guard/Reserve retirees have spent more time in a combat zone than their Active Duty counterparts. DOD has not supported legislation to provide Guard/Reserve men and women more equitable retirement pay in the past. Additional requirements and reliance has been placed on the Guard and Reserve in recent years. It is time to recognize our men and women in uniform serving in the Reserve components and provide them a more equitable retirement system.

Award Full Veterans Benefit Status to Guard and Reserve Members.—It is long overdue that we recognize those servicemembers in the Guard and Reserve who have sustained a commitment to readiness as veterans after 20 years of honorable service to our country. Certain Guard and Reserve members that complete 20 years of qualifying service for a reserve (nonregular) retirement have never been called to active-duty service during their careers. At age 60, they are entitled to start receiving their Reserve military retired pay, Government healthcare, and other benefits of service including some veterans' benefits. But, current statutes deny them full standing as a "veteran" of the Armed Forces. S. 491, the "Honor America's Guard-Reserve Retirees Act of 2011" introduced by Senator Mark Pryor (D-AR) and a House-approved bill, H.R. 1025 by Representative Tim Walz (D-MN) would change current statues to include in the definition(s) of "veteran" retirees of the Guard and Reserve components who have completed 20 years or more of qualifying service. There is little or no cost associated with this change, it's simply the right thing to do, and I encourage the members of this subcommittee to support Senator Pryor's bill.

Guard/Reserve GI Bill.—Arguably the best piece of legislation ever passed by the Congress, and thanks to the efforts of many of you here, the Post-9/11 GI Bill is providing unprecedented educational opportunities for the thousands of men and women who served in uniform since 9/11 and for many of their family members. Regrettably, many volunteers who join the Selected Reserve were left behind in this legislation because Selected Reserve Montgomery GI Bill (MGIB) Benefits were not upgraded or integrated in the Post-9/11 GI Bill as AFSA previously recommended.

AFSA supports funding of legislation that restores basic Reserve MGIB benefits for initially joining the Selected Reserve to the historic benchmark of 47–50 percent of active-duty benefits; integrates Reserve and Active Duty MGIB laws in title 38, and enacts academic protections for mobilized Guard and Reserve students, including refund guarantees and exemption of Federal student loan payments during activation.

UNIFORMED SERVICES FORMER SPOUSES PROTECTION ACT

AFSA urges this subcommittee to support some fairness provisions for the Uniformed Services Former Spouses Protection Act (USFSPA) (Public Law 97–252). While this law was passed with good intentions in the mid-1980s, the demographics of military service and their families have changed. As a result, military members are now the only U.S. citizens who are put at a significant disadvantage in divorce proceedings. Because of the USFSPA, the following situations now exist:

—A military member is subject to giving part of his/her military retirement pay (for the rest of his/her life) to anyone who was married to him/her during the military career regardless of the duration of the marriage.

—The divorce retirement pay separation is based on the military member's retirement pay—not what the member's pay was at the time of divorce (often many years later).

—A military retiree can be paying this "award" to multiple former spouses.

—It takes a military member 20 years to earn a retirement; it takes a former spouse only having been married to the member (for any duration, no matter how brief) to get a portion of the member's retirement pay.

—Under this law, in practice judges award part of the member's retirement pay regardless of fault or circumstances.

—There is no statute of limitations on this law; i.e., unless the original divorce decree explicitly waived separation of future retirement earnings, a former spouse who the military member has not seen for many years can have the original divorce decree amended and "highjack" part of the military member's retirement pay.

—The former spouse's "award" does not terminate upon remarriage of the former spouse.
—The "award" to a former spouse under this law is above and beyond child support and alimony.
—The law is unfair, illogical, and inconsistent. The member's military retired pay which the Government refers to as "deferred compensation" is, under this law, treated as property rather than compensation. Additionally, the law is applied inconsistently from State to State.
—In most cases, the military retiree has no claim to part of the former spouse's retirement pay.
—Of all U.S. citizens, it is unconscionable that military members who put their lives on the line are uniquely subjected to such an unfair and discriminatory law.
—While there may be unique cases (which can be dealt with by the court on a case-by-case basis) where a long-term, very supported former spouse is the victim, in the vast majority of the cases we are talking about divorces that arise which are the fault of either or both parties—at least one-half of the time not the military member. In fact, with the current levels of military deployments, more and more military members are receiving "Dear John" and "Dear Jane" letters while they serve.
—This is not a male-versus-female issue. More and more female military members are falling victim to this law. These are just a few of the inequities of this law. We believe this law needs to be repealed or, at the least, greatly modified to be fairer to military members. We urge the subcommittee to support any funding requirement that may be necessary to take action on this unfair law—for the benefit of those men and women who are currently defending the interests of this Nation and its freedom.

CONCLUSION

Chairman Inouye, Ranking Member Cochran, in conclusion, I want to thank you again for this opportunity to express the views of our members on these important issues as you consider fiscal year 2013 appropriations. We realize that those charged as caretakers of the taxpayers' money must budget wisely and make decisions based on many factors. As tax dollars dwindle, the degree of difficulty deciding what can be addressed, and what cannot, grows significantly.

AFSA contends that it is of paramount importance for a nation to provide quality healthcare and top-notch benefits in exchange for the devotion, sacrifice, and service of military members. So, too, must those making the decisions take into consideration the decisions of the past, the trust of those who are impacted, and the negative consequences upon those who have based their trust in our Government. We sincerely believe that the work done by your committees is among the most important on the Hill. On behalf of all AFSA members, we appreciate your efforts and, as always, are ready to support you in matters of mutual concern.

Chairman INOUYE. I thank you very much, Sergeant. May I just assure you that we'll never forget anyone who is willing to stand in harm's way on our behalf.

Sergeant MCCAUSLIN. Thank you, Sir.

Chairman INOUYE. Our next witness, Ms. Elizabeth Vink, represents the International Foundation for Functional Gastrointestinal Disorders.

STATEMENT OF ELISABETH VINK, PROGRAM ASSISTANT, INTERNATIONAL FOUNDATION FOR FUNCTIONAL GASTROINTESTINAL DISORDERS

Ms. VINK. Chairman Inouye, Vice Chairman Cochran: Thank you for the opportunity to present testimony regarding functional gastrointestinal disorders (FGIDs) among service personnel and veterans. My name is Elisabeth Vink, and I am testifying on behalf of the International Foundation for Functional Gastrointestinal Disorders (IFFGD). IFFGD is a nonprofit organization dedicated to supporting individuals affected by functional gastrointestinal and motility disorders through education and research. I am also a

proud member of a military family, with my father having served 23 years in the U.S. Air Force, and I appreciate the opportunity to present testimony in support of veterans like my dad.

FGIDs are disorders in which the movement of the intestines, the sensitivity of the nerves of the intestines, or the way in which the brain controls intestinal function is impaired. The result is multiple, persistent, and often painful symptoms ranging from nausea and vomiting to altered bowel habit.

More than two dozen different FGIDs have been identified, ranging in severity from bothersome to disabling. One thing these conditions have in common is that little is understood about their underlying mechanisms, making them difficult to treat effectively. The onset of a functional gastrointestinal (GI) disorder can be triggered by severe stress and infections of the digestive system.

Deployed military personnel face an elevated chance of experiencing these risk factors and developing FGIDs as a result of their service. For this reason, continued research through the Department of Defense (DOD) Gulf War Illness Research Program (GWIRP) is critical in fiscal year 2013.

In 2010, the Institute of Medicine (IOM) published a report titled "Gulf War and Health, Volume 8; Update on the Health Effects of Serving in the Gulf War", which determined that there is sufficient evidence to associate deployment to the gulf war and FGIDs. According to the report, there have been a large number of FGID cases among gulf war veterans and their symptoms have continued in the years since the war. Based on the report from IOM, the Department of Veterans Affairs (VA) adopted a final rule in August 2011 stating that there is a presumptive service connection between FGIDs and service in the Southwest Asia theater of operations during the Persian Gulf war.

Our military personnel are taught to put duty first, and we have noticed that by the time they reach out to us their condition is incredibly painful or highly disruptive to their life. Not only are these disorders hard to treat, but, in the words of one retired sergeant, these sometimes very embarrassing GI disorders are just as hard to talk about.

In order to better articulate the suffering associated with FGIDs, I would like to share with you the voices of veterans affected by these disorders. This is from Steven in North Carolina, who served in the Persian Gulf theater of operations. "While there and since my return, I have been plagued with a multitude of GI problems, including irritable bowel syndrome (IBS). I suffered nearly constant diarrhea for over 10 years before the IBS was ever diagnosed. None of my GI problems existed prior to my deployment and they simply do not seem to go away afterwards."

Another veteran, Jason, mentioned the prevalence of these conditions. "While speaking with several of my former soldiers, I came to realize that they are experiencing the same signs and symptoms. I am the first one of a group of friends and veterans that is doing research to find out that we are not alone."

PREPARED STATEMENT

The DOD Gulf War Illness Research Program conducts important research on the complex set of chronic symptoms that impact

gulf war veterans. Given the conclusions of the IOM report and the report's recommendations for further research on the length between FGIDs and exposures experienced by veterans in the gulf war, we ask that you continue to support the Gulf War Illness Research Program and encourage research into FGIDs through this program, so that important research on FGIDs among veterans can be conducted.

Thank you for your time and your consideration of this request.

[The statement follows:]

PREPARED STATEMENT OF ELISABETH VINK, PROGRAM ASSISTANT, INTERNATIONAL FOUNDATION FOR FUNCTIONAL GASTROINTESTINAL DISORDERS

Thank you for the opportunity to present the views of the International Foundation for Functional Gastrointestinal Disorders (IFFGD) regarding functional gastrointestinal disorders (FGIDs) among service personnel and veterans. FGIDs are recognized by the Department of Veterans Affairs (VA) as disabling and connected to military service as a part of gulf war illness, and we request that the subcommittee continue support the Department of Defense (DOD) Gulf War Illness Research Program (GWIRP) through the Congressionally Directed Medical Research Program. I am a proud member of a military family, with my father having served 23 years in the U.S. Air Force, and I appreciate the opportunity to present testimony in support of veterans like my dad.

Established in 1991, IFFGD is a patient-driven nonprofit organization dedicated to assisting individuals affected by FGIDs, and providing education and support for patients, healthcare providers, and the public at large. Our mission is to inform and support people affected by painful and debilitating digestive conditions, about which little is understood and few (if any) treatment options exist. The IFFGD also works to advance critical research on functional gastrointestinal (GI) and motility disorders, in order to provide patients with better treatment options, and to eventually find a cure.

FGIDs are disorders in which the movement of the intestines, the sensitivity of the nerves of the intestines, or the way in which the brain controls intestinal function is impaired. People who suffer from FGIDs have no structural abnormality, which makes it difficult to identify their condition using xrays, blood tests, or endoscopies. Instead, FGIDs are typically identified and defined by the collection of symptoms experienced by the patient. For this reason, it is not uncommon for FGID suffers to have unnecessary surgery, medication, and medical devices before receiving a proper diagnosis.

More than two dozen different FGIDs have been identified. Severity ranges from bothersome to disabling and life-altering. The conditions may strike anywhere along the gastrointestinal tract, from nausea and vomiting to altered bowel habit. Examples of FGIDs include irritable bowel syndrome (IBS) and functional dyspepsia. IBS is characterized by abdominal pain and discomfort associated with a change in bowel pattern, such as diarrhea and/or constipation. Symptoms of functional dyspepsia usually include an upset stomach, pain in the belly, and bloating.

FGIDs can be emotionally and physically debilitating. Due to persistent pain and bowel unpredictability, individuals who suffer from these disorders may distance themselves from social events, work, and even may fear leaving their home. Stigma surrounding bowel habits may act as barrier to treatment, as patients are not comfortable discussing their symptoms with doctors.

The onset of a functional GI disorder can be triggered by severe stress and infections of the digestive system. Deployed military personnel face an elevated chance of experiencing these risk factors and developing FGIDs as a result of their service. In April 2010, the Institute of Medicine (IOM) published a report titled "Gulf War and Health, Volume 8: Update on the Health Effects of Serving in the Gulf War", which determined that there is sufficient evidence to associate deployment to the gulf war and FGIDs. According to the report, there have been a large number of FGID cases among gulf war veterans, and their symptoms have continued to be persistent in the years since the war. The IOM report focused on the incidence of GI disorders among veterans and did not attempt to determine causality. However, the report provides compelling evidence linking exposure to enteric pathogens during deployment and the development of FGIDs. The IOM recommended that further research be conducted on this association.

Based on the report from IOM, Department of Veterans Affairs adopted a final rule on August 15, 2011, stating that there is a presumptive service connection be-

tween FGIDs and service in the Southwest Asia theater of operations during the Persian Gulf war. This includes conditions like IBS and functional dyspepsia.

At IFFGD we hear from numerous veterans about their difficulties with FGIDs, including conditions such as IBS and cyclic vomiting syndrome. Our military personnel are taught to put duty first, and at IFFGD we have noticed that by the time they reach out to us, their situation is usually pretty bad. Not only are these disorders hard to treat, but in the words of one retired Sergeant, these "sometimes very embarrassing GI disorders" are just as hard to talk about. In order to better articulate the suffering associated with FGIDs, I would like to share with you the voices of veterans affected by these disorders. This is from Stephen in North Carolina:

"I am a Desert Shield/Desert Storm veteran that served in the Persian Gulf theater of operations from August 1990 to March 1991, as the G2 Sergeant Major for the 24th Infantry Division. While there, and since my return, I have been plagued with a multitude of GI problems including IBS, a functional GI problem. I suffered nearly constant diarrhea for over 10 years before the IBS was ever diagnosed. None of my GI problems existed prior to my deployment and they simply do not seem to go away afterwards."

This is from Jason, who contacted us earlier this year:

"I am a disabled Iraq veteran that was deployed during 2003–2005 timeframe with a National Guard unit attached to Active Duty. Since returning from Iraq, I have had issues with my gastrointestinal tract. I have made a few attempts to try to pinpoint the cause of this change in my bodily function to no avail . . . While speaking with several of my former soldiers I came to realize that they are experiencing the same signs and symptoms. I am the first one of a group of friends/vets that is doing research to find out that we are not alone."

The DOD Gulf War Illness Research Program conducts important research on the complex set of chronic symptoms that impact Gulf War Veterans. Given the conclusions of the IOM report and the report's recommendations for further research on the link between FGIDs and exposures experienced by veterans in the Gulf War, we ask that you continue to support the Gulf War Illness Research Program and encourage research into FGIDs through this program so that important research on FGIDs among veterans can be conducted.

Thank you again for the opportunity to address the subcommittee.

Chairman INOUYE. Thank you very much. If this matter is service-connected, I can assure you we're morally bound to do something about it.

Thank you.

Ms. VINK. Thank you, Chairman.

Chairman INOUYE. Our next witness is Mr. Anthony Castaldo, representing the United States Hereditary Angiodema Association.

STATEMENT OF ANTHONY CASTALDO, PRESIDENT, U.S. HEREDITARY ANGIOEDEMA ASSOCIATION

Mr. CASTALDO. Chairman Inouye and Vice Chairman Cochran: I'm delighted to present testimony today on hereditary angioedema (HAE). I am Anthony Castaldo, president of the United States HAE Association, a Honolulu-based nonprofit patient services, research, and advocacy organization that represents more than 4,500 HAE patients.

Now, HAE is a rare, debilitating, and potentially life-threatening genetic condition that occurs in about 1 in 50,000 people. HAE patients experience frequent attacks of intense swelling of various body parts, including the hands, face, feet, throat, and abdomen. Abdominal attacks involve excruciating abdominal pain, nausea, and vomiting. Attacks involving the throat are particularly dangerous because the swelling can progress to the point where the airway closes and causes death by suffocation.

The historical mortality rate for HAE sufferers is well over 30 percent and, tragically, even today HAE patients continue to die from swelling attacks that close the airway. Unfortunately, according to a recent study HAE patients suffer for almost a decade before obtaining an accurate diagnosis, and are therefore often subject to unnecessary exploratory surgery and ineffective medical procedures.

Now, the swelling experienced by many HAE patients is actually caused by a genetic defect that results in deficient levels of a key blood protein. However, there are still patients in the HAE Association community who do not yet know what causes their swelling. Despite a family history of debilitating and life-threatening swelling attacks, these patients have normal levels of the protein that I mentioned earlier. This important subset of HAE sufferers represent a significant unmet medical need and research is required to identify the genetic and biochemical markers for this form of HAE.

Mr. Chairman and Vice Chairman Cochran, I'd like to share some examples of how HAE has a significant impact on the ability to serve in our country's armed services. Today, right on the island, Hawaiian island of Oahu, there was a remarkable young man, Christian Davis, whose dreams of following his father's footsteps and becoming an Air Force pilot have been dashed because his HAE symptoms prevent him from military service.

Christian, who bravely endures frequent HAE attacks involving his abdomen and throat, loved to visit Hickham Air Force Base and proudly watch his father, Lieutenant Colonel Milton Davis, take off and land Hawaii Air National Guard C–17 cargo planes. With visions of one day serving America by grasping the controls and piloting a C–17, Christian eagerly began the process of applying for military service. It did not take long, however, for this young man's aspirations to be dowsed by the reality that HEA would cause him to be rejected for military service.

My father, who experienced severe swelling attacks, yet served with distinction in the Korean war, chose to endure his excruciating swelling without seeking treatment, so he could continue to serve his country. Of course, in those days HAE had not yet been identified as a discrete disease. Indeed, my dad was so proud to serve as a U.S. military police officer that while in Korea he stopped reporting to the field hospital during swelling attacks, in an attempt to avoid a medical discharge.

PREPARED STATEMENT

Mr. Chairman and Mr. Vice Chairman, on behalf of HEA patients in the United States, including those like Christian Davis who would like to serve his country, and veterans like my dad, who remained on active duty despite suffering from debilitating HAE swelling attacks, I would like to request that the subcommittee continue—that HAE continue to be eligible for the Peer-Reviewed Medical Research Program for fiscal year 2013. There is a critical need for research in understanding all causes of HAE, including currently available treatments, and ultimately finding a cure.

Thank you for inviting me to appear today.

[The statement follows:]

PREPARED STATEMENT OF ANTHONY CASTALDO

Chairman Inouye, Vice Chairman Cochran, and distinguished members of the Defense subcommittee: Thank you for the opportunity to present testimony on Hereditary Angioedema (HAE). I am Anthony Castaldo, president of the United States Hereditary Angeioedema Association (USHAEA) and an HAE patient. USHAEA is a nonprofit patient advocacy organization founded to provide patient support, educate patients and their families, advance HAE research, and find a cure. Our efforts include providing research funding to scientific investigators to increase the HAE knowledge base and maintaining a patient registry to support groundbreaking research efforts. Today, we would like to request the continued inclusion of HAE in the fiscal year 2013 Peer-Reviewed Medical Research Program (PRMRP) within the Department of Defense (DOD) appropriations bill.

My family has a long history of military service, my grandfather served in the Great War and my father and uncle in Korea; I grew up understanding the sacrifices and dedication of our servicemen and women. I, however, was and am unable to serve my country in the same way because of my condition. There are also a number of other men and women who were prevented from serving in the military due to an HAE diagnosis.

HAE is a rare and potentially life-threatening inherited disease with symptoms of severe, recurring, debilitating attacks of edema (swelling). HAE patients have a defect in the gene that controls a blood protein called C1-inhibitor, so it is also more specifically referred to as C1-inhibitor deficiency. This genetic defect results in production of either inadequate or nonfunctioning C1-inhibitor protein. Because the defective C1-inhibitor does not adequately perform its regulatory function, a biochemical imbalance can occur and produce an unwanted peptide—called bradykinin—that induces the capillaries to release fluids into surrounding tissues, thereby causing swelling.

People with HAE experience attacks of severe swelling that affect various body parts including the hands, feet, face, airway (throat), and intestinal wall. Swelling of the throat is the most life-threatening aspect of HAE, because the airway can close and cause death by suffocation. Studies reveal that more than 50 percent of patients will experience at least one throat attack in their lifetime.

HAE swelling is disfiguring, extremely painful, and debilitating. Attacks of abdominal swelling involve severe and excruciating pain, vomiting, and diarrhea. Because abdominal attacks mimic a surgical emergency, approximately one-third of patients with undiagnosed HAE undergo unnecessary surgery. Untreated, an average HAE attack lasts between 24 and 72 hours, but some attacks may last longer and be accompanied by prolonged fatigue.

The majority of HAE patients experience their first attack during childhood or adolescence. Most attacks occur spontaneously with no apparent reason, but anxiety, stress, minor trauma, medical, surgical, and dental procedures, and illnesses such as colds and flu have been cited as common triggers. ACE inhibitors (a blood pressure control medication) and estrogen-derived medications (birth control pills and hormone replacement drugs) have also been shown to exacerbate HAE attacks.

HAE's genetic defect can be passed on in families. A child has a 50-percent chance of inheriting the disease from a parent with HAE. However, the absence of family history does not rule out the HAE diagnosis; scientists report that as many as 25 percent of HAE cases today result from patients who had a spontaneous mutation of the C1-inhibitor gene at conception. These patients can also pass the defective gene to their offspring. Worldwide, it is estimated that this condition affects between 1 in 10,000 and 1 in 30,000 people.

PEER-REVIEWED MEDICAL RESEARCH PROGRAM

On behalf of the HAE community, including our military families, I would like to thank the subcommittee for recognizing HAE as a condition eligible for study through Peer-Reviewed Medical Research Program (PRMRP) in the committee reports accompanying the fiscal year 2012 DOD appropriations bill. The scientific community showed great interest in the program, responding to the grant announcements with an immense outpouring of proposals. We urge the Congress to maintain HAE's eligibility in the PRMRP in committee reports accompanying the fiscal year 2013 DOD appropriations bill, to help find a cure so the men and women born with HAE can serve their country in the Armed Forces and help their families with the very challenging condition.

Thank you for the opportunity to present the views of the HAE community.

Chairman INOUYE. I thank you very much, Mr. Castaldo. I assure you that we'll look into this matter.

Mr. CASTALDO. Thank you, Sir.

Chairman INOUYE. Thank you.

Our next witness is Lieutenant Colonel Carl Hicks, representing the Pulmonary Hypertension Association.

STATEMENT OF LIEUTENANT COLONEL CARL HICKS, U.S. ARMY (RETIRED), PULMONARY HYPERTENSION ASSOCIATION

Colonel HICKS. Mr. Chairman, first I'd like to acknowledge you as a personal hero. Your actions long ago set an example for bravery and sacrifice, inspiring so many young Americans who would later follow as infantrymen and earn the combat infantryman's badge. Sir, I was one of them, and I'm especially humbled to be in your presence, as any American would be. Thank you.

And thank you for having me here today to speak on behalf of hundreds of thousands of Americans impacted by pulmonary hypertension (PH). On behalf of the PH community, I am here to request that you once again include pulmonary hypertension as a condition eligible for study through the Department of Defense (DOD) Peer-Reviewed Medical Research Program.

I volunteer for a grassroots, patient-centric organization called the Pulmonary Hypertension Association (PHA). With more than 20,000 members and supporters, including more than 250 support groups across the country, PHA now is recognized worldwide. We are dedicated to improving treatment options and finding cures for PH and supporting affected individuals through coordinated research, education, and advocacy activities.

PH is a debilitating and usually fatal condition where blood pressure in the lungs rises to dangerously high levels. In PH patients, the walls of the arteries that take the blood from the side of the heart to the lungs thicken, scar, and constrict, and as a result the right side of the heart has to pump harder to move blood into the lungs, causing it to enlarge and ultimately fail.

Symptoms of PH include shortness of breath, fatigue, chest pain, dizziness, and fainting. The stricken feel, even at rest, as though they are suffocating, because they are. The only way to ultimately survive being stricken with PH is to undergo a lung or a heart-lung transplant.

August 16, 1981, was one of the happiest days of my life. I was a young airborne Ranger infantry captain who had worked his way up from private. I felt pretty tough. Holding my first-born Meaghan in my arms moments after she was born, I looked down into her beautiful little face and vowed these arms would protect her from everything, and there was no doubt that I could.

Fast-forward 13 happy years and our little happy family had grown to three healthy, beautiful Army brats. I had been promoted rapidly, and we were on our way back from Germany to assume the command of the 10th Mountain Division. Life could not have been better.

Days away from leaving, Meaghan, who was a fit, healthy young gymnast of 13, fainted and complained of shortness of breath. Initially misdiagnosed, we were soon at Walter Reed, where I was confident they could solve the problem. After 3 days of testing, an Army doctor asked me to join him around the corner, where he said: "Colonel Hicks, I regret to inform you, but your daughter,

Meaghan, has a terminal illness. She has less than a year to live and there is nothing we can do for her."

I was not such a tough warrior any more. Little did they know that Meaghan was a tough warrior, though, and with the combined help and prayers of many she lived another 12 years before declining precipitously. Finally, the only hope for Meaghan was a dangerous heart and lung transplant, which she fearlessly endured. But there were serious complications. Undaunted, she fought on, never quitting or giving up.

As she once again began to decline, helpless to find ways to comfort her, I offered her an old Ranger tee shirt to wear as she lay in bed. She was so proud that she rallied briefly. Yet, 48 hours later we lost her. I had failed my most important mission, that promise to protect her from everything. She was the bravest person I have ever known.

PREPARED STATEMENT

Distinguished members, while new treatment options have been developed for PH in recent years, they are limited and there remains no cure. For the members of our military and their families who are struggling with PH, the hope for a better quality of life depends on advancements made through biomedical research. It is important to note that research in this area has a potential to yield additional benefits toward the study of America's number one killer, heart disease, as well as other lung illnesses.

Pulmonary hypertension was included as a condition eligible for study through DOD Peer-Reviewed Medical Research Program in 2009. I respectfully request once again that we renew that commitment toward a better tomorrow made through this important research by including pulmonary hypertension as a condition eligible for fiscal year 2013.

Thank you.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT COLONEL CARL HICKS

Chairman Inouye, Ranking Member Cochran, and distinguished members of the subcommittee: Thank you for having me here today to speak on behalf of the hundreds of thousands of Americans impacted by pulmonary hypertension (PH). As a military veteran and as a veteran of the ongoing battle against PH, it is my honor to appear before you as a representative of the Pulmonary Hypertension Association (PHA). On behalf of the PH community, I am here to request that you once again include PH as a condition eligible for study through the Department of Defense (DOD) Peer-Reviewed Medical Research Program (PRMRP) as you work to complete fiscal year 2013 Defense appropriations.

PHA has served the PH community for more than 20 years. In 1990, three PH patients found each other with the help of the National Organization for Rare Disorders and shortly thereafter founded PHA. At that time, the condition was largely unknown amongst the general public and within the medical community; there were fewer than 200 diagnosed cases of the disease. Since then, PHA has grown into a nationwide network of more than 20,000 members and supporters, including more than 250 support groups across the country. PHA is dedicated to improving treatment options and finding cures for PH, and supporting affected individuals through coordinated research, education, and advocacy activities. We now have an international presence and reputation around the world for which I am deeply proud.

PH is a debilitating and often fatal condition where the blood pressure in the lungs rises to dangerously high levels. In PH patients, the walls of the arteries that take blood from the right side of the heart to the lungs thicken and constrict. As a result, the right side of the heart has to pump harder to move blood into the lungs, causing it to enlarge and ultimately fail. Symptoms of PH include shortness

of breath, fatigue, chest pain, dizziness, and fainting. The only way to ultimately survive being stricken with PH is a lung or heart-lung transplant.

On August 16, 1981, I was a young Airborne Ranger Infantry captain who'd worked his way up from private and felt pretty tough. As I held my firstborn child, Meaghan, in my arms moments after she was born, I looked down into her beautiful little face and knew these arms could protect her from anything, and I lovingly told her so in front of her beaming mother. Fast forward 13 happy years and our little family had grown to three happy, healthy, beautiful Army brats. I had been promoted multiple times below the zone, and we were on our way back from Europe so I could assume a new command in the 10th Mountain Division. Life couldn't have been better, or so I thought.

Days away from leaving, Meaghan, a super fit healthy gymnast of 13, fainted and complained of shortness of breath. Initially misdiagnosed as are almost all, we eventually ended up at Walter Reed. Two days later a young Army doctor asked me to join him around the corner where he said, "Colonel Hicks, I regret to inform you that your daughter, Meaghan, has a terminal illness, and there is nothing we can do for her. She has less than a year to live at best." I was no longer the tough battle-hardened Ranger that moments before I was.

Little did they know that Meaghan was tough, and combined with the help of a civilian physician, she lived another 12 years before declining precipitously. Finally the only hope was a dangerous heart-lung transplant which she fearlessly endured. But there were complications. Undaunted, she fought on, never quitting or giving up. As she again began to decline and she asked for my Ranger t-shirt to wear. Forty-eight hours later, with all of us around her, she lost her last fight. I had failed my mission and didn't keep that promise to protect from everything, but Meaghan, she never gave up. Rangers both retired and Active Duty came from around the world for her celebration of life, and we did a Ranger "roll-call" for her and stood to salute when she didn't respond. She was the bravest person I ever knew, and she never, ever quit.

Gentlemen, while new treatment options have been developed for PH in recent years, these treatment options are limited and there remains no cure. For the members of our military and their families who are struggling with PH, the hope for a better quality of life depends on advancements made through biomedical research. It is important to note that research in this area has the potential to yield additional benefits towards the study of America's number one killer, heart disease. PH was included as a condition eligible for study through the DOD's Peer-Reviewed Medical Research Program as recently as 2009. I ask that this subcommittee renew the commitment towards a better tomorrow made through this important research by including pulmonary hypertension as a condition eligible for study through the Peer-Reviewed Medical Research Program in fiscal year 2013.

PHA Fiscal Year 2013 DOD Appropriations Recommendations

Peer-Reviewed Medical Research Program (PRMRP):

—Please, once again, include pulmonary hypertension (PH) on the list of conditions deemed eligible for study through the DOD PRMRP as you continue your important work on the fiscal year 2013 Defense appropriations bill.

—In addition, please provide $50 million for PRMRP, which is housed within the DOD Congressionally Directed Medical Research Program, so that this program may continue to advance important research activities focused on a number of conditions.

Thank you for your time and your consideration of this request.

Chairman INOUYE. I thank you very much and thank you for your kind words. We will make certain that this matter is continued.

Colonel HICKS. Thank you, Sir.

Chairman INOUYE. Thank you.

The next group of witnesses: Mr. Neal Thompson of the Interstitial Cystitis Association; Mr. Danny Smith of the Scleroderma Foundation; Ms. Dee Linde, the Dystonia Medical Research Foundation; and Ms. Joy Simha, National Breast Cancer Coalition.

I call upon Mr. Thompson.

STATEMENT OF F. NEAL THOMPSON, TREASURER, BOARD OF DIRECTORS, INTERSTITIAL CYSTITIS ASSOCIATION

Mr. THOMPSON. Thank you. Chairman Inouye, Vice Chairman Cochran, distinguished members of the subcommittee: Thank you for the opportunity to present testimony before you today. My name is Neal Thompson. I'm speaking on behalf of the Interstitial Cystitis Association (ICA). The ICA advocates for interstitial cystitis (IC) research, raises awareness, and serves as a center hub for healthcare providers, researchers, and millions of patients with IC.

I'm also a lieutenant colonel in the Virginia Defense Force, which is a voluntary military organization set up to provide support for the Department of Military Affairs, which is the Virginia National Guard and Army Guard.

I was a high-level insurance executive, but my life came to a screeching halt when I got this IC base. I couldn't travel. I couldn't sleep. Fortunately, I was able to get a diagnosis from the Medical College of Virginia, from a doctor there who was also working at the Department of Veterans Affairs (VA) hospital. So that changed my life and I was able to get some treatment.

IC is a chronic condition characterized by recurring pain, pressure, and discomfort of the bladder and pelvic region. It's often associated with urinary frequency and urgency. The cause of IC is still unknown and the diagnosis is made only after excluding other urinary and bladder conditions.

Misdiagnosis is very common, and when healthcare providers are not properly educated about IC patients may suffer for years before receiving an accurate diagnosis, often as long as 5 years. IC is often considered a woman's disease, but, while it is more common in women, scientific evidence shows that all demographic groups are affected by IC. It is estimated that 12 million Americans have IC symptoms.

The effects of IC are damaging to work life, psychological well-being, personal relationships, and general health. The impact on IC quality of life is equally as severe as rheumatoid arthritis and end stage renal disease. IC can cause patients to suffer from sleep dysfunction, high rates of depression, anxiety, sexual dysfunction, and in some cases, suicide.

The burden of IC on our military, the Nation's military members and veterans, is significant. The Urological Disease of America Project conducted between 1999 and 2002 found that approximately 1.4 of all veterans who utilized the Veterans Health Administration (VHA) have been treated for IC. This study also showed a 14-percent increase in IC patients within the VHA over the same period.

The ICA has also heard from many service men and women about their struggles with IC, including a woman who is just currently in field training, who experienced severe pain every time she fired her weapon. Several individuals, such as former Navy Captain Gary Monray, were forced to retire from their military career due to pain and limitations imposed by IC.

IC research through the Department of Defense Peer-Reviewed Medical Research Program remains essential for expanding our knowledge of this painful condition. This program is an indispensable resource for studying emerging areas of IC research, such as

prevalence in men, the role of environmental conditions, and development and diagnosis and various treatments.

PREPARED STATEMENT

Senator, I've read your Medal of Honor designation in 1945 and I read the actions taken in Northern Italy. It's chilling just to read that, but at the time I'm sure you knew what was happening and you knew the cause and you knew what the treatment. What is so insidious about IC is you don't see it externally and we still need more research to find the cure.

On behalf of IC patients, including many veterans, we request IC continue to be eligible for the Peer-Reviewed Medical Research Program for fiscal year 2013.

Thank you for your time and consideration.

[The statement follows:]

PREPARED STATEMENT OF F. NEAL THOMPSON

Chairman Inouye, Vice Chairman Cochran, and distinguished members of the subcommittee: Thank you for the opportunity to present information on interstitial cystitis (IC). I am Neal Thompson, treasurer of the board of directors of the Interstitial Cystitis Association (ICA). ICA provides advocacy, research funding, and education to ensure early diagnosis and optimal care with dignity for people affected by IC. Until the biomedical research community discovers a cure for IC, our primary goal remains the discovery of more efficient and effective treatments to help patients live with the disease.

I am a member of the Virginia Defense Forces, a volunteer military reserve set up to provide back up for the Virginia National Guard. This group, when called to active duty, is trained to secure any Federal and State property left in place in the event of the mobilization of the Virginia National Guard. I was a high-level financial executive, but my life came to a complete stop because of IC. I struggled for many years to get a diagnosis while trying to keep an active travel schedule and meet the demands of a high-level position. The challenges of being diagnosed and finding an effective treatment eventually forced me to leave work due to disability.

IC is a chronic condition characterized by recurring pain, pressure, and discomfort in the bladder and pelvic region. The condition is often associated with urinary frequency and urgency, although this is not a universal symptom. The cause of IC is unknown. Diagnosis is made only after excluding other urinary and bladder conditions, possibly causing 1 or more years of delay between the onset of symptoms and treatment. Men suffering from IC are often misdiagnosed with bladder infections and chronic prostatitis. Women are frequently misdiagnosed with endometriosis, inflammatory bowel disease (IBD), irritable bowel syndrome (IBS), vulvodynia, and fibromyalgia, which commonly co-occur with IC. When healthcare providers are not properly educated about IC, patients may suffer for years before receiving an accurate diagnosis and appropriate treatment.

Although IC is considered a "women's disease", scientific evidence shows that all demographic groups are affected by IC. Women, men, and children of all ages, ethnicities, and socioeconomic backgrounds develop IC, although it is most commonly found in women. It is estimated that as many as 12 million Americans have IC symptoms, more people than Alzheimer's, breast cancer, and autism combined.

The effects of IC are pervasive and insidious, damaging work life, psychological well-being, personal relationships, and general health. The impact of IC on quality of life is equally as severe as rheumatoid arthritis and end-stage renal disease. Health-related quality of life in individuals with IC is worse than in individuals with endometriosis, vulvodynia, and overactive bladder. IC patients have significantly more sleep dysfunction, higher rates of depression, anxiety, and sexual dysfunction.

The burden of IC among our Nation's servicemembers and veterans is significant. The Urologic Diseases in America Project, conducted between 1999 and 2002, found that approximately 1.4 percent of all veterans utilizing the Veterans Health Administration (VHA) had been treated for IC. This study also showed a 14-percent increase in IC patients within VHA over the same period.

Navy Captain Gary Mowrey (Retired) was forced to cut his naval career short as a result of IC. Captain Mowrey was in the Navy for 25 years and has served as

commander of the VAQ133 Squadron, operations officer on the USS *Dwight D. Eisenhower*, chief of the Enlisted Performance Division in the Bureau of Naval Personnel, and earned a Southwest Asia service medal with two stars for his service in Operation Desert Storm. In 1994, he began to experience significant pain, could not always make it to the restroom, and was not even able to sit through normal meetings. After months of unsuccessful antibiotic treatments for urinary tract infections, Captain Mowrey was diagnosed with IC, and retired due to the pain and limitations imposed by IC. He then attempted to teach high school math, but had to retire from this position as well due to the pain and frequent urination associated with his IC.

Although IC research is currently conducted through a number of Federal entities, including the National Institutes of Health and the Centers for Disease Control and Prevention (CDC), the DOD's Peer-Reviewed Medical Research Program (PRMRP) remains essential. The PRMRP is an indispensable resource for studying emerging areas in IC research, such as prevalence in men, the role of environmental conditions such as diet in development and diagnosis, barriers to treatment, and IC awareness within the medical military community. Specifically, IC education and awareness among military medical professionals takes on heightened importance, as the President's fiscal year 2013 budget request did not include renewed funding for the CDC's IC Education and Awareness Program.

On behalf of the IC community, including our veterans, I would like to thank the subcommittee for recognizing IC as a condition eligible for study through the DOD's PRMRP in the committee reports accompanying the fiscal years 2010, 2011, and 2012 DOD appropriations bills. The scientific community showed great interest in IC research through this program. We urge the Congress to maintain IC's eligibility in the PRMRP in committee report accompanying the fiscal year 2013 DOD appropriations bill, as the number of current military members, family members, and veterans affected by IC is increasing.

Chairman INOUYE. Sir, I can assure you that we'll do our best to maintain the eligibility of IC patients. Thank you very much.

Now may I call upon Mr. Danny L. Smith.

STATEMENT OF DANNY L. SMITH, U.S. ARMY (RETIRED), SCLERODERMA FOUNDATION

Mr. SMITH. Chairman Inouye, Ranking Member Cochran, and distinguished members of the Defense subcommittee: Thank you for the opportunity to talk to you today about scleroderma. I'm Danny Smith from Saginaw, Michigan. I have been a scleroderma patient since 1999. Before my battle with scleroderma started, I was in the U.S. Army—Hawaii 1965 and Vietnam 1966.

The word "scleroderma" literally means "hard skin", which is one of the most manifestations of the disease. The cause of scleroderma is unknown, although it involves an overproduction of collagen. This can cause the hardening of the internal organs. Serious complications of the disease include pain, skin ulcers, pulmonary hypertension, disorders of the digestive system, and others.

For me, it began with my hands. They turned blue, stiffened up. I could not move my fingers. I went to my doctor. She sent me to a rheumatologist. They sent me to a rheumatologist. He diagnosed me with scleroderma eventually. I had just gotten a new job working for the United Auto Workers (UAW), and I didn't get to sit in that chair because they put me on disability right away and I never got there.

But as time went on, the skin on my arms and my hands got tighter. I could not even close my hands. A few months later, I began an experimental treatment called cytoxin infusion for scleroderma, taken once a month for 2 years. My scleroderma began impacting my right lung. Breathing became difficult. I was losing weight and coloration of my skin was changing.

The rheumatologist referred me to a lung specialist at the University of Michigan. The lung specialist said that my right lung was not fluctuating. It was beginning to harden and turn to stone, which is a term used in scleroderma. After many tests, counseling on risk, I decided to go ahead with the lung transplant. On September 20, 2004, at 11 p.m., I got a phone call that a lung was available. I was on the operating table the next morning at 7:30 a.m.

PREPARED STATEMENT

As I said before, the exact cause of scleroderma is not known. However, it is suspected that an unknown inciting event can trigger autoimmune reactions. Additionally, toxic agents soldiers may be exposed to on a battlefield have often proved to cause lung injury and fibrosis. The successful completion of studies being done by DOD will bring us much closer to being able to treat scleroderma, lung disease, and other diseases involving lung injury and fibrosis to human patients. This is very important because there are currently no effective FDA-approved treatments for these diseases.

On behalf of scleroderma patients, we request scleroderma continue to be eligible for the Peer-Reviewed Medical Research Program for fiscal year 2013.

Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF DANNY L. SMITH

Chairman Inouye, Ranking Member Cochran, and distinguished members of the subcommittee: As a military veteran, it is my honor to appear before you as a representative of the Scleroderma Foundation and on behalf of those living with scleroderma. My name is Danny L. Smith. I live in Saginaw, Michigan and I was in the U.S. Army from September 1964 until September 1967. I was discharged at Fort Lewis, Washington and was stationed in Hawaii in 1965 and Vietnam in 1966 at Cu Chi. I was diagnosed with scleroderma in 1999. I also have had lupus since the mid-1970s. I am here to request that you continue to include scleroderma as a condition eligible for study through the Department of Defense's (DOD) Peer-Reviewed Medical Research Program (PRMRP) as you work to complete fiscal year 2013 Defense appropriations.

The Scleroderma Foundation is a national organization for people with scleroderma and their families and friends. The Foundation's mission is threefold:

—support to help patients and their families cope with scleroderma through mutual support programs, peer counseling, physician referrals, and educational information;

—education to promote public awareness and education through patient and health professional seminars, literature, and publicity campaigns; and

—research to stimulate and support research to improve treatment and ultimately find the cause of and cure for scleroderma and related diseases.

Systemic sclerosis (scleroderma) is a chronic autoimmune disorder marked by early skin lesions and the progressive tissue fibrosis. More than skin deep, this thickening and hardening of connective tissue affects the blood capillaries, the gastrointestinal tract, the lungs, and the heart. In scleroderma patients, fibrosis frequently leads to organ dysfunction, serious illness, and death. Researchers have yet to determine the underlying cause of this disfiguring, debilitating condition or find an effective antifibrotic remedy. Scleroderma impacts approximately 300,000 Americans; 80 percent of whom are women diagnosed during their child-bearing years. Scleroderma also has a highly disproportionate impact on Native American, African-American, and Hispanic populations. These groups tend to exhibit more rapidly progressing and severe cases of the disease. Scleroderma lung disease is categorized as an interstitial lung disease (ILD). ILD refers to a broad category of lung diseases, of which scleroderma is one among nearly 150 conditions, marked by fibrosis or scarring of the lungs. The net result of the fibrosis is ineffective respiration or dif-

ficulty breathing. Lung fibrosis occurs in nearly all patients with systemic sclerosis and for reasons that are not clear, severe lung scarring is seen more frequently in men and in African-American scleroderma patients. I was one of these men. Lung disease is the number one cause of death in scleroderma patients.

It began with trouble with my hands at work. They were turning blue and I could not flex them. I went to my family doctor and she referred me to a rheumatologist who subsequently diagnosed me with Raynaud's (the blue color) and scleroderma. As time went on the skin was getting tighter on my arms and so tight on my hands that I could not even close them. The doctor started me on an exercise program for my arms and hands. A few months later I began an experimental treatment, Cytoxin Infusion, for the scleroderma, taken once a month. I was on it for 2 years. After 2 years, my scleroderma began impacting my right lung. Breathing became difficult, I was losing weight, and the coloration of my skin was changing. The rheumatologist then referred me to a lung specialist at the University of Michigan. The lung specialist said that my right lung was not fluctuating and was beginning to harden or turn to stone—a term used with scleroderma.

When I inquired about a transplant I was tested and counseled by multiple doctors because the operation would be experimental. There were considerable risks. I was finally put on the transplant list. On September 20, 2004, I got a phone call at 11 p.m. that a lung was available. They said I needed to get to Ann Arbor as quickly as possible. When I got there they checked to make sure I was healthy enough for the operation and ran tests for infection. I was on the operating table the next morning, September 21, at 7:30 a.m. I was in the hospital for a week. Having become so weak being on oxygen for 2 years, I also required extensive physical therapy. Since the operation I have been doing well. The lung is still functioning as well today as the day I received it.

Since my operation I have joined a Scleroderma Foundation support group and found out there is so much we don't know about scleroderma. We all differ in our degrees of the illness. I have learned that none of us are the same or have the same outcomes. For example, I knew a young lady, 17 years old, who had scleroderma. Her one wish was to go to Disney World. A trip was arranged for her and her family. She was not doing well but wanted to go anyway. She made it to Florida and to the hotel but then needed to go to the hospital. She passed away the next day without getting to see Disney World. The doctors here in Saginaw used some of the treatments on her that were used on me. The treatments worked for me but not for her.

As I stated before, I am a veteran of the United States Army and a Vietnam Vet. Scleroderma research is of utmost importance to the military. The exact cause of scleroderma is not known; however, it is suspected that an unknown inciting event triggers injury, probably to cells lining the blood vessels. There are also changes in the body's immune system that cause the immune cells to react to body components including the connective tissue. A major consequence of these so-called "autoimmune reactions" is stimulation of fibroblasts (cells that make collagen and other connective tissue components). The net result is excessive accumulation of collagen and other connective tissue components in parts of the body such as skin, lungs, and walls of the arteries. A veteran's immune system disability may be related to his in-service chemical exposure. Systemic sclerosis and systemic lupus have been reported in patients exposed to TCE.

Additionally, toxic agents soldiers may be exposed to on the battlefield have also proved to cause lung injury/fibrosis. The successful completion of studies will bring us much closer to being able to treat scleroderma lung disease and other diseases involving lung injury/fibrosis in human patients. This is of the utmost urgency because there are currently no effective, U.S. Food and Drug Administration-approved treatments for these diseases.

On behalf of the scleroderma community, including our veterans, I would like to thank the subcommittee for recognizing scleroderma as a condition eligible for study through the DOD's PRMRP in the committee reports accompanying the fiscal years 2010, 2011, and 2012 DOD appropriations bills. The scientific community showed great interest in the program, responding to the grant announcements with an immense outpouring of proposals. We urge the Congress to maintain scleroderma's eligibility in the PRMRP.

Chairman INOUYE. We'll do our best to make certain that it's eligible for research.

Thank you very much, Sir.

Our next witness is Ms. Dee Linde, representing the Dystonia Medical Research Foundation.

STATEMENT OF DEE LINDE, PATIENT ADVOCATE, DYSTONIA ADVOCACY NETWORK

Ms. LINDE. Mr. Chairman, Mr. Vice Chairman: Thank you for the opportunity to testify here today. My name is Dee Linde and I'm a dystonia patient and volunteer with the Dystonia Advocacy Network (DAN). As a veteran and former Navy petty officer, I am honored to testify before this subcommittee.

The DAN is comprised of five dystonia patient groups and works to advance dystonia research, increase dystonia awareness, and provide support for dystonia patients. Dystonia is a rare neurological movement disorder that causes muscles to contract and spasm involuntarily. Dystonia is a chronic disorder whose symptoms vary in degrees of frequency, intensity, disability, and pain. Dystonia can be generalized or focal. Generalized dystonia affects all major muscle groups, resulting in twisting, repetitive movements, and abnormal postures. Focal dystonia affects a specific part of the body, such as the legs, arms, eyelids, or vocal cords.

Dystonia can be hereditary or caused by trauma, and it affects approximately 300,000 persons in the United States. At this time there is no cure for dystonia and treatment is highly individualized. Patients frequently rely on invasive therapies.

In 1995, after my Navy career, I started feeling symptoms from what would later be diagnosed as tardive dystonia, which is medication-induced dystonia. The symptoms started as an uncontrollable shivering sensation. Over the next 2 years, the symptoms continued to worsen and I started feeling like I was being squeezed in a vise. My diaphragm was constricted and I couldn't breathe. I also had blepharospasm, a form of dystonia that forcibly shut my eyes, leaving me functionally blind even though there was nothing wrong with my vision.

My dystonia affected my entire upper body and for years my spasms didn't allow me to sit in a chair or sleep safely in bed with my husband. I spent those years having to sleep and even eat on the floor. I was also forced to give up my private practice as a psychotherapist.

In 2000, I underwent surgery to receive deep brain stimulation (DBS). The neurosurgeon implanted leads into my brain that emit constant electrical pulses which interrupt the bad signals and help control my symptoms. Thanks to DBS, I have gone from being completely nonfunctional to having the ability to walk and to move like a healthy individual and I am now almost completely symptom-free. But DBS is not a cure.

The Dystonia Medical Research Foundation (DMRF) has received reports that the incidence of dystonia in the United States has noticeably increased since our military forces were deployed to Iraq and Afghanistan. An article in Military Medicine titled "Post-Traumatic Shoulder Dystonia in an Active Duty Soldier" stated that, "Dystonia after minor trauma can be as crippling as a penetrating wound, with disability that renders the soldier unable to perform his duties."

Awareness of this disorder is essential to avoid mislabeling and possibly mistreating a true neurological disease.

In addition, a study published this month in "Science Translational Medicine" found that blast exposures can cause

structural problems in the brain. We believe these structural problems will lead to increased dystonia.

The Department of Defense Peer-Reviewed Medical Research Program is critical to developing a better understanding of the mechanisms connecting trauma and dystonia.

PREPARED STATEMENT

The dystonia community would like to thank the subcommittee for adding dystonia to the list of conditions eligible for study under this program since fiscal year 2010. We're excited to report that dystonia researchers have competed successfully within the peer-reviewed system every year thus far. We urge the subcommittee to maintain dystonia as an eligible condition in the Defense Peer-Reviewed Medical Research Program in fiscal year 2013.

Thank you again for your time and interest.

[The statement follows:]

PREPARED STATEMENT OF DEE LINDE

Mr. Chairman and members of the Senate Department of Defense Appropriations subcommittee, thank you for the opportunity to testify today. My name is Dee Linde, and I am a dystonia patient and volunteer with the Dystonia Advocacy Network (DAN). I am also a former Navy servicemember, and I am honored to testify before this subcommittee. The DAN is comprised of five dystonia patient groups working collaboratively to meet the needs of those affected:

—the Benign Essential Blepharospasm Research Foundation (BEBRF);
—the Dystonia Medical Research Foundation (DMRF);
—the National Spasmodic Dysphonia Association (NSDA);
—the National Spasmodic Torticollis Association (NSTA); and
—ST/Dystonia, Inc.

The DAN works to advance dystonia research, increase dystonia awareness, and provide support for those living with the disorder. On behalf of the dystonia community, I am here to request that you include dystonia as a condition eligible for study through the Peer-Reviewed Medical Research Program as you work to complete fiscal year 2013 Department of Defense appropriations.

Dystonia is a rare neurological movement disorder that causes muscles to contract and spasm involuntarily. It is a chronic disorder whose symptoms vary in degrees of frequency, intensity, disability, and pain. Dystonia can be generalized or focal. Generalized dystonia affects all major muscle groups, resulting in twisting repetitive movements and abnormal postures. Focal dystonia affects a specific part of the body such as the legs, arms, hands, eyelids, or vocal chords. Dystonia can be hereditary or caused by trauma such as a car crash or a blast exposure as experienced by military personnel. At this time, there is no cure for dystonia and treatment is highly individualized. Patients frequently rely on invasive therapies like botulinum toxin injections or deep brain stimulation (DBS) to help manage their symptoms.

In 1995, after my Navy career, I started feeling symptoms for what would later be diagnosed as tardive dystonia, which is medication-induced dystonia. The symptoms started as an uncontrollable shivering sensation that often prompted people to ask me if I was cold. Over the next 2 years, the symptoms continued to worsen, and I started feeling like I was being squeezed: my diaphragm was constricted and I couldn't breathe. I also had belpharospasm which meant that my eyes would shut forcibly and uncontrollably, leaving me functionally blind even though there was nothing wrong with my vision.

The tardive dystonia affected my entire upper body and for years my spasms didn't allow me to sit in a chair, or sleep safely in the bed with my husband. As a family joke, my mother made my husband a nose guard to wear because I kept hitting him during the night. We made light of the situation when we could, but I was facing much hardship and loneliness. I spent those years having to sleep and even eat on the floor. Before I developed dystonia, I had my own private practice as a licensed psychotherapist which I had to give up as a result of my spasms.

Because I have other service-connected disabilities and am considered 100-percent unemployable, I receive care at the Veterans hospital in Portland, Oregon. In 2000, I underwent surgery to receive DBS. The surgeons implanted leads into my basil ganglia, the part of the brain that controls movement. The DBS therapy delivers

constant electrical stimulation that interrupts the bad signals and helps control the involuntary movements. Thanks to DBS, I have gone from being completely nonfunctional, to having the ability to walk and to move like a healthy individual. I am happy to say that I am now almost completely symptom free. Many dystonia patients who undergo DBS do not experience the positive results on the scale that I have, and some undergo brain surgery only to find that the DBS has no effect. Moreover, DBS is a treatment—not a cure.

The DAN has received reports that the incidence of dystonia in the United States has noticeably increased since our military forces were deployed to Iraq and Afghanistan. This recent increase is widely considered to be the result of a well-documented link between traumatic injuries and the onset of dystonia. A June 2006 article in "Military Medicine" entitled "Post-Traumatic Shoulder Dystonia in an Active Duty Soldier" reported on dystonia experienced by military personnel and concluded the following:

"Dystonia after minor trauma can be as crippling as a penetrating wound, with disability that renders the soldier unable to perform his duties . . . awareness of this disorder [dystonia] is essential to avoid mislabeling, and possibly mistreating, a true neurological disease."

More recently, a study published in the May 16, 2012 issue of "Science Translational Medicine" led by Dr. Lee E. Goldstein of Boston University's School of Medicine found that blast exposures can cause structural problems in the brain that we believe will lead to increased dystonia. As military personnel remain deployed for longer periods, we can expect dystonia prevalence in military and veterans populations to continue to rise.

Although Federal dystonia research is conducted through a number of medical and scientific agencies, the Department of Defense (DOD) Peer-Reviewed Medical Research Program remains the most essential program studying dystonia in military and veteran populations. This program is critical to developing a better understanding of the mechanisms connecting trauma and dystonia. For the past 2 years, I have been a consumer reviewer on this panel. The DAN would like to thank the subcommittee for adding dystonia to the list of conditions eligible for study under the DOD Peer-Reviewed Medical Research Program in the fiscal year 2010, fiscal year 2011, and fiscal year 2012 Defense Appropriation bills. The DAN is excited to report that dystonia researchers have competed successfully within the peer-reviewed system every year which underscores the important nature of their work. We urge the subcommittee to maintain dystonia as a condition eligible for study through the Peer-Reviewed Medical Research Program in fiscal year 2013.

Thank you again for allowing me the opportunity to address the subcommittee today. I hope you will continue to include dystonia as a condition eligible for study under the DOD Peer-Reviewed Medical Research Program.

DAN Fiscal Year 2013 Defense Appropriations Recommendations

Peer-Reviewed Medical Research Program (PRMRP):

—Include "dystonia" as a condition eligible for study through the PRMRP.

—Provide $50 million for PRMRP, which is housed within the Congressionally Directed Medical Research Program.

Chairman INOUYE. If this matter is service-connected, I can assure you that we'll do our best to make certain your organization continues its research.

Ms. LINDE. Thank you.

Chairman INOUYE. Thank you.

Our next witness is Ms. Joy Simha, representing the National Breast Cancer Coalition.

STATEMENT OF JOY SIMHA, MEMBER, BOARD OF DIRECTORS, NATIONAL BREAST CANCER COALITION

Ms. SIMHA. Thank you very much. I am Joy Simha, an 18-year breast cancer survivor, co-founder of the Young Survival Coalition and a member of the board of directors of the National Breast Cancer Coalition, which is an organization made up of hundreds of grassroots organizations from across the country.

Chairman Inouye, Ranking Member Cochran, members of the subcommittee: We thank you for your longstanding support for the

Department of Defense Peer-Reviewed Breast Cancer Research Program (BCRP). You know the importance of this program to women and their families both within and outside the military across the country, to the scientific and healthcare communities, and to the Department of Defense, because much of the progress that has been made in the fight against breast cancer is due to your investment in this important program.

The vision of the Department of Defense Peer-Reviewed BCRP is to eradicate breast cancer by funding innovative, high-impact research through the unique partnership of the Congress, the Army, scientists, and consumers.

The Department of the Army must be applauded for overseeing this unique program. It's established itself as a model medical research program, respected throughout the cancer and broader medical communities for its innovative, transparent, and accountable approach. This program is incredibly streamlined. The flexibility of the program has allowed the Army to administer it with unparalleled efficiency and effectiveness. It is lauded worldwide and others try to emulate the program.

Its specific focus on breast cancer allows it to rapidly support innovative proposals that reflect the most recent discoveries in the field. It is responsive not just to the scientific community, but also to the public. The pioneering research performed through the program and the unique vision it maintains have the potential to benefit not just breast cancer, but all cancers, as well as other diseases. Biomedical research is literally being transformed by the Department of Defense BCRP, 90 percent of the funds appropriated go to research.

Advocates bring a necessary perspective to the table, ensuring that the science funded by the program is not only meritorious, but also relevant to the women whose lives are affected by this disease.

You may remember Karen Moss, a retired Air Force Lieutenant Colonel who served almost 21 years on active duty and she chaired the integration panel. Karen passed away in September 2008. She was committed to making a difference and ensuring that the voices of consumer advocates were heard by the scientific community, challenging scientists to always think differently.

Her legacy reminds us that breast cancer is not just a struggle for scientists; it's a disease of the people. She chaired the integration panel the year that she died. The consumers who sit alongside the scientists at the vision-setting peer review and programmatic review stages of the BCRP are there to ensure that no one forgets the women who have died from this disease and to keep the program focused on its vision.

PREPARED STATEMENT

This is research that will help us win a very real and devastating war against a very vicious enemy. You and your subcommittee have shown great determination and leadership in funding the DOD Peer-Reviewed BCRP at a level that has brought us closer to ending this disease. I am hopeful that you will continue that determination and leadership.

Thank you again for the opportunity to submit testimony and represent all the people across this country who care about ending this disease. Thank you.

[The statement follows:]

PREPARED STATEMENT OF JOY SIMHA

Thank you, Mr. Chairman and members of the Appropriations Subcommittee on the Department of Defense, for the opportunity to submit testimony today about a program that has made a significant difference in the lives of women and their families.

I am Joy Simha, an 18-year breast cancer survivor, communications consultant, a wife and mother, co-founder of The Young Survival Coalition, and a member of the board of directors of the National Breast Cancer Coalition (NBCC). I am also a member of the Integration Panel of the Department of Defense (DOD) Breast Cancer Research Program (BCRP). My testimony represents the hundreds of member organizations and thousands of individual members of the NBCC. NBCC is a grassroots organization dedicated to ending breast cancer through action and advocacy. Since its founding in 1991, NBCC has been guided by three primary goals:

—to increase Federal funding for breast cancer research and collaborate with the scientific community to implement new models of research;
—improve access to high-quality healthcare and breast cancer clinical trials for all women; and
—expand the influence of breast cancer advocates wherever breast cancer decisions are made.

In September 2010, in order to change the conversation about breast cancer and restore the sense of urgency in the fight to end the disease, NBCC launched Breast Cancer Deadline 2020®—a deadline to end breast cancer by January 1, 2020.

Chairman Inouye and Ranking Member Cochran, we appreciate your longstanding support for the Department of Defense (DOD) Peer-Reviewed Breast Cancer Research Program. As you know, this program was born from a powerful grassroots effort led by NBCC, and has become a unique partnership among consumers, scientists, Members of Congress and the military. You and your subcommittee have shown great determination and leadership in funding DOD Peer-Reviewed BCRP at a level that has brought us closer to ending this disease. I am hopeful that you and your subcommittee will continue that determination and leadership.

I know you recognize the importance of this program to women and their families across the country, to the scientific and healthcare communities and to DOD. Much of the progress that has been made in the fight against breast cancer is due to the Appropriations Committee's investment in breast cancer research through the DOD BCRP. To support this progress moving forward, we ask that you support a $150 million appropriation for fiscal year 2013. In order to continue the success of the program, you must ensure that it maintains its integrity and separate identity, in addition to this funding. This is important not just for breast cancer, but for all biomedical research that has benefited from this incredible Government program.

VISION AND MISSION

The vision of DOD Peer-Reviewed BCRP is to "eradicate breast cancer by funding innovative, high-impact research through a partnership of scientists and consumers". The meaningful and unprecedented partnership of scientists and consumers has been the foundation of this model program from the very beginning. It is important to understand this collaboration:

—consumers and scientists working side-by-side;
—asking the difficult questions;
—bringing the vision of the program to life;
—challenging researchers and the public to do what is needed; and
—then overseeing the process every step of the way to make certain it works.

This unique collaboration is successful: every year researchers submit proposals that reach the highest level asked of them by the program and every year we make progress for women and men everywhere.

And it owes its success to the dedication of the U.S. Army and their belief and support of this mission. And of course, to you. It is these integrated efforts that make this program unique.

The Department of the Army must be applauded for overseeing the DOD BCRP which has established itself as a model medical research program, respected throughout the cancer and broader medical community for its innovative, transparent, and accountable approach. This program is incredibly streamlined. The flexi-

bility of the program has allowed the Army to administer it with unparalleled efficiency and effectiveness. Because there is little bureaucracy, the program is able to respond quickly to what is currently happening in the research community. Its specific focus on breast cancer allows it to rapidly support innovative proposals that reflect the most recent discoveries in the field. It is responsive, not just to the scientific community, but also to the public. The pioneering research performed through the program and the unique vision it maintains have the potential to benefit not just breast cancer, but all cancers as well as other diseases. Biomedical research is literally being transformed by the DOD BCRP.

CONSUMER PARTICIPATION

Advocates bring a necessary perspective to the table, ensuring that the science funded by this program is not only meritorious, but that it is also meaningful and will make a difference in people's lives. The consumer advocates bring accountability and transparency to the process. They are trained in science and advocacy and work with scientists willing to challenge the status quo to ensure that the science funded by the program fills important gaps not already being addressed by other funding agencies. Since 1992, more than 700 breast cancer survivors have served on the BCRP review panels.

Four years ago, Karin Noss, a retired Air Force Lieutenant Colonel who served almost 21 years on active duty as a missile launch officer and intelligence analyst, chaired the Integration Panel. Karin was 36 years old when she discovered a lump that was misdiagnosed by mammography and clinical exam; just more than 1 year later, however, she was diagnosed with Stage II breast cancer. Her diagnosis inspired her to become knowledgeable about her disease, and as a trained consumer advocate she began participating as a consumer reviewer on BCRP scientific peer-review panels in 1997. Karin was committed to making a difference and ensuring that the voice of consumer advocates was heard by the scientific community, challenging scientists to think differently.

Karin worked tirelessly in support of the BCRP through the pain and fatigue of metastatic breast cancer. She died of the disease in September 2008. Just a few weeks before her passing, Karin served what would be her final role for the BCRP when she chaired the fiscal year 2008 Vision Setting Meeting, an important milestone at which the program determines which award mechanisms to offer in order to move research forward. She said that:

"Consumer involvement in all facets of the BCRP has proven crucial to ensuring not only that the best and most innovative science gets funded, but that the science will really make a difference to those of us living with the disease."

Karin demonstrated an amazing strength, determination, and commitment to eradicating breast cancer. She was an optimist, determined to make things better for women with breast cancer whose legacy reminds us that breast cancer is not just a struggle for scientists; it is a disease of the people. The consumers who sit alongside the scientists at the vision setting, peer review and programmatic review stages of the BCRP are there to ensure that no one forgets the women who have died from this disease and to keep the program focused on its vision.

For many consumers, participation in the program is "life changing" because of their ability to be involved in the process of finding answers to this disease. In the words of one advocate:

"Participating in the peer review and programmatic review has been an incredible experience. Working side by side with the scientists, challenging the status quo and sharing excitement about new research ideas . . . it is a breast cancer survivor's opportunity to make a meaningful difference. I will be forever grateful to the advocates who imagined this novel paradigm for research and continue to develop new approaches to eradicate breast cancer in my granddaughters' lifetime."——Marlene McCarthy, three-time breast cancer "thriver", Rhode Island Breast Cancer Coalition.

Scientists who participate in the Program agree that working with the advocates has changed the way they do science. Let me quote Greg Hannon, the fiscal year 2010 DOD BCRP Integration Panel Chair:

"The most important aspect of being a part of the BCRP, for me, has been the interaction with consumer advocates. They have currently affected the way that I think about breast cancer, but they have also impacted the way that I do science more generally. They are a constant reminder that our goal should be to impact people's lives."——Greg Hannon, Ph.D., Cold Spring Harbor Laboratory.

UNIQUE STRUCTURE

The DOD BCRP uses a two-tiered review process for proposal evaluation, with both steps including scientists as well as consumers. The first tier is scientific peer review in which proposals are weighed against established criteria for determining scientific merit. The second tier is programmatic review conducted by the Integration Panel (composed of scientists and consumers) that compares submissions across areas and recommends proposals for funding based on scientific merit, portfolio balance, and relevance to program goals.

Scientific reviewers and other professionals participating in both the peer review and the programmatic review process are selected for their subject matter expertise. Consumer participants are recommended by an organization and chosen on the basis of their experience, training, and recommendations.

The BCRP has the strictest conflict of interest policy of any research funding program or institute. This policy has served it well through the years. Its method for choosing peer and programmatic review panels has produced a model that has been replicated by funding entities around the world.

It is important to note that the Integration Panel that designs this program has a strategic plan for how best to spend the funds appropriated. This plan is based on the state of the science—both what scientists and consumers know now and the gaps in our knowledge—as well as the needs of the public. While this plan is mission driven, and helps ensure that the science keeps to that mission of eradicating breast cancer in mind, it does not restrict scientific freedom, creativity, or innovation. The Integration Panel carefully allocates these resources, but it does not predetermine the specific research areas to be addressed.

DISTINCTIVE FUNDING OPPORTUNITIES

The DOD BCRP research portfolio includes many different types of projects, including support for innovative individuals and ideas, impact on translating research from the bench to the bedside, and training of breast cancer researchers.

Innovation

The Innovative Developmental and Exploratory Awards (IDEA) grants of the DOD program have been critical in the effort to respond to new discoveries and to encourage and support innovative, risk-taking research. Concept awards support funding even earlier in the process of discovery. These grants have been instrumental in the development of promising breast cancer research by allowing scientists to explore beyond the realm of traditional research and unleash incredible new ideas. For example, in fiscal year 2009, Dr. Seongbong Jo of the University of Mississippi was granted a concept award to develop a multifunctional nanoparticle that can selectively recognize breast cancer and specifically inhibit the growth of cancer cells, while minimally affecting normal cells. This has the potential to significantly improve the delivery of breast cancer chemotherapy, increase its efficiency, and contribute to the reduction of breast cancer mortality rates.

IDEA and concept grants are uniquely designed to dramatically advance our knowledge in areas that offer the greatest potential. In fiscal year 2006, Dr. Gertraud Maskarinec of the University of Hawaii received a synergistic IDEA grant to study effectiveness of the Dual Energy Xray Absorptiometry (DXA) as a method to evaluate breast cancer risks in women and young girls. Such a method, which could possibly be used to prevent breast cancer during adulthood, is currently not available because the risk of xray-based mammograms is considered too high in that age group. Such grants are precisely the types that rarely receive funding through more traditional programs such as the National Institutes of Health and private research programs. They, therefore, complement and do not duplicate other Federal funding programs. This is true of other DOD award mechanisms as well.

Innovator awards invest in world renowned, outstanding individuals rather than projects, by providing funding and freedom to pursue highly creative, potentially groundbreaking research that could ultimately accelerate the eradication of breast cancer. Dr. Dennis Slamon of the University of California, Los Angeles was granted an innovator award in fiscal year 2010 to develop new insights that will result in the development of novel treatment initiatives for all of the current therapeutic subtypes of breast cancer. This research builds upon the past gains in understanding of the molecular diversity of human breast cancer which has led treatment away from the "one-size-fits-all" therapeutic approaches, and the success of existing treatments of specific breast cancer subtypes.

The Era of Hope Scholar Award supports the next generation of leaders in breast cancer research, by identifying the best and brightest scientists early in their careers and giving them the necessary resources to pursue a highly innovative vision

of ending breast cancer. Dr. Stuart S. Martin of the University of Maryland, Baltimore received a fiscal year 2010 Era of Hope Scholar Award to build an international consortium to define a molecular framework that governs the mechanical properties of a certain type of tumor cell which, because of its shape, poses a greater metastatic risk than other cells.

One of the most promising outcomes of research funded by the DOD BCRP was the development of the first monoclonal antibody targeted therapy that prolongs the lives of women with a particularly aggressive type of advanced breast cancer. Researchers found that over-expression of HER–2/neu in breast cancer cells results in very aggressive biologic behavior. The same researchers demonstrated that an antibody directed against HER–2/neu could slow the growth of the cancer cells that over-expressed the gene. This research, which led to the development of the targeted therapy, Herceptin, was made possible in part by a DOD BCRP-funded infrastructure grant. Other researchers funded by the DOD BCRP are identifying similar targets that are involved in the initiation and progression of cancer.

These are just a few examples of innovative funding opportunities at the DOD BCRP that are filling gaps in breast cancer research.

Translational Research

The DOD BCRP also focuses on moving research from the bench to the bedside. DOD BCRP awards are designed to fill niches that are not addressed by other Federal agencies. The BCRP considers translational research to be the process by which the application of well-founded laboratory or other pre-clinical insight results in a clinical trial. To enhance this critical area of research, several research opportunities have been offered. Clinical Translational Research Awards have been awarded for investigator-initiated projects that involve a clinical trial within the lifetime of the award. The BCRP has expanded its emphasis on translational research by also offering five different types of awards that support work at the critical juncture between laboratory research and bedside applications.

The Multi Team Award mechanism brings together the world's most highly qualified individuals and institutions to address a major overarching question in breast cancer research that could make a significant contribution towards the eradication of breast cancer. Many of these Teams are working on questions that will translate into direct clinical applications. These Teams include the expertise of basic, epidemiology, and clinical researchers, as well as consumer advocates.

Training

The DOD BCRP is also cognizant of the need to invest in tomorrow's breast cancer researchers. Erin McCoy of the University of Alabama, Birmingham received a fiscal year 2010 Predoctoral Traineeship Award for work on the potential role a certain protein, CD68, plays in breast cancer cells attaching themselves to bone which allows metastatic growth to take place. The bone is the most common site for breast cancer metastasis. In fiscal year 2011, Dr. Julie O'Neal of the University of Louisville received a Postdoctoral Fellowship Award to study breast cancer biology with an emphasis on identifying enzymes that are required for breast cancer growth.

Dr. John Niederhuber, former Director of the National Cancer Institute (NCI), said the following about the program when he was Director of the University of Wisconsin Comprehensive Cancer Center in April, 1999:

"Research projects at our institution funded by the Department of Defense are searching for new knowledge in many different fields including: identification of risk factors, investigating new therapies and their mechanism of action, developing new imaging techniques and the development of new models to study [breast cancer] . . . Continued availability of this money is critical for continued progress in the nation's battle against this deadly disease."

Scientists and consumers agree that it is vital that these grants continue to support breast cancer research. To sustain the program's momentum, $150 million for peer-reviewed research is needed in fiscal year 2013.

OUTCOMES AND REVIEWS OF THE DEPARTMENT OF DEFENSE BREAST CANCER RESEARCH PROGRAM

The outcomes of the BCRP-funded research can be gauged, in part, by the number of publications, abstracts/presentations, and patents/licensures reported by awardees. To date, there have been more than 14,724 publications in scientific journals, more than 19,013 abstracts and nearly 643 patents/licensure applications. The American public can truly be proud of its investment in the DOD BCRP. Scientific achievements that are the direct result of the DOD BCRP grants are moving us closer to eradicating breast cancer.

The success of the DOD Peer-Reviewed BCRP has been illustrated by several unique assessments of the program. The Institute of Medicine (IOM), which originally recommended the structure for the program, independently re-examined the program in a report published in 1997. They published another report on the program in 2004. Their findings overwhelmingly encouraged the continuation of the program and offered guidance for program implementation improvements.

The 1997 IOM review of the DOD Peer-Reviewed BCRP commended the program, stating, "the Program fills a unique niche among public and private funding sources for cancer research. It is not duplicative of other programs and is a promising vehicle for forging new ideas and scientific breakthroughs in the nation's fight against breast cancer." The 2004 report spoke to the importance of the program and the need for its continuation.

The DOD Peer-Reviewed BCRP not only provides a funding mechanism for high-risk, high-return research, but also reports the results of this research to the American people every 2 to 3 years at a public meeting called the Era of Hope. The 1997 meeting was the first time a federally funded program reported back to the public in detail not only on the funds used, but also on the research undertaken, the knowledge gained from that research and future directions to be pursued.

Sixteen hundred consumers and researchers met for the sixth Era of Hope meeting in August 2011. As MSNBC.com's Bob Bazell wrote, this meeting "brings together many of the most committed breast cancer activists with some of the nation's top cancer scientists. The conference's directive is to push researchers to think 'out of the box' for potential treatments, methods of detection and prevention . . ." He went on to say "the program . . . has racked up some impressive accomplishments in high-risk research projects . . ."

During the 2011 Era of Hope, investigators presented work that challenged paradigms and pushed boundaries with innovative, high-impact approaches. Some of the research presented looked at new ways to treat the spread of breast cancer, including a vaccine for HER2+ breast cancer that has stopped responding to treatment, and an innovative treatment using nanoparticles of HDL cholesterol tied to chemotherapy drugs to more directly zero in on cancer cells.

The DOD Peer-Reviewed BCRP has attracted scientists across a broad spectrum of disciplines, launched new mechanisms for research and facilitated new thinking in breast cancer research and research in general. A report on all research that has been funded through the DOD BCRP is available to the public. Individuals can go to the Department of Defense Web site and look at the abstracts for each proposal at http://cdmrp.army.mil/bcrp/.

COMMITMENT OF THE NATIONAL BREAST CANCER COALITION

The National Breast Cancer Coalition is strongly committed to the DOD BCRP in every aspect, as we truly believe it is one of our best chances for reaching Breast Cancer Deadline 2020®'s goal of ending the disease by the end of the decade. The Coalition and its members are dedicated to working with you to ensure the continuation of funding for this program at a level that allows this research to forge ahead. From 1992, with the launch of our "300 Million More Campaign" that formed the basis of this program, until now, NBCC advocates have appreciated your support.

Over the years, our members have shown their continuing support for this program through petition campaigns, collecting more than 2.6 million signatures, and through their advocacy on an almost daily basis around the country asking for support of the DOD BCRP.

Consumer advocates have worked hard over the years to keep this program free of political influence. Often, specific institutions or disgruntled scientists try to change the program though legislation, pushing for funding for their specific research or institution, or try to change the program in other ways, because they did not receive funding through the process; one that is fair, transparent, and successful. The DOD BCRP has been successful for so many years because of the experience and expertise of consumer involvement, and because of the unique peer review and programmatic structure of the program. We urge this subcommittee to protect the integrity of the important model this program has become.

There are nearly 3 million women living with breast cancer in this country today. This year, approximately 40,000 will die of the disease and more than 260,000 will be diagnosed. We still do not know how to prevent breast cancer, how to diagnose it in a way to make a real difference or how to end it. It is an incredibly complex disease. We simply cannot afford to walk away from this program.

Since the very beginning of this program in 1992, the Congress has stood with us in support of this important approach in the fight against breast cancer. In the years since, Chairman Inouye and Ranking Member Cochran, you and this entire

subcommittee have been leaders in the effort to continue this innovative investment in breast cancer research.

NBCC asks you, the Department of Defense Appropriations subcommittee, to recognize the importance of what has been initiated by the Appropriations Committee. You have set in motion an innovative and highly efficient approach to fighting the breast cancer epidemic. We ask you now to continue your leadership and fund the program at $150 million and maintain its integrity. This is research that will help us win this very real and devastating war against a cruel enemy.

Thank you again for the opportunity to submit testimony and for giving hope to all women and their families, and especially to the nearly 3 million women in the United States living with breast cancer and all those who share in the mission to end breast cancer.

Chairman INOUYE. I thank you for your testimony and I can assure you that we'll do our very best to maintain the funding. Thank you.

Next panel.

Our next panel consists of: the Honorable Charles Curie, American Foundation for Suicide Prevention; Captain Charles D. Connor, United States Navy, Retired, representing the American Lung Association; Dr. William Strickland, representing the American Psychological Association; and Mr. Robert Ginyard, ZERO—the Project to End Prostate Cancer.

May I call upon Mr. Curie.

STATEMENT OF HON. CHARLES CURIE, MEMBER, NATIONAL BOARD OF DIRECTORS AND PUBLIC POLICY COUNCIL, AMERICAN FOUNDATION FOR SUICIDE PREVENTION

Mr. CURIE. Chairman Inouye, Vice Chairman Cochran: Thank you for providing the American Foundation for Suicide Prevention (AFSP) with the opportunity to present testimony on the needs of programs within the Department of Defense (DOD) that play a critical role in suicide prevention efforts among our Nation's military personnel. I respectfully submit my written comments for the record.

Chairman INOUYE. Without objection.

Mr. CURIE. My name is Charles Curie. I'm a member of AFSP's Public Policy Council and I serve on its National Board of Directors. AFSP is the leading national not-for-profit grassroots organization exclusively dedicated to understanding and preventing suicide through research, education, and advocacy, and to reaching out to people with mental disorders and those impacted by suicide.

My professional experience spans 30 years in the mental health and substance use services field. I was nominated by President George W. Bush and confirmed by the U.S. Senate from 2001 to 2006 to head the Substance Abuse and Mental Health Services Administration (SAMHSA). As SAMHSA Administrator, I led the $3.4 billion agency responsible for improving the accountability, effectiveness, and capacity of the Nation's substance abuse prevention, addictions treatment, and mental health services, including the President's New Freedom Commission on Mental Health, the Strategic Prevention Framework, Access to Recovery, National Outcome Measures, and work with postconflict and war-torn countries' mental health service systems, including Iraq and Afghanistan.

At the outset, I would like to thank the DOD and specifically the Department of the Army for the tremendous strides they have taken in recent years to not only understand suicide, but for the concrete steps they have taken to prevent suicide among their

ranks. The DOD message that it's okay to seek help and that getting help is the courageous thing to do certainly saves lives and brings a new level of attention to the problem of suicide.

Today, more than 1.9 million warriors have deployed for Operation Iraqi Freedom and Operation Enduring Freedom, two of our Nation's longest conflicts. The physical and psychological demands on both the deployed and nondeployed soldiers have been enormous. These demands are highlighted by the steady increases in suicides among Army personnel since 2005.

Consider these facts: From 2005 to 2011, more than 927 active-duty Army personnel took their own lives; in 2008, estimates of the rate of suicide among active-duty soldiers began to surpass the suicide rate among U.S. civilians; 278 active-duty Army personnel, National Guard members, and Army reservists died by suicide in 2011; and year-to-date data indicates that so far 2012 is on track to be a record-high year for suicides in the Army.

While access to affordable and quality treatment of mental disorders is critical in preventing suicide, public health efforts to get in front of suicide prevention are equally, if not more, important than healthcare efforts, because we know it is far more difficult to change behavior once someone has already attempted suicide or has received treatment in an inpatient treatment facility.

Last year, the Congress appropriated an $8.1 million increase for the suicide prevention program under the Defense Health Program. While AFSP appreciates the Congress's commitment to preventing suicide among our Nation's military personnel, this funding sits largely unused because of restrictions on how those dollars must be spent. According to the Office of the Secretary of Defense, Defense Health Program dollars must be used for healthcare delivery programs and services, not for prevention, education and training, or research and development programs.

PREPARED STATEMENT

Requiring additional funding to be spent on treatment is not going to help get in front of the problem. The services should have the authority to spend it on prevention efforts and not just healthcare delivery. Therefore, AFSP requests that this subcommittee add clarifying language to the fiscal year 2013 Defense appropriations bill that would allow for these dollars to be spent on pre-medical related prevention, education, and outreach programs.

Thank you, Mr. Chairman, Mr. Vice Chairman, for the opportunity.

[The statement follows:]

PREPARED STATEMENT OF CHARLES CURIE

Chairman Inouye, Ranking Member Cochran, and members of the subcommittee: Thank you for providing the American Foundation for Suicide Prevention (AFSP) with the opportunity to provide testimony on the needs of programs within the Department of Defense (DOD) that play a critical role in suicide prevention efforts among our Nation's military personnel.

At the outset, I would like to thank the DOD, and specifically the Department of the Army, for the tremendous strides they have taken in recent years to not only understand suicide, but for the concrete steps they have taken to prevent suicide among their ranks. Military leaders are now more willing to openly talk about suicide within the military, as well as among veterans and the civilian population. The

DOD message that it is okay to seek help, that getting help is the courageous thing to do, has certainly saved lives and brought a new level of attention to the problem of suicide. But we cannot wait for one minute, nor soften our collective resolve, inside and outside of Government, to help active duty military, veterans, and their families understand the warning signs of suicide, or where to get help.

AFSP is the leading national not-for-profit, grassroots organization exclusively dedicated to understanding and preventing suicide through research, education, and advocacy, and to reaching out to people with mental disorders and those impacted by suicide. You can see more at www.afsp.org.

My name is Charles Curie. I am member of AFSP's Public Policy Council, and I serve on the AFSP National Board of Directors. I am also the Principal and Founder of The Curie Group, LLC, a management and consulting firm specializing in working with leaders of the healthcare field, particularly the mental health services and substance use treatment and prevention arenas, to facilitate the transformation of services and to attain increasingly positive outcomes in the lives of people worldwide. I currently reside in Rockville, Maryland.

My professional experience spans 30 years in the mental health and substance use services fields. I was nominated by President George W. Bush and confirmed by the U.S. Senate from 2001 to 2006 to head the Substance Abuse and Mental Health Services Administration (SAMHSA). As SAMHSA Administrator, I led the $3.4 billion agency responsible for improving the accountability, capacity, and effectiveness of the Nation's substance abuse prevention, addictions treatment, and mental health services, including The President's New Freedom Commission on Mental Health, the Strategic Prevention Framework for substance use prevention, Access to Recovery, National Outcome Measures and work with post-conflict and war-torn countries metal health and substance use treatment service systems, including Iraq and Afghanistan.

More than 1.9 million warriors have deployed for Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF), two of our Nation's longest conflicts (IOM, 2010). The physical and psychological demands on both the deployed and non-deployed soldiers have been enormous. These demands are highlighted by the steady increase in suicides among Army personnel since 2005.

Consider these facts:

—From 2005 through 2011, more than 927 active duty Army personnel took their own lives.

—In 2008, estimates of the rate of suicide among active duty soldiers in the regular Army, Army Reserve, and Army National Guard began to surpass the suicide rate among U.S. civilians.[1]

—Two hundred seventy-eight active duty Army personnel, National Guard members, and Army reservists died by suicide in 2011.

—Year-to-date data indicates that 2012 is on track to be a record-high year for suicides in the Army.

In light of studies that have shown more than 90 percent of people who die from suicide have one or more psychiatric disorders at the time of their death; critical context for these alarming suicide numbers was provided in the April edition of the Medical Surveillance Monthly Report (MSMR).

The MSMR showed that in 2011 mental disorders accounted for more hospital bed days than any other medical category, and substance abuse and mood disorder admissions accounted for 24 percent of the total DOD hospital bed days.

This report also stated that outpatient behavioral health treatment was the third highest workload category, and that the largest percentage increase in workload between 2007 and 2011 was for mental disorders (99-percent increase or 943,924 additional medical encounters).

While access to affordable and quality treatment of mental disorders is critical in preventing suicide, public health efforts to "get in front" of suicide prevention are equally, if not more, important than healthcare efforts because we know that it is far more difficult to change behavior once someone has already attempted suicide or has received treatment in an inpatient treatment facility.

Last year, the Congress appropriated an $8,158,156 program increase for suicide prevention under the Defense Health Program. While AFSP appreciates the Congress's commitment to preventing suicide among our Nation's military personnel, this funding sits largely unused because of restrictions on how those dollars must be spent.

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[1] Kuehn BM. Soldier suicide rates continue to rise: military, scientists work to stem the tide. JAMA 2009; 301: 1111–13.

According to the Office of the Secretary of Defense, Defense Health Program dollars must be used for healthcare delivery programs and services and not for education and training or research and development programs.

Requiring additional funding to be spent on treatment is not going help the services get in "front" of this problem. The services should have the authority to spend it on "program evaluation" and prevention efforts and not just on healthcare delivery.

Therefore, AFSP requests that this subcommittee add clarifying language to the fiscal year 2013 Defense appropriations bill that would allow for these dollars to be spent on pre-medical related prevention, education, and outreach programs.

Chairman Inouye, Ranking Member Cochran, and members of the subcommittee: AFSP once again thanks you for the opportunity to provide testimony on the funding needs of programs within the Department of Defense that play a critical role in suicide prevention efforts. With your help, we can assure those tasked with leading the Department of Defense's response to the unacceptably high rate of suicide among our military personnel will have the resources necessary to effectively prevent suicide.

Chairman INOUYE. I'm certain you're aware that this subcommittee is deeply concerned about the rising rate of suicides. We will make certain that these funds are used for research and prevention.

Thank you very much.

Mr. CURIE. Thank you.

Chairman INOUYE. Our next witness is Captain Charles D. Connor, representing the American Lung Association.

STATEMENT OF CAPTAIN CHARLES D. CONNOR, U.S. NAVY (RETIRED), PRESIDENT AND CHIEF EXECUTIVE OFFICER, AMERICAN LUNG ASSOCIATION

Captain CONNOR. Thank you very much, Mr. Chairman, Mr. Vice Chairman. It's an honor to be here before you today to discuss important matters such as the health of our Armed Forces. As a retired Navy captain myself, it's very important to me as well.

The American Lung Association, as you know, was founded in 1904 to fight tuberculosis. Today, our mission is to save lives by improving lung health and fighting lung disease. We accomplish this through three research, advocacy, and education.

All of us here, of course, recognize the importance of keeping our military people healthy. Tobacco's adverse impact on health is well known and extensively documented. Accordingly, our view is that tobacco is an insidious enemy of combat readiness.

Additionally, as this subcommittee well knows, healthcare costs for our troops and their families continue to rise, both for the Department of Defense (DOD) and the Veterans Administration (VA). More than a billion dollars of this healthcare bill is being driven by tobacco use annually. We owe it to our military people and their families and the taxpayers to prioritize the lung health of our troops.

The American Lung Association wishes to invite your attention to three issues today for the DOD fiscal year 2013 budget: Number one, the terrible burden on the military caused by tobacco use and the need for the Department to aggressively combat it; the importance of restoring funds for the Peer-Reviewed Lung Cancer Research Program to $20 million; and finally, the health threat posed by soldiers' current and past exposure to toxic pollutants in Iraq and Afghanistan.

The first subject is tobacco, briefly. Tobacco is a significant public health problem for the Defense Department, and it's not a problem

that DOD simply inherited. More than 1 in 7 active duty personnel begin smoking after joining the service.

The American Lung Association recognizes the Department of the Navy's recent efforts to reduce tobacco use in their branch, such as the Navy's 21st Century Sailor and Marine Initiative announced just in the past few weeks. This initiative will help sailors and marines quit tobacco and promote tobacco-free environments. It also puts in place environmental changes that will reduce tobacco use throughout the Navy and Marine Corps.

Likewise, the American Lung Association also recognizes the Air Force for its March 26 instruction on tobacco use. The instruction states that, "The goal is a tobacco-free Air Force." It lays out strong policies on tobacco-free facilities and workplaces, tobacco use in formal training programs, and tobacco cessation programs. The document also establishes clear responsibilities within the Air Force chain of command to accomplish these goals and enforce their policies.

So these steps are really the first signal from the military that tobacco use is disfavored. Both of these efforts, the Departments of the Navy and the Air Force, are unprecedented investments in the comprehensive health of sailors, marines, airmen, and their families. So the American Lung Association hopes these initiatives expand quickly to cover all military personnel.

Also in 2011, DOD released a proposed rule implementing coverage of tobacco cessation treatment through TRICARE. When finalized, this new coverage will give soldiers and their families the help they need to quit tobacco.

All of these actions follow recommendations in the Institute of Medicine's report "Combatting Tobacco Use in Military and Veterans Populations", which is now as of this month 3 years old. The American Lung Association urges the DOD and VA to fully implement all the recommendations in the report and, importantly, we urge the Congress to remove any legislative barriers that exist to implementing these recommendations.

I'd like to leave for the record two articles from the American Journal of Public Health that fully document the extent to which the tobacco industry through their friends in the Congress over decades past have enshrined into law impediments that will impede the elimination of tobacco in the military.

Just to wind up, we strongly support the Lung Cancer Research Program and Congressionally Directed Medical Research Program and its original intent to research the scope of lung cancer in our military. We urge the subcommittee to restore the funding level to $20 million and make sure the program is returned to its original intent as directed by the 2009 program, which states, "These funds shall be used for competitive research. Priority shall be given to the development of integrated components to identify, treat, and manage early curable lung cancer."

Last, respiratory item, the American Lung Association continues to be troubled by reports of soldiers and civilians returning from Iraq and Afghanistan with lung illness. Research is beginning to show that the air our troops breathe in the war theater can have high concentrations of particulate matter, which can cause or worsen lung disease.

PREPARED STATEMENT

Data from a 2009 study of soldiers deployed in Iraq and Afghanistan found that 14 percent of them suffered new-onset respiratory symptoms. This is a much higher rate than their nondeployed colleagues. So we urge that immediate steps be taken to minimize troop exposure to pollutants and that DOD investigate pollutants in the air our troops breathe.

Thank you very much for your time today.

[The statement follows:]

PREPARED STATEMENT OF CAPTAIN CHARLES D. CONNOR

The American Lung Association is pleased to present this testimony to the Senate Appropriations subcommittee on the Department of Defense (DOD). The American Lung Association was founded in 1904 to fight tuberculosis and today, our mission is to save lives by improving lung health and preventing lung disease. We accomplish this through research, advocacy, and education.

I have no doubt you recognize the importance of keeping our soldiers' lungs healthy. A soldier who uses tobacco or has asthma or other lung disease is a soldier whose readiness for combat is potentially compromised. Additionally, healthcare costs for these troops continue to rise, both for DOD and for the Veteran's Administration (VA). We owe it to our soldiers, their families, and taxpayers to prioritize troops' lung health.

The American Lung Association wishes to invite your attention to three issues for the DOD fiscal year 2013 budget:

—the terrible burden on the military caused by tobacco use and the need for the Department to aggressively combat it;
—the importance of restoring funding for the Peer-Reviewed Lung Cancer Research Program to $20 million; and
—the health threat posed by soldiers' exposure to toxic pollutants in Iraq and Afghanistan.

TOBACCO USE IN THE MILITARY

Tobacco use is a significant public health problem for DOD. And it is not a problem DOD has simply inherited. More than 1 in 7 (approximately 15 percent) of active duty personnel begin smoking after joining the service.

The American Lung Association recognizes the Department of the Navy's recent efforts to reduce tobacco use in the military, such as the Navy's 21st Century Sailor initiative. This initiative will help sailors and marines quit tobacco, promote tobacco-free environments, and put in place environmental changes that will reduce tobacco use throughout the Navy and Marine Corps.

The American Lung Association also recognizes the Department of the Air Force for its March 26 Air Force Instruction (AFI 40–102) on Tobacco Use in the Air Force. The Instruction states that "the goal is a tobacco-free Air Force," and lays out strong policies on tobacco-free facilities and workplaces, tobacco use in formal training programs, and tobacco cessation programs. The document also establishes clear responsibilities within the Air Force chain of command to accomplish its goal and enforce the policies. Both of these efforts are unprecedented investments in the comprehensive health of sailors, marines, and airmen and their families. The American Lung Association hopes these initiatives expand to other military branches.

In 2011, DOD released a proposed rule implementing coverage of tobacco cessation treatment through TRICARE. When finalized, this new coverage will give soldiers and their families the help they need to quit tobacco.

All of these actions follow recommendations in the Institute of Medicine's report Combating Tobacco Use in Military and Veterans Populations. The American Lung Association urges DOD and VA to fully implement all recommendations included in the report.

LUNG CANCER RESEARCH PROGRAM

The American Lung Association strongly supports the Lung Cancer Research Program (LCRP) in the Congressionally Directed Medical Research Program (CDMRP), and its original intent to research the scope of lung cancer in our military. In fiscal year 2012, LCRP received $10.2 million. We urge this subcommittee to restore the funding level to $20 million and that the LCRP be returned to its original intent,

as directed by the 2009 program: "These funds shall be for competitive research . . . Priority shall be given to the development of the integrated components to identify, treat, and manage early curable lung cancer".

In August 2011, the National Cancer Institute released results from its National Lung Screening Trial (NLST), a randomized clinical trial that screened at-risk smokers with either low-dose computed tomography (CT) or standard chest xray. The study found that screening individuals with low-dose CT scans could reduce lung cancer mortality by 20 percent compared to chest xray. These are exciting results, but conclusions can only be drawn for the segment of the population tested by the NLST:

—current or former smokers aged 55 to 74 years;

—a smoking history of at least one pack a day for at least 30 years; and

—no history of lung cancer. As the report made clear, CT scans should be recommended for this narrowly defined population of patients—but evidence does not support recommending them for everyone.

The American Lung Association recently endorsed screening for this defined population.

The Lung Cancer Research Program has the potential to further knowledge on the early detection of lung cancer. The program recently funded an exciting study at Boston University aimed at discovering biomarkers to improve the accuracy of lung cancer diagnoses. We encourage the DOD to continue its research into lung cancer.

RESPIRATORY HEALTH ISSUES

The American Lung Association is troubled by reports of soldiers and civilians returning from Iraq and Afghanistan with lung illnesses. Research is beginning to show that the air troops breathe in the war theater can have high concentrations of particulate matter, which can cause or worsen lung disease. Data from a 2009 study of soldiers deployed in Iraq and Afghanistan found that 14 percent of them suffered new-onset respiratory symptoms, a much higher rate than their non-deployed colleagues. The American Lung Association urges that immediate steps be taken to minimize troop exposure to pollutants and that the DOD investigate pollutants in the air our troops breathe.

CONCLUSION

In summary, this Nation's military is the best in the world, and we should do whatever necessary to ensure that the lung health needs of our armed services are fully met. Troops must be protected from tobacco and unsafe air pollution and the severe health consequences.

Thank you.

Chairman INOUYE. The matter that you have discussed is very serious and we look upon it as very serious. I can assure you that we'll continue funding this.

Thank you.

Our next witness is Dr. William Strickland, representing the American Psychological Association.

STATEMENT OF WILLIAM J. STRICKLAND, Ph.D., AMERICAN PSYCHOLOGICAL ASSOCIATION

Dr. STRICKLAND. Good morning, Mr. Chairman and Mr. Vice Chairman. I'm Dr. Bill Strickland from the Human Resources Research Organization (HumRRO). I'm submitting testimony today on behalf of the American Psychological Association (APA), which is a scientific and professional organization of more than 137,000 psychologists.

For decades, psychologists have played vital roles within the Department of Defense (DOD) as providers of clinical services to military personnel and their families and as scientific researchers investigating mission-targeted issues ranging from airplane cockpit design to counterterrorism. My own military-oriented research and consulting focus on recruiting, selecting, and training enlisted members of the Army and the Air Force.

My testimony this morning will focus on reversing administration-proposed cuts to the DOD science and technology (S&T) budget. In terms of the overall DOD S&T budget, the President's request for fiscal year 2013 represents another step backward for defense research. Defense S&T would fall from an enacted fiscal year 2012 level of $12.3 billion to $11.9 billion.

APA urges the subcommittee to reverse this cut to the critical Defense Science Program by providing a total of $12.5 billion in Defense S&T funds in fiscal year 2013. APA also encourages the subcommittee to provide increased funding to reverse specific cuts to psychological research throughout the military research laboratories. This human-centered research is vital to sustaining warfighter superiority and both the national academies and the Defense Science Board recommend that DOD fund priority research in the behavioral sciences in support of national security.

In the President's proposed fiscal year 2013 budget, the Army and Air Force basic and applied research accounts all would be reduced. The Air Force Research Laboratory's Human Effectiveness Directorate is an example of a vital DOD human-centered research program slated for dramatic cuts. Headquartered at Wright-Paterson Air Force Base in Ohio, with additional research sites in Texas and Arizona, the Human Effectiveness Directorate's mission is to provide science and leading-edge technology to define human capabilities, vulnerabilities and effectiveness, to train warfighters, to integrate operators and weapons systems, and to protect Air Force personnel while sustaining aerospace operations.

The directorate is the heart of human-centered science and technology in the Air Force as it integrates both biological and cognitive technologies to optimize and protect airmen's capabilities to fly, fight, and win in air, space, and cyberspace. Proposed cuts to this directorate would cripple the Air Force's to optimize the human elements of warfighting capability.

PREPARED STATEMENT

We urge you to support the men and women on the front lines by reversing yet another round of cuts to the overall Defense S&T account, and specifically to the human-oriented research projects within the military laboratories.

Thank you and I'd be happy to answer any questions.

Chairman INOUYE. We will most certainly look into these cuts. I've been told that you have some report language you'd like to recommend.

Dr. STRICKLAND. Yes, Sir, we do. It's in my written statement.

Chairman INOUYE. Will you submit that, Sir?

Dr. STRICKLAND. Yes, Sir.

Chairman INOUYE. I thank you very much, Doctor.

[The statement follows:]

PREPARED STATEMENT OF WILLIAM J. STRICKLAND, PH.D.

The American Psychological Association (APA) is a scientific and professional organization of more than 137,000 psychologists and affiliates.

For decades, psychologists have played vital roles within the Department of Defense (DOD), as providers of clinical services to military personnel and their families, and as scientific researchers investigating mission-targeted issues ranging from airplane cockpit design to counterterrorism. More than ever before, psychologists

today bring unique and critical expertise to meeting the needs of our military and its personnel. APA's testimony will focus on reversing administration cuts to the overall DOD Science and Technology (S&T) budget and maintaining support for important behavioral sciences research within DOD.

FISCAL YEAR 2013 DEPARTMENT OF DEFENSE APPROPRIATIONS SUMMARY

The President's budget request for basic and applied research at DOD in fiscal year 2013 is $11.9 billion, a significant cut from the enacted fiscal year 2012 level of $12.3 billion. APA urges the subcommittee to reverse this cut to the critical Defense Science Program by providing a total of $12.5 billion for Defense S&T in fiscal year 2013.

APA also encourages the subcommittee to provide increased funding to reverse specific cuts to psychological research through the military research laboratories. This human-centered research is vital to sustaining warfighter superiority.

DEPARTMENT OF DEFENSE RESEARCH

"People are the heart of all military efforts. People operate the available weaponry and technology, and they constitute a complex military system composed of teams and groups at multiple levels. Scientific research on human behavior is crucial to the military because it provides knowledge about how people work together and use weapons and technology to extend and amplify their forces."——Human Behavior in Military Contexts; Report of the National Research Council, 2008.

Just as a large number of psychologists provide high-quality clinical services to our military servicemembers stateside and abroad (and their families), psychological scientists within DOD conduct cutting-edge, mission-specific research critical to national defense.

BEHAVIORAL RESEARCH WITHIN THE MILITARY SERVICE LABS AND DEPARTMENT OF DEFENSE

Within DOD, the majority of behavioral, cognitive, and social science is funded through the Army Research Institute for the Behavioral and Social Sciences (ARI) and Army Research Laboratory (ARL); the Office of Naval Research (ONR); and the Air Force Research Laboratory (AFRL), with additional, smaller human systems research programs funded through the Office of the Secretary of Defense (OSD) and the Defense Advanced Research Projects Agency (DARPA).

The military service laboratories provide a stable, mission-oriented focus for science, conducting and sponsoring basic (6.1), applied/exploratory development (6.2), and advanced development (6.3) research. These three levels of research are roughly parallel to the military's need to win a current war (through products in advanced development, 6.3) while concurrently preparing for the next war (with technology "in the works," 6.2) and the war after next (by taking advantage of ideas emerging from basic research, 6.1). All of the services fund human-related research in the broad categories of personnel, training, and leader development; warfighter protection, sustainment, and physical performance; and system interfaces and cognitive processing.

National Academies Report Calls for Doubling Behavioral Research

A recent National Academies report on "Human Behavior in Military Contexts" recommended doubling the current budgets for basic and applied behavioral and social science research "across the U.S. military research agencies." It specifically called for enhanced research in six areas:

—intercultural competence;
—teams in complex environments;
—technology-based training;
—nonverbal behavior;
—emotion; and
—behavioral neurophysiology.

Behavioral and social science research programs eliminated from the mission labs due to cuts or flat funding are extremely unlikely to be picked up by industry, which focuses on short-term, profit-driven product development. Once the expertise is gone, there is absolutely no way to "catch up" when defense mission needs for critical human-oriented research develop. As DOD noted in its own Report to the Senate Appropriations Committee:

"Military knowledge needs are not sufficiently like the needs of the private sector that retooling behavioral, cognitive and social science research carried out for other purposes can be expected to substitute for service-supported research, development,

testing, and evaluation . . . our choice, therefore, is between paying for it ourselves and not having it."

Defense Science Board Calls for Priority Research in Social and Behavioral Sciences

This emphasis on the importance of social and behavioral research within DOD is echoed by the Defense Science Board (DSB), an independent group of scientists and defense industry leaders whose charge is to advise the Secretary of Defense and the Chairman of the Joint Chiefs of Staff on "scientific, technical, manufacturing, acquisition process, and other matters of special interest to the Department of Defense".

In its report on "21st Century Strategic Technology Vectors", the DSB identified a set of four operational capabilities and the "enabling technologies" needed to accomplish major future military missions (analogous to winning the Cold War in previous decades). In identifying these capabilities, DSB specifically noted that "the report defined technology broadly, to include tools enabled by the social sciences as well as the physical and life sciences." Of the four priority capabilities and corresponding areas of research identified by the DSB for priority funding from DOD, the first was defined as "mapping the human terrain"—understanding the human side of warfare and national security.

FISCAL YEAR 2013 DEPARTMENT OF DEFENSE BUDGET FOR SCIENCE AND TECHNOLOGY

Department of Defense

In terms of the overall DOD S&T budget, the President's request for fiscal year 2013 again represents a step backward for defense research. Defense S&T would fall from an enacted fiscal year 2012 level of $12.3 to $11.9 billion. The military service labs and Defense-wide research offices would see variable decreases, but also in some cases increases, to their accounts. The Army and Air Force 6.1, 6.2, and 6.3 accounts all would be reduced in the proposed budget. Navy's basic research account (6.1) would remain funded at the fiscal year 2012 level, but its 6.2 and 6.3 applied research portfolios each would see decreases. DOD's OSD Defense-wide account would get increased funding in fiscal year 2013 for both its basic 6.1 and advanced development 6.3 research, whereas its 6.2 applied research account would be cut.

AFRL's Human Effectiveness Directorate is an example of a vital DOD human-centered research program slated for dramatic cuts in the President's fiscal year 2013 budget. Headquartered at Wright-Patterson Air Force Base in Ohio (with additional research sites in Texas and Arizona), the 711th Human Performance Wing's Human Effectiveness Directorate's mission is to provide "science and leading-edge technology to define human capabilities, vulnerabilities and effectiveness; train warfighters; integrate operators and weapon systems; protect Air Force personnel; and sustain aerospace operations. The directorate is the heart of human-centered science and technology for the Air Force", and integrates "biological and cognitive technologies to optimize and protect the Airman's capabilities to fly, fight and win in air, space and cyberspace". Proposed cuts to this Directorate would cripple the Air Force's ability to optimize the human elements of warfighting capability.

Defense Advanced Research Projects Agency

Defense Advanced Research Projects Agency (DARPA) is slated for a slight agency-wide increase over its fiscal year 2012 level, increasing from $2.74 to $2.75 billion in fiscal year 2013.

SUMMARY

The President's budget request for basic and applied research at DOD in fiscal year 2013 is $11.9 billion, a significant cut from the enacted fiscal year 2012 level of $12.3 billion. APA urges the subcommittee to reverse this cut to the critical Defense Science Program by providing a total of $12.5 billion for Defense S&T in fiscal year 2013.

APA also encourages the subcommittee to provide increased funding to reverse specific cuts to psychological research through the military research laboratories. This human-centered research is vital to sustaining warfighter superiority.

Within the S&T program, APA encourages the subcommittee to follow recommendations from the National Academies and the Defense Science Board to fund priority research in the behavioral sciences in support of national security. Clearly, psychological scientists address a broad range of important issues and problems vital to our national defense, with expertise in modeling behavior of individuals and groups, understanding and optimizing cognitive functioning, perceptual awareness, complex decisionmaking, stress resilience, recruitment and retention, and human-systems interactions. We urge you to support the men and women on the front lines

by reversing another round of cuts to the overall Defense S&T account and the human-oriented research projects within the military laboratories.

As our Nation continues to meet the challenges of current engagements, asymmetric threats, and increased demand for homeland defense and infrastructure protection, enhanced battlespace awareness and warfighter protection are absolutely critical. Our ability to both foresee and immediately adapt to changing security environments will only become more vital over the next several decades. Accordingly, DOD must support basic S&T research on both the near-term readiness and modernization needs of the Department and on the long-term future needs of the warfighter.

Below is suggested appropriations report language for fiscal year 2013 which would encourage the DOD to fully fund its behavioral research programs within the military laboratories and the Minerva Initiative:

DEPARTMENT OF DEFENSE

Research, Development, Test, and Evaluation

Warfighter Research.—The subcommittee notes the increased demands on our military personnel, including high operational tempo, leadership and training challenges, new and ever-changing stresses on decisionmaking and cognitive readiness, and complex human-technology interactions. To help address these issues vital to our national security, the subcommittee has provided increased funding to reverse cuts to psychological research through the military research laboratories:

—the Air Force Office of Scientific Research and Air Force Research Laboratory;
—the Army Research Institute for the Behavioral and Social Sciences and Army Research Laboratory; and
—the Office of Naval Research.

The Committee also notes the critical contributions of behavioral science to combating counterinsurgencies and understanding extremist ideologies, and renews its strong support for the DOD Minerva Initiative.

Chairman INOUYE. Our next witness is Mr. Robert Ginyard, ZERO—the Project to End Prostate Cancer.

STATEMENT OF ROBERT GINYARD, MEMBER, BOARD OF DIRECTORS, ZERO—THE PROJECT TO END PROSTATE CANCER

Mr. GINYARD. Good morning, Mr. Chairman. Good morning, Vice Chairman. Thank you for the opportunity to speak to you about the prostate cancer research program and the Congressionally Directed Medical Research Programs at the Department of Defense.

My name is Robert Ginyard. I am a member of the Board of Directors of ZERO—The Project to End Prostate Cancer, but I'm also a prostate cancer survivor.

ZERO is a patient advocacy organization that raises awareness and educates men and their families about prostate cancer. Of particular importance to us is the issue of early detection. It is a fact that early detection of prostate cancer increases the likelihood that a man will survive prostate cancer. In fact, if caught early the cancer—surviving cancer at least 5 years is nearly 100 percent. If the cancer spreads outside of the prostate into other organs, the chances drop to 29 percent. This is why I'm here today.

The recent actions taken by the United States Preventative Service Task Force (USPSTF) threaten men's access to care and makes it more important than ever for us to protect critical research dollars that will help doctors make better decisions about the diagnosis and treatment.

Two years ago my life was changed forever when I heard the words: "You have prostate cancer." Because my father also had prostate cancer, I began having my prostate checked at age 40. I am now 49. During my annual checkup, my doctor noticed that my prostate-specific antigen (PSA) level was high, and it had been ris-

ing in recent years. After the results of this PSA, however, my doctor suggested that I see a urologist.

A few days after, I received a call that I would never want to wish on anyone else. The doctor said: You do have prostate cancer. I recall the doctor mentioning that he hated to give this news on a Monday morning and, quite frankly, it wouldn't have mattered what day he had given me this news.

I remember crying in the stairwell outside of my office. The only thing I thought about was death, how long do I have to live, will I see my daughters go to their prom, will I see them go off to college, how will my beautiful wife and children make out without me if something happens to me?

After getting over my diagnosis, it was time to take action. I elected to receive a radical prostatectomy in 2010, but because there were positive margins I had to undergo 4 months of radiation treatment and 4 months of hormone treatment. Thirteen months afterwards, I'm proud to say, I'm happy to say, I'm blessed to say, I am cancer-free with a great quality of life.

But one of the most important things that came out of my experiences things. During my daily treatments, most of the men that I was in treatment with would always talk about their wives. They would talk about them with hope in their voices. They talked about how they wanted to enjoy life rather than focus on death. It is my hope that we find a cure for prostate cancer so that every day will be a father's day, a son's day, a brother's day, a good friend's day.

I'm here today because prostate cancer affects the family, not just the man. I am here today because I want the important research at the Congressionally Directed Medical Research Program, and particularly the Prostate Cancer Research Program.

Prostate cancer is a disease that is diagnosed in more than 240,000 American men each year and will kill 28,000 men in 2012. It is the second leading cause of cancer deaths among men. One in six men—1 in 4 African-American men—will get prostate cancer. Some will only be in their 30s.

The recent recommendation change by the USPSTF has highlighted the issue of early detection for prostate cancer. However, the issue is not whether we should be trying to detect prostate cancer early, but how we can do it most effectively and identify what cancers should be treated versus the ones that shouldn't. The only way that doctors will know the answer to this question is through advances that may be closer than we think.

In 2010, research partially funded by the Prostate Cancer Research Program identified 24 types of prostate cancer. Each of these are aggressive forms of the disease. If we could identify what type of cancer a man has, we could more effectively determine if he needs treatment and how aggressive treatment should be. This would render moot the argument some make that the disease is overtreated and ultimately save men's lives.

The Prostate Cancer Research Program is funding some of the most critical research in cancer today. I ask that the committee continue to fund this important, important research. Many men will count on you. Many women will count on you. Their family members will count on you.

PREPARED STATEMENT

It is one day that I can always look back and say: Hey, look, I was there with you. I hope we get through this together. I just ask for your continued support in this initiative. There are many men who are really hoping that you make the right decision to allocate the proper resources for this research.

I thank you for your time and I thank you for your efforts and all that you've done. Thank you.

[The statement follows:]

PREPARED STATEMENT OF ROBERT GINYARD

Mr. Chairman and members of the subcommittee: Thank you for the opportunity to speak to you about the Prostate Cancer Research Program (PCRP) and the Congressionally Directed Medical Research Programs (CDMRP) at the Department of Defense. My name is Robert Ginyard—I am a member of the Board of Directors of ZERO—The Project to End Prostate Cancer. Many people can speak effectively about the research this program has done or is doing, about its history, funding levels, and accomplishments, but I want to tell you about my experience with prostate cancer and how you are having an impact on the lives of patients and will continue to impact the lives of men and their families through the research funded by the PCRP.

ZERO is a patient advocacy organization that raises awareness and educates men and their families about prostate cancer. Of particular importance to us is the issue of early detection. It is a fact that early detection of prostate cancer increases the likelihood that a man will survive prostate cancer. In fact, if caught early, a man's chances of surviving cancer at least 5 years is nearly 100 percent—if the cancer spreads outside of the prostate into other organs those chances drop to 29 percent. This is why I am here today—recent actions by the United States Preventive Services Task Force (USPSTF) threaten men's access to care and makes it more important than ever for us to protect critical research dollars that will help doctors make better decisions about diagnosis and treatment.

Two years ago, my life was changed forever by three words I thought I would never hear: "You have cancer." Prior to receiving the news that I had prostate cancer, I was engaged in another sort of battle—seeking investors to raise capital for my tote bag company. And then things came to an unexpected halt.

Because my father also had prostate cancer, I began having my prostate checked at age 40; I am now 49. During my annual check up my doctor noticed that my prostate specific antigen (PSA) level was high—it had been rising in recent years. After the results of this PSA, however, my doctor suggested I see a urologist for a biopsy. After a few days, I received a call that I thought I would never receive—we did find cancer in your prostate. I recall the doctor mentioning that he hated to deliver this type of news on a Monday morning. Quite frankly, with this type of news, it would not have made a difference what day I received it. I remember crying in a stairwell outside of my office. The only thing I thought of was death. How long do I have to live? Will this mean I won't get to see my beautiful daughters go to their high school prom, or graduate from college? How will my wife and daughters make it without me?

After getting over the shock of my diagnosis, it was time to take action and research the treatment options that were available to me. I elected to have a radical prostatectomy in August 2010. Because there were positive margins after my surgery, I underwent 4 months of hormone therapy and 8 weeks of radiation treatments. Thirteen months after treatment, I am happy to be cancer-free with a great quality of life.

One of the most interesting things that came out of my prostate cancer experience was the power of hope. During my daily radiation treatments, many of the men who I got to know on a very personal basis always had a look of hope in their eyes. Going through with their treatments they always talked about their wives. They talked about it with hope in their voices—hope that their treatment will cure them, or keep the cancer away long enough to be more engaged in living rather than focusing on dying. It is with this hope that we must continue to fund prostate cancer research so that everyday will be father's day, son's day, grandfather's day, uncle's day, brother's day, or simply a good friend's day.

I am here today because prostate cancer affects the family, not just the man. I am here today because I want to stress the importance of research at the CDMRP and particularly the PCRP.

Prostate cancer is a disease that is diagnosed in more than 240,000 American men each year and will kill more than 28,000 men in 2012. It is the second-leading cause of cancer related deaths among men. One in six men—1 in 4 African-American men—will get prostate cancer and some will only be in their 30s. It's not just an old man's disease.

The recent recommendation change by the USPSTF has highlighted the issue of early detection for prostate cancer. However, the issue is not whether we should be trying to detect prostate cancer early, but how can we do it most effectively and identify the cancers that should be treated versus the ones that shouldn't.

The only way doctors will ever really know the answer to this question is through advances that may be closer than we think. In 2010, research partially funded by the PCRP identified 24 different types of prostate cancer. Eight of these are aggressive forms of the disease. If we could identify what type of prostate cancer a man has, we could more effectively determine if he needs treatment and how aggressive that treatment should be. This would render moot the argument some make that the disease is over-treated, and ultimately save men's lives.

Another innovative funding mechanism of the PCRP is the Clinical Trials Consortium. To address the significant logistical challenges of multicenter clinical research, the clinical trials consortium was started to promote rapid Phase I and Phase II trials of promising new treatments for prostate cancer.

Since 2005, nearly 90 trials with more than 2,600 patients have taken place, leading to potential treatments that will soon be available to patients. Two recently approved drugs, XGEVA and ZYTIGA, benefited from the consortium, accelerating their approval time by more than 2 years.

The PCRP is funding some of the most critical work in cancer today. The program uses innovative approaches to funnel research dollars directly into the best research to accelerate discovery, translate discoveries into clinical practice, and improve the quality of care and quality of life of men with prostate cancer.

It is the only federally funded program that focuses exclusively on prostate cancer, which enables them to identify and support research on the most critical issues facing prostate cancer patients today. The program funds innovative, high-impact studies—the type of research most likely to make a difference.

I understand that the subcommittee is working under extremely tight budgetary constraints this year and that many tough decisions are ahead. This program is important to the millions of men who are living with the disease, those who have survived the disease and those who are at risk for the disease, including our veterans and active duty military personnel.

Active duty males are twice as likely to develop prostate cancer as their civilian counterparts. While serving our country, the United States Armed Forces are exposed to deleterious contaminants such as Agent Orange and depleted uranium. These contaminants are proven to cause prostate cancer in American veterans. Unfortunately, the genomes of prostate cancer caused by Agent Orange are the more aggressive strands of the disease, and they also appear earlier in a man's life. In addition, a recent study showed that Air Force personnel were diagnosed with prostate cancer at an average age of just 48.

There are many men that will be diagnosed with cancer this year. These men are placing their hope in this subcommittee that you will consider them as you make the decision to allocate the proper resources to help find a cure for this disease that not only affects men, but their families and other loved ones.

Thank you very much for your time.

Chairman INOUYE. I thank you very much, Mr. Ginyard, and I can assure you we'll do our best to continue funding.

Mr. GINYARD. Thank you, Sir.

Chairman INOUYE. I'd like to thank the panel.

Our next panel consists of: Captain Marshall Hanson, U.S. Navy, Retired, representing Associations for America's Defense; Major General Andrew "Drew" Davis, United States Marine Corps, Retired, representing the Reserve Officers Association; Ms. Karen Goraleski, representing the American Society for Tropical Medicine and Hygiene; and Mr. John Davis, representing the Fleet Reserve Association.

May I call upon Captain Hanson.

STATEMENT OF CAPTAIN MARSHALL A. HANSON, U.S. NAVY (RETIRED), ACTING CHAIRMAN, ASSOCIATIONS FOR AMERICA'S DEFENSE

Captain HANSON. Thank you, Mr. Chairman, Senator Cochran. It's nice to be back in this seat after an absence before this subcommittee of a couple of years.

The Associations for America's Defense (A4AD) is again honored to testify. A4AD represents 13 associations that share a concern for our national security.

While the subcommittee is recognized for its stewardship on the defense issues, the challenges being faced this year seem almost insurmountable. The administration's new defense strategy guidance realigns national security with a tighter Federal budget. Scheduled personnel cuts that start in 2015 will be used to pay for future investments in intelligence, surveillance, reconnaissance, cyberspace, and counterterrorism. The resulting reduction in force is supposed to be offset by building partner capacity and by employing the concept of reversibility.

While this may look good on paper, one can question the substance. Not only is the Nation's security at risk of being hollowed out from underbudgeting, but with the incomplete strategy the United States might not be planning for a potential threat.

The Pentagon will rely on traditional and new allies to complement the U.S. force structure. Yet, European defense plans will still rely on the United States. With military budgets being cut in nearly all North Atlantic Treaty Organization (NATO) countries, there is little promise that Europe is ready to pick up the slack.

The defense guidance also states that the concept of reversibility is a key part of the U.S. decision calculus, placing emphasis on quickly restarting the industrial base and relying on the right Active-to-Reserve component balance. This is akin to building our defense foundation on quicksand. Reversibility will take time, which may not be available in a crisis.

The Pentagon has warned the Congress that there is no room for modification of their budget or their strategy. This was emphasized by the lack of submission of unfunded priority lists. A4AD agrees with those Senators who wrote the service chiefs that, without the military's budgetary needs, the Congress cannot accurately determine the resources necessary for our Nation's defense.

Normally, A4AD's testimony would include an unfunded list for both the active and Reserve components which were submitted by member associations. But the blackout of information has affected us as much as it has this subcommittee.

When the Air Force suggested hasty cuts to its infrastructure, the Congress wisely questioned this hurriedness. The Senate Armed Services Committee has suggested a commission to study the makeup of the Air Force. A4AD shares the concern over the lack of analysis and justification and suggests that this type of study needs to be done for all of the services.

The Armed Forces need a critical surge capacity for domestic and expeditionary support to national security in response to domestic disasters. A strategic surge construct needs to include manpower, airlift, and air refueling, sealift inventory, logistics, and commu-

nications to provide a surge-to-demand operation. This capacity requires funding for training, equipment, and maintenance of a mission-ready strategic reserve composed of both active and Reserve units.

PREPARED STATEMENT

This in itself is formidable, only complicated further by budget control. The specter of sequestration only multiplies the complexity of the puzzle that needs to be solved. The disastrous consequences of automatic cuts to defense have been documented in earlier hearings. A4AD asks this subcommittee to work toward resolving sequestration prior to a lame duck session, before the meat cleaver chops into the military and the defense industry.

Thank you again for the opportunity to testify.

[The statement follows:]

PREPARED STATEMENT OF CAPTAIN MARSHALL HANSON, USN (RETIRED)

ASSOCIATIONS FOR AMERICA'S DEFENSE

Founded in January 2002, the Associations for America's Defense (A4AD) is an ad hoc group of military and veteran service organizations that have concerns about National Security issues that are not normally addressed by The Military Coalition (TMC) and the National Military Veterans Alliance (NMVA), but participants are members from each. Members have developed expertise in the various branches of the Armed Forces and provide input on force policy and structure. Among the issues that are addressed are equipment, end strength, force structure, and defense policy. A4AD also cooperatively works with other associations, who provide input while not including their association name to the membership roster.

PARTICIPATING ASSOCIATIONS

American Military Society
Army and Navy Union
Association of the U.S. Navy
Enlisted Association of the National Guard of the United States
Hispanic War Veterans of America
Marine Corps Reserve Association
Military Order of World Wars
National Association for Uniformed Services
Naval Enlisted Reserve Association
Reserve Enlisted Association
Reserve Officers Association
The Flag and General Officers' Network
The Retired Enlisted Association

INTRODUCTION

Mr. Chairman and distinguished members of the subcommittee, A4AD is again very grateful for the invitation to testify before you about our views and suggestions concerning current and future issues facing the Department of Defense Subcommittee Appropriations.

A4AD is an ad hoc group of 13 military and veteran associations that have concerns about national security issues. Collectively, we represent Armed Forces members and their families, who are serving our Nation, or who have done so in the past.

CURRENT VERSUS FUTURE: ISSUES FACING DEFENSE

A4AD would like to thank this subcommittee for the on-going stewardship that it has demonstrated on issues of defense. While in a time of war, this subcommittee's pro-defense and nonpartisan leadership continues to set an example.

Force Structure: The Risk of Erosion in Capability

Last January, the Obama administration announced a new Defense Strategy Guidance, which has been a driving force in current budget talks. The new strategy realigns national security with a tighter Federal budget. Not only is the Nation's security at risk of being hollowed out from being under budgeted, but with an incomplete strategy the United States might not be planning for a potential future threat.

Not surprisingly, a lot of the aspects about this plan are not new. The new strategy for the United States has evolved from fighting and quickly winning two major wars simultaneously into winning one war while "deterring" or "dismantling" the designs of a second potential adversary.

Part of the "revolution" in military thinking justifying a new strategy is a refocus from Europe to "rebalance toward the Asia-Pacific region". It requires a shift of power to the Pacific, with military end-strength reductions in Europe. But rather than build up garrisoned forces in the Far East, this plan calls upon the mobility of the Navy and Air Force to project power.

With a leaner defense strategy, the Pentagon will rely on traditional and new allies to complement U.S. force structure. With the U.S. planning to reduce its financial and military presence in Europe, the Department of Defense (DOD) will expect Europe to take the lead. Yet with military budgets being cut in nearly all North Atlantic Treaty Organization (NATO) countries, there is little promise that Europe is ready to pick up the slack.

Six years ago, Admiral Mike Mullen, then Chief of Naval Operations, envisioned a thousand-ship Navy, where the U.S. and other navies worldwide would partner to improve maritime security and information sharing. "For it to work, explicit and implicit references to U.S. security concerns have to go", warned one unnamed, former military officer in an "Armed Forces Journal" article.

The risk of basing a national security policy on foreign interests and good world citizenship is increasingly uncertain because their national objectives can differ from our own. Alliances should be viewed as a tool and a force multiplier, but not the foundation of National Security.

In many ways, the new strategy is "back to the future", with DOD constructing a strategy on old tactics and untried concepts, in order to save money. This strategy is building a force structure on a shaky foundation. Rather than rushing into this unknown, the Congress needs to examine this plan closer.

BUDGETARY CONSTRAINTS

A4AD strongly disagrees with placing budgetary constraints on defense, especially in light of the fact that under the Budget Control Act of 2011 (BCA) defense will take 50 percent of the cuts despite being less than 20 percent of the overall budget. Member associations also question the current administration's spending priorities, which place more importance on the immediate future rather than a longer-term approach.

DOD faces a trigger of an additional $500 billion in budget reduction starting on January 1, 2013, that is in addition to the $587 billion already planned by DOD as cuts over the next 10 years, unless something is done by the Congress.

"Historically we've run about 20 percent reductions after these conflicts", warned General James E. "Hoss" Cartwright, USMC (Retired), former Vice Chairman of the Joint Chiefs at the Joint Warfighting Conference. "We are about halfway there . . . If you take another two hundred billion out of this budget, we're going to start to run into a problem if you don't start thinking about strategy."

At a time when strategy is being shaped by budget, election posturing, and an authority squabble between the Congress and the Secretary of Defense, national security is being held hostage.

AUTHORITY OVER FORCE STRUCTURE AND STRATEGY

A conflict has arisen over who maintains force structure. Defense Secretary Leon Panetta has objected to additional defense funding in the House National Defense Authorization Act, emphasizing that every $1 added to the defense authorization will come at the expense of other critical national security programs. House Armed Services Committee chairman Representative Buck McKeon responded that increases were offset while complying with the overall BCA budget targets, which specify $487 billion in cuts.

This exchange reflects an ongoing tension between the Pentagon and the Congress over defense budgeting. The new Defense Strategy Guidance warns "as a result of a thorough process that was guided by the strategy and that left no part of the budget unexamined, we have developed a well-rounded, balanced package. There is no room for modification if we are to preserve the force and capabilities that are needed to protect the country and fulfill the missions of the Department of Defense." The Pentagon is frustrated with any amount of control by the Congress over the department's business.

A4AD understands that the Congress takes seriously their constitutional responsibility to raise and maintain the Armed Forces. This is interpreted as congressional

authority to fund, equip, and train the military and give committees, such as this, oversight on the force structure, including nonfunded items.

RISK OF SEQUESTRATION

As sequestration automatically cuts the Federal budget, DOD faces a trigger of an additional $500 billion in budget reduction starting on January 1, 2013 unless the Congress finds an offset or agrees to reconciliation.

Secretary of Defense Panetta has warned the Congress that if the automatic cuts of sequestration are allowed to take effect then the number of U.S. ground troops would fall to pre-1940 levels; the Navy would have the smallest number of ships since 1915; and the Air Force would be the smallest ever.

If the President exempts personnel accounts, Secretary Panetta warns that sequestration could require a 23-percent cut across the military's budget for fiscal year 2013.

Some are suggesting that reconciliation can wait until after the election, but the lame duck session schedule is already full. Among things needing to be considered by December 31, 2012, are reversing cuts to doctors' Medicare payments, Bush tax rates, 2-percent Social Security payroll-tax cut, increasing the debt-ceiling negotiations, expiration of the payroll tax cut, extending unemployment benefits, rises in the Alternative Minimum Tax and the estate tax rates, tax cuts from the 2009 economic-growth/stimulus law, the 100-percent write-off for business investment, transportation and farm bill reauthorizations, and 12 appropriations bills.

A4AD takes a position that it is vital that reconciliation is reached prior to the national election. The House has already passed its version. A4AD hopes that the Senate develops and passes its own version of a balanced deficit reduction package, thus permitting the two chambers to conference.

END STRENGTH

The administration already proposes cutting 100,000 troops. End-strength cuts need to be made cautiously.

The deployment of troops to Iraq and Afghanistan proved that the pre-9/11 end strengths left the Army and Marine Corps undermanned, which stressed the force. Sequestration would double the reductions for these two services.

The goal for active duty dwell time is 1:3, and 1:5 for the Reserve component. After 10 years of war, this has yet to be achieved under current operations tempo, and end-strength cuts will only further impact dwell time.

Trying to pay the defense bills by premature manpower reductions will have consequences.

REVERSIBILITY?

President Obama made the point that an important goal of his Defense strategy guidance was to avoid the mistakes made in previous downsizings. He suggested that this could be done by designing reversibility into the drawdown.

"The concept of 'reversibility'—including the vectors on which we place our industrial base, our people, our Active-Reserve component balance, our posture and our partnership emphasis—is a key part of our decision calculus," states the new DOD strategy.

This concept should be approached cautiously. If manpower is drawndown and industry production lines are shut down, either will take years to recover.

Adequate training for an infantry warrior can take a year and more, and even then they lack the field experience. DOD's solution is to keep midgrade officers and enlisted that can mature into the next-generation leadership. Unfortunately, this is where shortages currently exist.

If industry is shutdown, skilled labor is laid off, and without incentives tooling is destroyed. A restart is neither quick nor inexpensive. Even with equipment back online, the skilled labor has left for other work opportunities.

Without question, DOD needs to plan how it can sustain basic proficiencies needed to battle emerging threats before relying on reversibility. A4AD questions this strategy.

MAINTAINING A SURGE CAPABILITY

The Armed Forces need to provide critical surge capacity for homeland security, domestic, and expeditionary support to national security and defense, and response to domestic disasters, both natural and man-made that goes beyond operational forces. A strategic surge construct includes manpower, airlift and air refueling, sealift inventory, logistics, and communications to provide a surge-to-demand operation.

This capability requires funding for training, equipping, and maintenance of a mission-ready strategic reserve composed of Active and Reserve units.

The budget will drive changes to the Armed Forces structure. The National Guard and Reserve are in a position to fulfill many of the missions, while remaining an affordable alternative.

BASE CLOSURE OR DEFENSE REALIGNMENT?

The President's budget recommends two more rounds of base closures. A4AD does not support such a base realignment and closure (BRAC) recommendation.

—BRAC savings are faux savings as these savings are outside the accounting cycle; with a lot of additional $1 expenses front-loaded into the DOD budget for infrastructure improvements to support transferred personnel.

—Too much base reduction eliminates facilities needed to support surge capability. Some surplus is necessary.

Instead, A4AD recommends that the Congress consider an independent Defense Realignment Commission that would examine the aggregate national security structure. The commission could examine:

—Emerging threats;

—Foreign defense treaties and alliance obligations;

—Overseas and forward deployment requirements;

—Foreign defense aid;

—Defense partnerships with the State Department and other agencies, as well as nongovernmental organizations;

—Requisite missions and elimination of duplicity between the services;

—Current and future weapon procurement and development;

—Critical industrial base;

—Surge capability and contingency repository;

—Best utilization and force structure of Active and Reserve components;

—Regional or centralized training, and dual-purpose equipment availability; and

—Compensation, recruiting and retention, trends, and solutions.

In a time of war and force rebalancing, it is wrong to make cuts to the end strength of the Reserve components. We need to pause to permit force planning and strategy to take precedence over budget reductions.

COMPENSATION COMMISSION

Another recommendation in the President's budget is a commission to review deferred compensation. As structured, A4AD does not support this proposal either, but if considered:

—This should not be a BRAC-like commission. The Congress should not give up its authority.

—In one section of the President's budget, it suggests that the President will appoint all of the members on the commission. The Congress should share in appointments.

—While alternatives to current military retirement should be explored, A4AD does not support a two-tiered system where two generations of warriors have different benefit packages.

—An incentivized retirement option could be offered, rather than making any new mandatory system.

—Should a task force be appointed, A4AD recommends that individuals with military experience in both the Active and Reserve component compensation be among those appointed, as the administration has suggested that both regular and nonregular (Reserve) retirement should be the same.

UNFUNDED REQUIREMENTS

Earlier this year, the Joint Chiefs of Staff announced its decision to discontinue the practice of providing the Congress with formal lists of programs that were excluded from the President's budget request.

A4AD concurs with those Senators who wrote to the Secretary of Defense that the military's budgetary needs cannot be determined without the lists, known formally as the Unfunded Priorities Lists. These lists, which have effectively been an extension of the Pentagon's annual spending request for more than a decade, provide insight that may otherwise be overlooked.

In the past, A4AD has submitted unfunded recommendations for the service components of the Active and Reserve forces. Without such lists, it is difficult to make recommendations that provide the committee with additional information that spans even beyond the list.

NATIONAL GUARD AND RESERVE EQUIPMENT REQUIREMENTS

A4AD asks this subcommittee to continue to provide appropriations for unfunded National Guard and Reserve Equipment Requirements. The National Guard's goal is to make at least one-half of Army and Air assets (personnel and equipment) available to the Governors and Adjutants General at any given time. To appropriate funds to Guard and Reserve equipment would provide Reserve Chiefs with a flexibility of prioritizing funding.

FORCE STRUCTURE FUNDING

U.S. Army

Much of the media attention has been on the manpower cuts which could be between 72,000–80,000 soldiers over the next 6 years, along with a minimum of eight brigade combat teams. If sequestration occurs reports are that another 100,000 personnel could be cut. The problem faced by the Army is balancing between end strength, readiness, and modernization.

Examples of Army reductions in procurement are its M1A1 Abrams upgrade and Stryker vehicle program taking 84 percent and 57-percent cuts, respectively, in planned spending. Army cuts create strategic vulnerabilities.

To ignore the risk of a protracted ground campaign is a security gamble. The Army has provided between 50 to 70 percent of the U.S. deployable forces over the last 10 years.

Yet, 1 in 3 Active Army units do not have sufficient personnel to perform its missions, requiring personnel to be cross-assigned from one unit to another to accomplish missions. The Army Reserve and National Guard face similar challenges. Defense cuts will further impact the Army's ability to train and be ready. The Army needs $25 billion to reset its force.

Air power and technology may be a critical part of a strategy, but America's enemies won't fight the way America expects them to. Boots on the ground will remain a critical part of this Nation's defense.

U.S. Marine Corps

Proposed budget cuts and mission resets could clip USMC's triphibious flexibility. The USMC's capability to perform a combined mission of land, naval, and air attack could become unbalanced with the administration's plan to reset funding and missions to pre-war strategies, and build-down the Armed Forces.

A change in strategy announced by Secretary of Defense Leon Panetta would cut the USMC further than the 20,000 announced by the administration. Under consideration is the elimination of another infantry battalion and reducing some light-armored reconnaissance capability.

A4AD supports the House V–22 proposal to procure under a multiyear procurement contract that will save a proposed $852 million versus single-year contracts.

The USMC is facing critical shortages of stockpiled equipment such as radios, small arms, and generators. It needs about $12 billion to reset its force.

The past three Marine Commandants have emphasized that the USMC needs to get back to its naval roots as an amphibious force. The associations have concerns that the stated need for amphibious warships is a minimum of 33, and the likely cap is 30 ships.

U.S. Navy

Proposed defense cuts could reduce the number of navy ships to the point that China will become dominant in the Western Pacific. This reduction undercuts the new Defense Strategy Guidance.

Rather than growing the fleet to 330 ships, under sequestration analyst warns that the fleet could drop to as few than 230 ships. The Navy is tempted to retire ships early to reduce manpower requirements, but this reduction also will reduce capability.

One in five ships when inspected is found not to be combat ready or is severely degraded. The combatant commanders ask for 16 attack submarines on a daily basis, but the USN can only provide 10. USN's repair backlog is $367 million.

The Navy could lose some of its most important shipbuilding industry partners if it slows down construction schedules.

A4AD applauds the House for reinstating 3 of the 4 cruisers scheduled to be retired. These are cruisers with the Aegis Combat System that is suitable for the at-sea missile defense mission. This provides a flexible option to a land-based site.

U.S. Air Force

The U.S. Air Force's (USAF) fleet is now the oldest it has ever been, and sequestration cuts will either reduce the number of units sharply, or eliminate the USAF modernization. Defense cuts will affect more than 20 USAF acquisition programs. Sequestration will have a detrimental effect on all of the Air Force's procurements, including new refueling tankers, tactical fighter jets, remotely piloted aircraft, and long-range strike bombers.

The average age of a strategic bomber is 34 years. Cutting funds for a new USAF bomber would seriously setback the progress of a replacement.

The Air Force plans to drop 500 aircraft from its inventory in the near future. This is caused by retirement of airplanes, elimination of close combat missions, and delays in procuring replacements. The USAF is cutting F–15 and F–16 fighters by more than 200 aircraft before replacement F–35s are available.

The majority of these cuts are from the Air National Guard and Air Force Reserve, affecting air sovereignty and surge capability.

The "Air Force Magazine" reports that the USAF's end-strength is 7-percent smaller than it was 7 years ago, yet the personnel costs for this smaller force have risen 16 percent. USAF would have to cut 47,000 airmen out of its total force just to hold personnel spending at a constant rate between fiscal year 2011 and fiscal year 2017. The Air Force showed that a high percentage of the cuts would be taken out of its Reserve components.

A4AD commends the House Armed Services Committee for delaying the proposed cuts to the Air Reserve Components until the Secretary of the Air Force provides supporting data, and details as to the affects of such cuts on National Security. A4AD hopes that Senate will provide similar direction to DOD.

According to Pentagon reports, the proposed fiscal year 2013 budget calls for a 12-percent cut in aircraft programs. Aircraft procurement for the Air Force, Navy, and Marine Corps, and the Army decreased from $54.2 billion in fiscal year 2012 to a budget request of $47.6 billion in fiscal year 2013.

CONCLUSION

A4AD is a working group of military and veteran associations looking beyond personnel issues to the broader issues of National Defense. This testimony is an overview, and expanded data on information within this document can be provided upon request.

Thank you for your ongoing support of the Nation, the Armed Services, and the fine young men and women who defend our country. Please contact us with any questions.

Chairman INOUYE. Thank you very much, Captain. I can assure you that we are doing our very best to avoid sequestration, because if that ever happens then this hearing is for naught, and in the process we may have to take some painful cuts, make some painful decisions. But I can assure you we'll do our best.

Thank you very much.

Now may I call upon Major General Andrew Davis.

STATEMENT OF MAJOR GENERAL ANDREW DAVIS, U.S. MARINE CORPS (RETIRED), EXECUTIVE DIRECTOR, RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

General DAVIS. Chairman Inouye and Senator Cochran: The Reserve Officers Association (ROA) thanks you for the invitation to appear and give testimony. I am retired Marine Major General Drew Davis, the Executive Director of Reserve Officers Association. I am speaking on behalf of the Reserve Enlisted Association (REA).

ROA and REA are concerned about how the Congress and the Pentagon will meet the requirements set by the Budget Control Act of 2011 and the resulting cuts to the Defense budget. With the Pentagon looking to reduce the Defense budget, a risk is that the services will make disproportionate cuts to the Reserve component to protect active duty roles, missions, and end strengths.

Army Vice Chief of Staff General Lloyd Austin told the Senate that with sequestration the Army would likely lose another 100,000 troops on top of the 72,000 cuts already planned. He said that one-half of these cuts would be in the National Guard and the Army Reserve.

Cutting one reservist only provides 35 percent of the cost savings when compared to the reduction of an active duty rifleman, airman, or sailor.

As they have shown after 10 years of war, Reserve and Guard perform their missions on par with active duty, at less overhead and infrastructure cost. They require no base housing and no medical care, and their retirement benefit is deferred to age 60. To ignore the cost efficiencies of the Reserve component is a disservice to the American taxpayer and violates the axioms of strategic planning for our Nation's defense.

Additional further cost savings are found when civilian knowledge and proficiencies can be called upon at no training cost to the military.

With the Pentagon and the Congress examining our Nation's security, it would be incorrect to discount the Reserve components' abilities and cost efficiencies. The Reserve strength of these part-time warriors provides a cost-saving solution and are an area to retain competencies for missions not directly embodied in the administration's new strategic guidance.

For reversibility to succeed we will need a viable Reserve component. The Reserve and National Guard are no longer just a part-time strategic force, but contribute to our Nation's operational ability to defend itself, project power, and perform needed noncombat missions.

Nearly 850,000 Reserve and Guard members have been activated and deployed since September 11, 2001, with more than 275,000 having done so two times or more. By throwing away this required expertise and can-do attitude, we undermine the total force at the same time.

Already, the Air Force and Navy are using their Reserve components as bill-payers. ROA and REA thank those members of this committee who delayed the recommended cuts by the Air Force of Reserve component aircraft and facilities. Experienced warriors are returning to their Reserve component training sites and are finding aging facilities and obsolete and battle-damaged equipment. To remain robust and relevant, they need to have the same type of equipment or simulators for training that they used during overseas missions. If the Reserve component is simply put on the shelf, these volunteer young men and women will walk away.

ROA and REA's written testimony includes lists of unfunded requirements that we hope this subcommittee will fund. But we also urge this subcommittee to specifically identify funding for both the services' Reserve forces and the National Guard exclusively to train and equip the Reserve components by providing funds for the National Guard and Reserve equipment appropriation. Just because the services did not submit a wish list does not mean there are no wishes or needs.

PREPARED STATEMENT

In addition, we hope that the chairman reconsiders the military construction appropriations to the Reserve components, even though that subcommittee has marked up its bill. Our written testimony includes dollar recommendations.

ROA and REA thank you again for your consideration of our testimony and we look forward to working with this committee.

[The statement follows:]

PREPARED STATEMENT OF MAJOR GENERAL ANDREW DAVIS

The Reserve Officers Association of the United States (ROA) is a professional association of commissioned and warrant officers of our Nation's seven uniformed services and their spouses. ROA was founded in 1922 during the drawdown years following the end of World War I. It was formed as a permanent institution dedicated to national defense, with a goal to teach America about the dangers of unpreparedness. When chartered by the Congress in 1950, the act established the objective of ROA to: ". . . support and promote the development and execution of a military policy for the United States that will provide adequate National Security". The mission of ROA is to advocate strong Reserve components and national security and to support Reserve officers in their military and civilian lives.

The Association's 58,000 members include Reserve and Guard soldiers, sailors, marines, airmen, and coastguardsmen, who frequently serve on active duty to meet critical needs of the uniformed services and their families. ROA's membership also includes officers from the U.S. Public Health Service and the National Oceanic and Atmospheric Administration, who often are first responders during national disasters and help prepare for homeland security. ROA is represented in each State with 54 departments plus departments in Latin America, the District of Columbia, Europe, the Far East, and Puerto Rico. Each department has several chapters throughout the State. ROA has more than 450 chapters worldwide.

ROA is a member of The Military Coalition, where it co-chairs the Guard and Reserve Committee. ROA is also a member of the National Military/Veterans Alliance. Overall, ROA works with 75 military, veterans, and family support organizations.

The Reserve Enlisted Association (REA) is an advocate for the enlisted men and women of the United States Military Reserve Components in support of national security and homeland defense, with emphasis on the readiness, training, and quality-of-life issues affecting their welfare and that of their families and survivors. REA is the only joint reserve association representing enlisted reservists—all ranks from all five branches of the military.

INTRODUCTION

On behalf of the 1.1 million members of the Reserve and National Guard, the ROA and the REA thank the subcommittee for the opportunity to submit testimony on budgeting issues affecting serving members, retirees, their families, and survivors.

The associations would like to further thank those Senators who have been working to postpone planned cuts to Reserve component (RC) aircraft by the Air Force. A proper analysis needs to be done before premature action is taken that could encumber our national security.

The title 10 Reserve and National Guard are no longer just a part-time strategic force but are an integral contributor to our Nation's operational ability to defend itself, assist other countries in maintaining global peace, and fight against overseas threats. They are an integrated part of the total force, yet remain a surge capability as well.

At a time that the Pentagon and the Congress are examining our Nation's security, it would be incorrect to discount the RC abilities and cost efficiencies. Instead, these part-time warriors provide a cost-savings solution and an area to retain competencies for missions not directly embodied in the administration's new strategic policy, "Sustaining U.S. Global Leadership: Priorities for a 21st Century Defense".

ROA and REA are concerned that as the Pentagon strives to achieve the administration's goals for this new strategic policy, it is not seriously considering the available assets and cost efficiencies of the RC, and that it views the Reserve and National Guard as a bill payer instead.

The Congress, starting with the leadership of this subcommittee, should insist on a methodical analysis of suggested reductions in missions and bases before budgeting for such changes. Haste creates mistakes.

PROVIDE AND EXECUTE AN ADEQUATE NATIONAL SECURITY

The ROA is chartered by the Congress "to support and promote the development and execution of a military policy for the United States that will provide adequate national security".

Requested action:

—Hold congressional hearings on the new policy of "Sustaining U.S. Global Leadership: Priorities for the 21st Century Defense".
—Seek reconciliation to offset Defense sequestration budget cuts.
—Study the impact of manpower cuts to Army and Marine Corps on national security.
—Avoid simple parity cuts of components without analyzing the best Active-Reserve balance.
—Maintain robust and versatile all-volunteer Armed Forces that can accomplish its mission to defend the homeland and U.S. interests overseas.

ROA and REA question the current spending priorities that place more importance on the immediate future, rather than first doing a short- and long-term threat analysis. The result of such a budget-centric policy could again lead to a hollow force whose readiness and effectiveness is degraded.

ROA and REA share concerns about reductions in the Department of Defense, while proposed budgets for other Federal agencies increase. An example of this is the $13.4 billion budget increase for the Department of Veteran Affairs (VA). Of this, $10.6 billion is an increase in mandatory funding. When ROA asked the VA's Chief Financial Officer, Todd Grams, what offset is being made to allow this increase, his response was that no offset was needed as all but $1 billion were for existing programs.

While some VA increase is obviously needed with the ever increasing number of service-connected veterans who are disabled, injured, or ill, every agency should be fiscally responsible to help balance the budget and reduce the ever-growing deficit.

Serving members, retirees, families, and survivors are in effect being taxed by defense reductions to be the dollar offsets for other departments. Not only is this unfair, but by making cuts to national security, it puts future warriors at a greater risk.

RESERVE STRENGTH THRU EFFICIENCY

"With roughly 1.4 [million] Active-Duty servicemembers, 1.2 million Reserve-component members and likely future missions worldwide," Dennis McCarthy, then-Assistant Secretary of Defense for Reserve Affairs told ROA, "the military will need to continue to rely on reserve strength."

The Reserve forces are no longer a part-time strategic force but are an integral contributor to our Nation's operational ability to defend our soil, assist other countries in maintaining global peace, and fight in overseas contingency operations, as demonstrated by the last 10 years of war. The Reserve and National Guard should not be arbitrarily cut from the defense strategy.

Rather than be limited by historical thinking, and parochial protections, creative approaches should be explored. The RC needs to continue in an operational capacity because of cost efficiency and added value. The cost of the Reserve and National Guard should not be confused with their value, as their value to national defense is incalculable.

The RCs remain a cost-efficient and valued force. It is just a small percentage of the total services budget:

—Army Reserve: 7 percent of the Army budget; 18 percent of the force.
—Army National Guard: 14 percent of the Army budget; 32 percent of the force.
—Marine Forces Reserve: 6 percent of the United States Marine Corps (USMC) budget; 16.5 percent of the force.
—Navy Reserve: 7 percent of the United States Navy budget; 17 percent of the force.
—Air Force Reserve: 4 percent of the Air Force (AF) budget, 14 percent of the force, and 20 percent of the capability.
—Air National Guard: 6 percent of the AF budget and 21 percent of the force.

Value, on the other hand, is more intangible to calculate. The RC fills an ongoing need for a surge capability as an insurance policy against worse-case scenario's. Reserve and National Guard members give the armed forces access to civilian skills that would prove too expensive for the uniformed services to train and maintain.

With less than 1 percent of the U.S. population serving in uniform, the RC also provides a critical link to American communities.

The Reserve and National Guard should also be viewed as a repository for missions and equipment that aren't addressed in the administration's new strategic policy. They can sustain special capabilities not normally needed in peacetime.

Part of the President's budget includes planned end-strength reductions for both the Army and Marine Corps, by 80,000 and 20,000, respectively. It should be remembered that individuals cannot be brought quickly on to active duty on a temporary basis, as it is an accumulation of experience and training that is acquired over years that becomes an asset for the military. The Reserve is also a repository for these skills.

To maintain a strong, relevant, and responsive Reserve force, the Nation must commit the resources necessary to do so. Reserve strength is predicated on assuring the necessary resources—funding for personnel and training, equipment reconstitution, and horizontal fielding of new technology to the RC, coupled with defining roles and missions to achieve a strategic/operational Reserve balance.

NATIONAL GUARD AND RESERVE EQUIPMENT APPROPRIATION

Once a strategic force, the RCs are now also being employed as an operational asset; stressing an ever greater need for procurement flexibility as provided by the National Guard and Reserve Equipment Appropriations (NGREA). Much-needed items not funded by the respective service budget are frequently purchased through NGREA. In some cases, it is used to procure unit equipment to match a state of modernizations that aligns with the battlefield.

With the active component (AC) controlling procurement, a risk exists where Defense planners may be tempted to put the National Guard and title 10 Reserve on the shelf, by providing them "hand me down" outmoded equipment and by underfunding training. NGREA gives the Reserve chiefs some funding control.

The Reserve and National Guard are faced with the ongoing challenges of how to replace worn out equipment, equipment lost due to combat operations, legacy equipment that is becoming irrelevant or obsolete, and, in general, replacing what is lost in combat, or aged through the abnormal wear and tear of deployment. The RCs benefit greatly from a National Military Resource Strategy that includes an NGREA.

The Congress has provided funding for the NGREA for more than 30 years. At times, this funding has made the difference in a unit's abilities to carry out vital missions.

ROA thanks the Congress for approving $1 billion for NGREA for fiscal year 2012, but more dollars continue to be needed. ROA urges the Congress to appropriate into NGREA an amount that is proportional to the missions being performed, which will enable the RC to meet its readiness requirements.

MILITARY CONSTRUCTION

ROA and REA attempted to submit testimony to an earlier hearing on military construction by the Subcommittee on Military Construction and Veterans Affairs, and other related agencies, but the associations were told to submit this during the public witness hearing.

Unfortunately, the Military Construction and Veterans Affairs, and other related agencies marked up their portion of the Senate version of the appropriations bill on May 15. It is hoped that the Chairman will include some of the following information in his Chairman's markup.

Requested Action.—ROA and REA urge the Congress to continue appropriating funds for Military Construction budgets for the Reserve and National Guard.

Military Construction funding has not generally kept pace with essential RC facility modernization, conversion, and replacement requirements. In fiscal year 2012, Military Construction for the RC was appropriated $1.2 billion, which was $223 million less then the fiscal year 2011 enacted level. The RCs indicated they need a higher level of Military Construction funding in fiscal year 2013.

The RC's mission has changed from being primarily strategic reserves and "weekend warriors" to being an operational reserve. The RC now has a required high level of mission readiness which needs to be supported by functional training and facilities for current and future needs. They must train troops, maintain facilities and prepare troops postdeployments to return to civilian life. Additionally, families are supported throughout the force regeneration cycle phases. All of these initiatives require maintaining, renovating, and modernizing facilities.

As morale and combat readiness can be significantly affected by inadequate facilities, it is prudent to sustain fiscal year 2011's level of improvement (except the Air Force) in funding and allocation of projects in fiscal year 2013.

Five-year project backlog:

Army National Guard.—Approximately $1.8 billion.

Air National Guard.—Approximately $660 million.

Army Reserve.—Approximately $1 billion.

Air Force Reserves.—Approximately $170 million.

Navy and Marine Corps.—Approximately $240 million.

In 2011, the U.S. Senate found that National Guard Army Reserve facilities average more than 40 years in age. Other RCs suffer similar challenges with aging infrastructure. Military Construction requests fund the Reserve's most critical facilities and support total force transformation. The Reserve and National Guard will be realigning its forces to operational missions to provide increased combat service, while the active-duty end strengths are being reduced.

BASE CLOSURE AND REALIGNMENT COMMISSION

The President's budget recommends two more rounds of base closures. ROA and REA do not support such a base closure and realignment (BRAC) recommendation. If any action is taken, the emphasis should be placed on realignment rather than closure.

The association concerns are:

—BRAC savings are faux savings as these savings are beyond the congressional budget accounting cycle; with a lot of additional dollar expenses front loaded into the Defense budget for infrastructure improvements to support transferred personnel.

—Too much base reduction eliminates facilities needed to support surge capability, some surplus is good.

—Reserve and National Guard facilities should not be included, as was the case in BRAC 2005 when RC facilities were closed to reduce the risk of closure to active duty facilities.

ASSOCIATION PRIORITIES

Calendar year 2011 legislative priorities are:

—Recapitalize the total force to include fully funding equipment and training for the National Guard and Reserves.

—Ensure that the Reserve and National Guard continue in a key national defense role, both at home and abroad.

—Provide adequate resources and authorities to support the current recruiting and retention requirements of the Reserves and National Guard.

—Support citizen warriors, families and survivors.

Issues To Help Fund, Equip, and Train

Advocate for adequate funding to maintain national defense during times of war and peace.

Regenerate the RC with field compatible equipment.

Improve and implement adequate tracking processes on National Guard and Reserve appropriations and borrowed RC equipment needing to be returned or replaced.

Fully fund the military pay appropriation to guarantee a minimum of 48 drills and 2 weeks of training.

Sustain authorization and appropriation to NGREA to permit flexibility for Reserve chiefs in support of mission and readiness needs.

Optimize funding for additional training, preparation and operational support.

Keep Active and Reserve personnel and operation and maintenance funding separate.

Issues To Assist Recruiting and Retention

Support continued incentives for affiliation, re-enlistment, retention, and continuation in the RC.

Pay and Compensation

Simplify the Reserve duty order system without compromising drill compensation.

Offer professional pay for RC medical professionals, consistent with the AC's pay.

Eliminate the 1/30th rule for Aviation Career Incentive Pay, Career Enlisted Flyers Incentive Pay, Diving Special Duty Pay, and Hazardous Duty Incentive Pay.

Education

Continue funding the GI bill for the 21st century.

Healthcare

Provide medical and dental readiness through subsidized preventive healthcare.

Extend military coverage for restorative dental care for up to 90 days following deployment.

Provide funding for transitional TRICARE Reserve Select healthcare for those beneficiaries being released from drill status.

Spouse Support

Repeal the Survivor Benefits Plan—Dependency Indemnity Clause offset.

NATIONAL GUARD AND RESERVE EQUIPMENT ACCOUNTS

It is important to maintain separate equipment and personnel accounts to allow Reserve component chiefs the ability to direct dollars to vital needs.

Key issues facing the Armed Forces concerning equipment:

—Procuring new equipment for all U.S. forces.
—Modernize by upgrading the equipment already in the inventory.
—Replacing the equipment deployed from the homeland to the war.
—Making sure new and renewed equipment gets into the right hands, including the RC.

Reserve component equipping sources:

—Procurement.
—Cascading of equipment from AC.
—Cross-leveling.
—Recapitalization and overhaul of legacy (old) equipment.
—Congressional add-ons.
—NGREA.
—Supplemental appropriation, such as overseas contingency operations funding.

End Strength

The ROA would like to place a moratorium on any potential reductions to the National Guard and Reserve manning levels. Manpower numbers need to include not only deployable assets but individuals in the accession pipeline. ROA urges this subcommittee to fund the support of:

—Army National Guard of the United States, 358,200.
—Army Reserve, 206,000.
—Navy Reserve, 66,200.
—Marine Corps Reserve, 39,600.
—Air National Guard of the United States, 106,700.
—Air Force Reserve, 71,400.
—Coast Guard Reserve, 10,000.

In a time of war and force rebalancing, it is wrong to make cuts to the end strength of the RCs. We need to pause to permit force planning and strategy to catch-up with budget reductions.

UNFUNDED RESERVE COMPONENT EQUIPMENT

ROA and REA agree with the Senate leadership that the Congress should be provided with a unfunded list from both Active and Reserve components. The below charts shows that the ground forces have the greatest backlog of unfunded equipment.

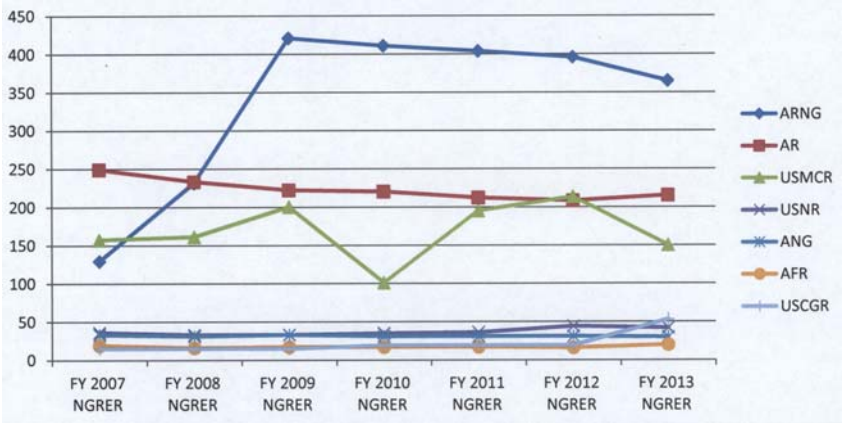


CHART 1.—Items of unfunded equipment reported in the National Guard and Reserve Equipment Report published by the Office of the Assistant Secretary of Defense for Reserve Affairs. Fiscal year 2013 could be the last year of publication if the Secretary of Defense insists on not further unfunded lists.

ARMY RESERVE COMPONENTS EQUIPMENT PRIORITIES

Army Reserve Unfunded Requirements

While the Army Reserve (USAR) has 91 percent of its equipment on-hand, only 67 percent of it is modernized, a decline of 2 percent from last year. More new production and recapitalized equipment is needed to close the gap with the active and the Army Guard.

An enduring operational force cannot be fully effective if it is underfunded. Theater-provided equipment has allowed the USAR to provide support during mobilization. The USAR rebuilt 70 percent of its 5-ton cargo trucks and 83 percent of its semitrailer tankers to meet its mission.

Top USAR equipping challenges of an operational Reserve are:

—Modernize and sustain equipment in a resource-constrained environment.
—Equip USAR as an operational force capable of overseas, homeland defense, and natural disasters.
—Modernize the tactical wheeled vehicle (TWV) fleet.
—Achieve full transparency for equipment procurement and distribution.
—Expand the use of simulators to mitigate equipment shortfalls and gain training efficiencies.

USAR UNFUNDED EQUIPMENT

[In millions of dollars]

	Amount
Force protection:	
Alarm Biological Agent [BIDS] M31E2, 63 required	$69
Armored Security Vehicle, 27 required	21
Combat logistics and mobility:	
Loader Skid Steer: Type II, 40 required	1.2
Rough Terrain Contain Handler, 39 required	28.9
Ground vehicles:	
Truck Cargo, 5-ton, 771 required	154
Truck Dump, 10-ton, 213 required	42.6
Truck, Expandable Van, 141 required	28.2
Soldier systems:	
Medium Weapon Thermal Sights [MWTS]AN/PAS–13(V)2, 1,600 required	28.2
Thermal Sights AN/PAS–13B9V)1, 1,500, required	25.5
Javelin Command Launch Unit, 50 required	11.5
Helicopter, Utility, UH–60L, 8 required	38.4

Simulators

The use of simulations and simulators minimizes turbulence for USAR soldiers and their families caused by training demands during the first 2 years of the Army Force Generation process by enabling individuals and units to train at their home station and during exercises in a safe environment without the increased wear and tear on equipment.

Army National Guard Unfunded Equipment Requirements

The on-hand percentage for all equipment is dropped from 92 percent to 87 percent, and this does not include requirements for training. Part of this requirement is dual use, with critical items of equipment being needed for homeland missions with critical use inventory at 89 percent.

Top Army National Guard equipping challenges are:

—Equip units for pre-mobilization training and deployment.
—Equip units for their homeland missions.
—Achieve full transparency for equipment procurement and distribution.
—Modernize ARNG TWV fleet.
—Improve interoperability with AC forces.
—Modernize the ARNG helicopter fleet.

ARNG UNFUNDED EQUIPMENT

[In millions of dollars]

	Amount
Strike:	
Radar Sets AN/TPQ −36(V)10 and −37(V)9, 10/9 required	$231
Field support:	
Containerized kitchen, 69 required	15.5
Bradley Fighting Vehicle, Infantry, M2A3, 45 required	198
Bradley Fighting Vehicle, Cavalry, M3A3, 29 required	116.5
Generator sets, 659 required	8.2
Air defense:	
Radar set: Sentinel AN/MPQ–64	66.5
Aviation:	
Helicopter, Attack AH–64D, 16 required	402
Helicopter, Utility, UH–60L, 55 required	267
Light Utility Helicopter, UH–72A, 34 required	132.6
Helicopter, Cargo CH–47F, 19 required	570
Medical field system:	
MES Combat Medic, 463 required	1.6
Medical Communications for Combat Casualty Care [MC4] Program	4.6

MARINE CORPS RESERVE UNFUNDED PRIORITIES

Marine Forces Reserve (MFR) has two primary equipping priorities—outfitting individuals who are preparing to deploy and sufficiently equipping units to conduct home station training. Individuals receive 100 percent of the necessary war fighting equipment. MFR units are equipped to a level identified by the Training Allowance (TA). MFR units are equipped with the same equipment that is utilized by the AC, but in quantities tailored to fit reserve training center needs. It is imperative that MFR units train with the same equipment they will utilize while deployed.

Top MFR equipping challenges are:

—Implementing Results of the Strategic Review from the Force Structure Review Group; 40 percent of USMCR units may be impacted by this review.
—Transitioning the KC–130 airframe.
—Providing units the "right amount" of equipment to effectively train in a pre-activation environment.
—Achieving USMCR goal that the Reserve TA contains the same equipment as the AC.
—Resetting and modernizing the MFR to prepare for future challenges.

USMCR UNFUNDED EQUIPMENT

[In millions of dollars]

	Amount
Aviation:	
KC–130J Super Hercules Aircraft Tankers, 2 required	$184.6
UH–1Y Helicopter, Utility, 6 required	184.8
MV–22 B Tiltrotor Osprey, 2 required	167.5
USMCR Simulators:	
KC–130J Weapons System Trainer, 2 required	50
UH–1 Trainer, 1 required	16.5
Ground Transport:	
Truck cargo, 22.5 ton, LVSR, 8 required	3.4
Lighted Armed Vehicle, Command/Control, 5 required	3
Light Armored Vehicles—LAV–25, procure 1 remaining	3.2

AIR RESERVE COMPONENTS EQUIPMENT PRIORITIES

The Air Reserve Component (ARC) is made up of both the Air Force Reserve (AFR) and the Air National Guard. Over the last 10 years they have met all tasking, and were not asked to perform at full capacity.

ARC alone can cover:

—75 percent of Combat Air Force tasking.

—75 percent of Mobility Air Force tasking.

—50 percent of Aerial Refueling tasking.

Air Force Reserve Unfunded Requirements

AFR while fully integrated with the active for air, space, and cyberspace, has higher sustainment needs across its fleet. Sustaining operations on five continents, the resulting wear and tear weighs heavily on aging equipment.

AFR has some specialized capabilities not found in regular AF units. These include support of counternarcotics efforts, weather reconnaissance including hurricane penetration, aeromedical evacuation, aerial spray capabilities, and forest fire suppression.

Yet AF proposes cuts from the AFR. Even though the AF announced that the AFR will be reduced by 900 personnel in fiscal year 2013, more than 3,000 jobs will be realigned.

There will be a risk of further reductions at some locations. There are 2,093 Reserve and 734 full-time staff (FTS) reductions shown in AF announcements at six AFR flying locations. These include:

——−563 Lackland, Texas (−385 reserve/−178 FTS in C–5s);

——−580 Barksdale, Louisiana (−409/−171 closing AFR A–10 combat unit recently returned from Afghan);

——−53 Homestead, Florida (−40/−13 reducing RC F–16s);

——−1,448 Pittsburgh, Pennsylvania (−1,122/−326 closing Wing and Base);

——−53 Fort Worth, Texas (−40/−13 reducing RC F–16s); and

——−130 Youngstown, Ohio (−97/−33 reducing C–130s).

The closure of Air Reserve Station Pittsburg challenges the congressional mandate and authority of base closure with more than 300 Federal employees.

Next in fiscal year 2014 and out, the plan to close the entire C–130 wing at Maxwell, Alabama; the entire C–130 wing/base at Minneapolis-St. Paul, Minneapolis; a C–130 flying squadron at Keesler, Mississippi; and the C–130 wing/base at Niagara, New York.

These cuts will affect the surge and reversibility capabilities of the AF. In these proposed reductions, the AF does not seem to understand the importance of population/reserve demographics to cost-effective Reserve unit locations. ROA and REA hope that this committee supports actions by the House to delay and proposed reductions for a year to properly review these recommendations.

Top AFR equipping challenges:

—C–5 Maintenance.

Defensive Systems.—LAIRCM, ADS, and MWS: equip aircraft lacking adequate infrared missile protection for combat operations.

Data Link and Secure Communications.—Data link network supporting image/video, threat updates, and SLOS/BLOS communications for combat missions.

UNFUNDED EQUIPMENT

[In millions of dollars]

	Amount
Aviation:	
Large aircraft infrared countermeasures	$4
F–16 Systems, CDU, Combined AIFF With Mode 5/S, Sim Trainer Upgrade	2
C–17A upgrades	10
C–130 system upgrades	13.7
KC–135 modifications	3.8
Telecommunication:	
National Airspace System	1.3
Air and Space Operations Center	2
Ground transportation:	
Medium tactical vehicles	2.6

Air National Guard Unfunded Equipment Requirements

The immediate threat the Air National Guard (ANG) was the threatened reduction of squadrons and aircraft proposed by the Air Force as cost saving measures. This included the reduction of 5,100 ANG billets. ROA and REA hope that this committee support actions by the House to delay and proposed reductions for a year to properly review these recommendations.

PROPOSED CUTS TO THE ANG

C–130 H intratheater airlift	21 aircraft	Provides 40 percent of the total fleet.
C–5A heavy intertheater airlift	13 aircraft	Provides 25 percent of outsize cargo airlift.
C–27J short-to-medium range tactical airlift	15 aircraft	Provides 100 percent of the total fleet.
A–10C ground support fighter	63 aircraft	Performed 66 percent of the missions.
F–16 C Fighter	20 aircraft	Since 2003, 3 percent of CentAF taskings.
C–21 A operational support	24 aircraft	Provides 40 percent of the AF fleet.

Given adequate equipment and training, the ANG will continue to fulfill its total force obligations. On-hand equipment is just under 91 percent of requirements with dual use equipment being 88 percent of ANG assets, but some major items of equipment are nearing 30 years of use. Operations tempo has been high and prolonged, requiring equipment to be modernized and recapitalized concurrently.

ANG equipping challenges:

—Modernize aging aircraft and other weapons systems for both dual-mission and combat deployments.

—De-conflict dual use equipment when required for both Federal and domestic missions.

—Acquire equipment to satisfy requirements for domestic operations in each Emergency Support Function (ESF).

—Define an Air Force validation process for both Federal and State domestic response needs.

—Program aging ANG F–16 aircraft for the Service Life Extension Program (SLEP).

An ANG wing contains not only aircraft but fire trucks, forklifts, portable light carts, emergency medical equipment including ambulances, air traffic control equipment, explosives ordinance equipment, etc., as well as well-trained experts—valuable in response to civil emergencies.

UNFUNDED EQUIPMENT

[In millions of dollars]

	Amount
Command and Control:	
Control and reporting center systems	$6.6
Air Defense Tactical Satellite Communications	1.2
Aviation:	
C–17 large aircraft infrared countermeasures and detection	36.4
C–38 replacement aircraft	62
C–40C Procurement	103
C–130 H/J Advanced LAIRCM/Missile Warning System	58.2

UNFUNDED EQUIPMENT—Continued

[In millions of dollars]

	Amount
F–15 Advance Digital Warning/Radio Frequency CSM	85.7
F–16 advanced targeting pod upgrades	83.5
Dual Mission: Rapidly deployable RPA capability	28.5

NAVY RESERVE UNFUNDED PRIORITIES

Active Reserve Integration (ARI) aligns active and Reserve component units to achieve unity of command. Equipment used is the RC is often experiencing service life of more than 20 years for many platforms, adding sustainability and interoperability challenges, leading to training and deployment challenges for mobilization ready individuals and units. The United States Navy Reserve (USNR) has been the primary provider of Individual Augmentees for the overseas contingency operations filling Army and Air Force assignments.

Expeditionary missions include security forces, construction battalions, cargo handling, and warehouse and fuel operations. The USNR contributes 1/3 of the personnel in support of Special Warfare operations. A new mission will be Maritime Civil Affairs which will be doubling the number of units in the near future.

Top USNR equipping challenges are:

—Aircraft procurement (C–40A, P–8, KC–130J, and C–37B).

—Expeditionary equipment procurement (MESF, EOD, NCF, NAVELSG, MCAST, EXPCOMBATCAM, and NEIC).

—Navy special warfare equipment.

USNR UNFUNDED EQUIPMENT

[In millions of dollars]

	Amount
Aviation:	
C–40 A Combo Cargo/Passenger Airlift, 4 required	$340
KC–130J Super Hercules Aircraft Tankers, 2 required	162
C–37 B (Gulf Stream) Aircraft, 1 required	64
H–53 E Sea Dragon, Mine Warfare	24
F–5F Adversarial Aircraft Modification	4.3
USNR Expeditionary:	
Maritime Civil Affairs Team, Equipment Allowance, 3 required	1
Tactical Vehicles	11.8
Civil Engineering Support Equipment	1.2
Materials Handling Equipment	1.2

[Dollars in millions]

Reserve component	Requirements	On-hand	Shortage	Percentage of required $$
ARNG	105,594.3	64,867.8	40,726.5	38.6
AR	27,283.6	16,634.9	10,648.7	39.0
USMCR	6,243.6	5,812.8	430.8	6.9
USNR	9,977.4	8,978.2	999.2	10.0
ANG	53,620.8	50,778.4	2,842.4	5.3
AFR	26,900.7	24,783.3	2,207.4	8.2
USCGR	51.1	26.1	25.1	49.0
Total	229,761.6	171,881.5	57,880.1	25.2

CHART 2.—"Beginning Fiscal Year 2013 Reserve Component Equipment $$$ Shortages" published by the Office of the Assistant Secretary of Defense for Reserve Affairs.

The Marine Corps Reserve (USMCR) reflects a 6.9 percent shortage of its major items; however, the USMCR is equipped to a home station training allowance only.

CONCLUSION

The operations in Iraq and Afghanistan have demonstrated the contributions to be made by the Reserve and National Guard. It the future they will continue to play role in missions to maintain national security.

This country cannot afford a strategy that writes them out of the picture. It makes sense to fully fund the most cost efficient components of the total force, its Reserve components.

The ROA, again, would like to thank the subcommittee for the opportunity to present our testimony. We are looking forward to working with you and supporting your efforts in any way that we can.

Chairman INOUYE. General, I can assure you that this subcommittee is well aware of the important role played by Reserve and Guard forces in Afghanistan and Iraq, and we will make certain that a study be carried out on base realignment and closure (BRAC) recommendations and equipment. Those are important items for this subcommittee.

Thank you very much, Sir.

General DAVIS. Thank you.

Chairman INOUYE. Our next witness is Ms. Karen Goraleski, representing the American Society of Tropical Medicine and Hygiene.

STATEMENT OF KAREN GORALESKI, EXECUTIVE DIRECTOR, AMERICAN SOCIETY OF TROPICAL MEDICINE AND HYGIENE

Ms. GORALESKI. Thank you, Mr. Chairman. Mr. Chairman and Ranking Member Cochran: My name is Karen Goraleski. I am the executive director of the American Society of Tropical Medicine and Hygiene (ASTMH). Thank you for the privilege of testifying before you today. I am here on behalf of our members, who are the world's leading experts in the research and treatment of tropical diseases, to respectfully request that the subcommittee expand funding for the Department of Defense's (DOD) efforts to develop new preventions, treatments, vaccines, and diagnostics that will protect our service men and women from infectious diseases in areas of the world where many serve now or may serve in the future.

ASTMH understands the rich return on this DOD investment. We are concerned that without the sustained resources needed to address health risks to our troops, we will also inadvertently hamper military mission success.

As a Nation, we must Americans' tax dollars wisely, and this particular DOD investment has legs. First, our military benefits, but so do Americans that travel for business, for vacation, for school and faith-based volunteer work. Every gain also helps reduce premature death and disability of those living in the developing world.

Infectious disease is the ever-present enemy. Our investments in new and effective tools must have a focus on today as well as tomorrow. The drugs and preventive measures used in earlier conflicts are quickly becoming resistant and we can always bank on Mother Nature to deliver new diseases.

I want to highlight the smart and cost-effective work being done at two facilities within the DOD, Walter Reed Army Institute of Research (WRAIR), and the Naval Medical Research Center (NMRC).

I will begin with WRAIR, which effectively leverages its modest infectious disease research budget through domestic and international partnerships, public and private, and they are continually seeking out new ones. WRAIR's portfolio includes malaria vaccine and drug development, malaria vector control, drug development for leishmaniasis, a tropical disease transmitted by sand flies that is prevalent in Africa, West Asia, and the Middle East, enteric disease research, and HIV/AIDS research and treatment.

WRAIR's success relies heavily on collaborations, as seen in the development of RTS,S with the malaria vaccine initiative and GlaxoSmithKline. Last fall, this large-scale phase 3 trial showed an approximate 50-percent efficacy in decreasing clinical episodes of malaria in African children. This is news we rightfully celebrate for children and parents living in malaria endemic countries. But for our military, right now RTS,S is not suitable as a vaccine for adults who have never experienced malaria as a child. This leaves us with more work to do in order to protect our troops, but it is work that is doable.

The NMRC works both in the United States and in its overseas medical research laboratories located in Peru, Egypt, and Cambodia. These labs offer outstanding scientific collaborations and create deep and lasting relationships in country. The labs also offer research and education opportunities that are filled by local citizens, who then in turn build in-country capacity.

Recently, Navy researchers announced the start of clinical trials for a dengue fever vaccine to protect our troops from this sometimes deadly virus found in tropical regions, and even recently found in the United States. This vaccine would be a game-changer in tropical medicine. No cure exists and right now treatment is only symptom management.

PREPARED STATEMENT

In closing, our military must be ready at any time to embark on a new mission, to a new location, which can mean exposure to new and emerging health threats. This and the vexing problem of drug resistance serve as stark reminders as to why our investments cannot stop and where additional investments are needed.

Thank you for this opportunity. ASTMH stands ready to serve as an expert resource to you. We are in this together.

[The statement follows:]

PREPARED STATEMENT OF KAREN GORALESKI, EXECUTIVE DIRECTOR OF AMERICAN SOCIETY OF TROPICAL MEDICINE AND HYGIENE

The American Society of Tropical Medicine and Hygiene (ASTMH)—the principal professional membership organization representing, educating, and supporting scientists, physicians, clinicians, researchers, epidemiologists, and other health professionals dedicated to the prevention and control of tropical diseases—appreciates the opportunity to submit written testimony to the Senate Defense Appropriations subcommittee.

ASTMH respectfully requests that the subcommittee expand funding for the Department of Defense's (DOD) longstanding efforts to develop new and more effective drugs, vaccines, and diagnostics designed to protect servicemembers from infectious

diseases including funding for the important research efforts at the Walter Reed Army Institute of Research (WRAIR) and the U.S. Naval Medical Research Center (NMRC).

DEPARTMENT OF DEFENSE RESEARCH PROTECTS THE U.S. MILITARY AND CIVILIANS AND CONTRIBUTES TO GLOBAL HEALTH

A core component of ASTMH membership supports the work of the DOD, and we understand first-hand the important role that research and development play in protecting our service men and women deployed abroad from the threat of infectious disease, as well as contributing significantly to civilian medical applications. Specifically, DOD infectious disease research contributes to the protection of:

—U.S. troops that are currently deployed or likely to be deployed in many tropical areas;
—The safety of U.S. citizens, working, traveling, participating in volunteer work, and vacationing overseas who are impacted by these same tropical diseases;
—Our country from agents responsible for these diseases, which could be introduced and become established in the United States (as was the case with West Nile virus), or might even be weaponized; and
—Citizens around the world who suffer disability and death from many of these same tropical diseases.

WALTER REED ARMY INSTITUTE OF RESEARCH

A large part of DOD investments in infectious disease research and development are facilitated through WRAIR. Between 2007 and 2010, WRAIR's Center for Infectious Disease Research performed more than $260 million of research for the DOD and had an additional $140 million in collaborative research work with external partner organizations. WRAIR has advanced their work through critical public-private partnerships and collaborative efforts with entities such as:

—GlaxoSmithKline and Sanofi;
—Nonprofit organizations such as the Bill & Melinda Gates Foundation, Medicines for Malaria Venture, and PATH; and
—Other U.S. agencies including Centers for Disease Control and Prevention, United States Agency for International Development, and National Institutes of Health.

WRAIR invests in:

—malaria vaccine and drug development;
—drug development for leishmaniasis;
—enteric disease research;
—vector control for malaria and other vector-borne infections; and
—HIV/AIDS research and treatment.

One example of WRAIR's successful work and collaboration includes the development of several significant and promising vaccine candidates, including RTS,S, developed with PATH Malaria Vaccine Initiative and GlaxoSmithKline, which recently underwent the first-ever large-scale Phase 3 trial for a malaria vaccine. In trials last year, the vaccine candidate decreases clinical episodes of malaria in children in Africa by approximately 50 percent. While we celebrate this news and the promise that it brings for children living in malaria-endemic countries, RTS,S is not suitable as a vaccine for adults who have never experienced malaria during childhood, such as our military personnel. As a result, there remains a significant need for continued research funding in order to achieve more robust results.

WRAIR is headquartered in Silver Spring, Maryland, and has research laboratories around the globe including:

—a public health reference laboratory in The Republic of Georgia;
—dengue fever clinical trials in the Philippines;
—malaria clinical studies and surveillance in Kenya;
—military entomology network field sites in Thailand, the Philippines, Nepal, Cambodia, Korea, Kenya, Ethiopia, Egypt, Libya, Ghana, Liberia, and Peru; and
—several other coordination efforts with national health ministries and defense units.

This diversity in research capacity puts WRAIR in a unique leadership position in research and development for tropical diseases—research that aids our military men and women as well as people living in disease-endemic countries.

UNITED STATES NAVAL MEDICAL RESEARCH CENTER

NMRC and its affiliated labs conduct basic and applied research in infectious disease. The Infectious Disease Directorate (IDD) of NMRC focuses on malaria, enteric

diseases, and viral rickettsial diseases. IDD has an annual budget exceeding $10 million and conducts research on infectious diseases that are considered to be a significant threat to our deployed sailors, soldiers, airmen, and marines.

The primary objective of the Navy Malaria Program is to develop a vaccine that kills the parasite during the first few days of development in the liver, before it breaks into the blood. The program is also investigating vaccines that would target blood-stage infection to limit the severity of symptoms associated with this stage. Both of these vaccines could alleviate much of the suffering caused by this parasite in tropical areas.

The research is enhanced by IDD's close working relationship with the Navy's three overseas medical research laboratories located in Peru, Egypt, and Indonesia. These laboratories, like those of WRAIR, afford diplomatic advancement through the close working relationships they have developed with governments and citizens of those countries. ASTMH has heard first-hand accounts of the successful diplomatic impact that both the WRAIR and NMRC overseas labs have on the communities where they are guests. Many of the researchers and staff who work in the labs are local to the area and speak highly of the role of the U.S. military labs.

TROPICAL MEDICINE AND U.S. MILITARY OPERATIONS

The term "tropical medicine" refers to the wide-ranging clinical, research, and educational efforts of physicians, scientists, and public health officials with a focus on the diagnosis, mitigation, prevention, and treatment of diseases prevalent in the areas of the world with a tropical climate. Most tropical diseases are located in sub-Saharan Africa, parts of Asia (including the Indian subcontinent), Central and South America, and parts of the Middle East. These are the same areas military troops are often deployed. Since many of the world's developing nations and economies are located in these areas, tropical medicine tends to focus on diseases that impact the world's most impoverished individuals.

CASE STUDIES—THE IMPORTANCE OF DEPARTMENT OF DEFENSE'S INFECTIOUS DISEASE RESEARCH EFFORTS

Malaria has resulted in the loss of more person-days among U.S. military personnel than to bullets during every military campaign fought in malaria-endemic regions during the 20th century.

Because servicemembers deployed by the U.S. military comprise a majority of the healthy adults traveling each year to malarial regions on behalf of the U.S. Government, the U.S. military has understandably taken a primary role in the development of anti-malarial drugs, and nearly all of the most effective and widely used anti-malarials were developed in part by U.S. military researchers. Drugs that now continue to save civilians throughout the world were originally developed by the U.S. military to protect troops serving in tropical regions during World War II, the Korean War, and the Vietnam War.

In recent years the broader international community has increased its efforts to reduce the impact of malaria in the developing world, particularly by reducing childhood malaria mortality, and the U.S. military plays an important role in this broad partnership. Nonetheless, military malaria researchers at NMRC and WRAIR are working practically alone in the area most directly related to U.S. national security: drugs and vaccines designed to protect or treat healthy adults with no developed resistance to malaria who travel to malaria-endemic regions. NMRC and WRAIR are working on the development of a malaria vaccine and on malaria diagnostics and other drugs to treat malaria—an especially essential investment as current malaria drugs face their first signs of drug resistance.

The latest generation of malaria medicines is increasingly facing drug-resistance. The most deadly variant of malaria—Plasmodium falciparum—is believed by the World Health Organization (WHO) to have become resistant to "nearly all antimalarials in current use". The malaria parasite demonstrates a notorious and consistent ability to quickly develop resistance to new drugs. Malaria parasites in Southeast Asia have already shown resistance to the most recently developed antimalarial drug, artemisin.

Developing new antimalarials as quickly as the parasite becomes resistant to existing ones is an extraordinary challenge, and one that requires significant resources before this becomes widespread, especially as United States military operations in malaria-endemic countries of Africa and Asia increase. Without new anti-malarials to replace existing drugs as they become obsolete, military operations could be halted in their tracks by malaria. The 2003 malaria outbreak affecting 80 of 220 marines in Liberia is an ominous reminder of the impact of malaria on military operations. Humanitarian missions also place Americans at risk of malaria, as evidenced

by several Americans contracting malaria while supporting Haitian earthquake relief efforts.

Leishmaniasis is a vector-borne disease that comes in several forms, the most serious of which is visceral leishmaniasis, which affects internal organs and can be deadly if left untreated. According to the WHO, more than 350 million people are at risk of leishmaniasis in 88 countries around the world. It is estimated that 12 million people are currently infected with leishmaniasis, and 2 million new infections occur annually. Co-infection of leishmaniasis and HIV is becoming increasingly common, and WHO notes that because of a weakened immune system, leishmaniasis can lead to an accelerated onset of AIDS in HIV-positive patients.

Because of leishmaniasis' prevalence in Iraq, DOD has spent significant time and resources on the development of drugs and new tools for the treatment of leishmaniasis. As more troops return from Iraq and Afghanistan, it is likely DOD and the Department of Veterans Affairs will see an increase in leishmaniasis cases in our soldiers. WRAIR discovered and developed Sitamaquine, a drug that, once completed, will be an oral treatment for leishmaniasis. While essential for the safety of our service men and women abroad, these types of innovations will also be extremely beneficial to the at-risk populations worldwide living in leishmaniasis-endemic countries.

Dengue fever ("breakbone fever"), according to the WHO, is the most common of all mosquito-borne viral infections. About 2.5 billion people live in places where dengue infection can be transmitted by mosquitoes, and last year we saw a few cases pop up in the United States. There are four different viruses that can cause dengue infections. While infection from 1 of the 4 viruses will leave a person immune to that strain of the virus, it does not prevent them from contracting the other three, and subsequent infections can often be more serious.

The DOD has seen about 28 cases of dengue in soldiers per year. While none of these cases resulted in the death of a soldier, hospitalization time is lengthy. Currently, there are several research and development efforts under way within the DOD both for treatments and vaccines for dengue.

U.S. GOVERNMENT ACTION IS NEEDED FOR MISSION READINESS

The role of infectious disease in the success or failure of military operations is often overlooked. Even a cursory review of U.S. and world military history, however, underscores that the need to keep military personnel safe from infectious disease is critical to mission success. Ensuring the safety of those men and women in future conflicts and deployments will require research on new tools. Additional funds and a greater commitment from the Federal Government are necessary to make progress in tropical disease prevention, treatment, and control.

Although several promising new infectious disease drugs are in development at WRAIR and NMRC, the U.S. Government's funding level for these programs has been anemic for several years. There are indications that the current budget process may decrease or not keep up with medical research inflation, let alone an increase in real dollars, despite burgeoning evidence that many of our military's current drugs are rapidly approaching obsolescence.

Fortunately, a relatively small amount of increased funding for this program would restore the levels of research and development investment required to produce the drugs that will safeguard U.S. troops. In relation to the overall DOD budget, funding for infectious disease research programs is very small. Cutting funding for this program would deal a major blow to the military's efforts to reduce the impact of these diseases on soldiers and civilians alike, thereby undercutting both the safety of troops deployed to tropical climates and the health of civilians in those regions.

ASTMH feels strongly that increased support for efforts to reduce this threat is warranted. A more substantial investment will help to protect American soldiers and potentially save the lives of millions of individuals around the world. We appreciate the opportunity to share our views in our testimony, and please be assured that ASTMH stands ready to serve as a resource on this and any other tropical disease policy matter.

Chairman INOUYE. Ms. Goraleski, I thank you very much for your testimony.

The Vice Chairman has a question to ask.

Ms. GORALESKI. Yes, Sir.

Senator COCHRAN. Ms. Goraleski, I know that you are aware of some collaboration between Walter Reed Hospital and the Univer-

sity of Mississippi research capacity through the Natural Products Research Center there. They're working to collaborate to get Walter Reed Army Institute to identify safe and effective drugs to treat tropical-related diseases and illnesses, which you mentioned in your testimony.

I was curious to know if you are aware of this and how effective any of these research efforts have been assumed to be, and whether or not we need to put more money into these efforts than what we have in this year's budget.

Ms. GORALESKI. Yes, Sir, I am aware of those collaborations. Those collaborations are really essential for us to move progress forward. The Federal Government cannot do it alone without multiple partnerships. I don't have the specifics on that research. I just know of it overall, that there is some interesting and productive developments. But I will certainly find out the details for you and make sure you get that immediately. Thank you.

Senator COCHRAN. Thank you very much. We appreciate your assistance to the subcommittee.

Ms. GORALESKI. You're welcome.

Chairman INOUYE. Thank you very much.

Now may I call upon Mr. John R. Davis, representing the Fleet Reserve Association.

STATEMENT OF JOHN R. DAVIS, DIRECTOR, LEGISLATIVE PROGRAMS FLEET RESERVE ASSOCIATION

Mr. DAVIS. My name is John R. Davis and I want to thank the subcommittee for the opportunity to express the views of the Fleet Reserve Association (FRA) today.

FRA supports legislation to exclude the Defense budget from sequestration and agrees with the Secretary of Defense Panetta, who said these sequestration cuts would, "do catastrophic damage to our military, hollowing out the force and degrading its ability to protect the country".

Defense accounts for 17 percent of the Federal budget but will receive 50 percent of the sequestration cuts. Less than 1 percent of the population is shouldering 100 percent of the burden of maintaining our military and national security, and the punitive funding reductions mandated by sequestration would force across-the-board cuts to all programs that could potentially threaten the all-volunteer force.

Ensuring adequate funding for the military health system and maintaining the current retirement system are top legislative priorities for the association. This is reflected in responses to the association's 2012 survey, completed in February by more than a thousand current and former servicemembers, who cited retirement and military health programs as the most important benefits. Over the past several years, healthcare has consistently been a top concern for all segments of the military community, that being the Active Duty, Reserve component, veterans, and retirees.

This year's survey, however, revealed that active duty and reservists viewed the military retirement above healthcare and pay.

FRA believes that the administration's fiscal year 2013 budget request devalues military service by proposing drastic TRICARE enrollment fee increases for all retirees and excessive pharmacy co-

pay increases. All reservists and 97 percent of active duty participants in the survey found retirement benefits as the most important benefit.

FRA appreciates Secretary of Defense Panetta's statement that those currently serving would not be impacted by the changes proposed by the administration's proposed retirement commission, but wonders why there is no similar commitment to those who have served in the past.

The Senate Armed Services Committee approved the markup recently for the Defense authorization bill and that expands this commission to include not just retirement pay, but also current active duty compensation. Although we are thankful it excludes currently serving and retirees, the FRA opposes this base realignment and closure (BRAC)-like type commission because it would bypass the expertise of this Committee and subcommittee on Capitol Hill.

FRA supports Senators Frank R. Lautenberg and Marco Rubio's bill, the Military Health Care Protection Act, that would seek to protect TRICARE beneficiaries from excessive and unfair enrollment fee increases and significant hikes in pharmacy co-pays. The bill will emphasize that military service, unlike other civilian occupations and associated healthcare costs, are earned through 20 years or more of arduous service and sacrifice.

The association does support the administration's fiscal years 2013 and 2014 active-duty pay increase that is equal to the Employment Cost Index.

FRA supports a Defense budget at least 5 percent of the gross domestic product (GDP), that will adequately fund both people and weapons programs, and is concerned that the administration's spending plan is not enough to support both, particularly given the ongoing operational commitments associated with the new defense strategy. Further, spending on national defense as a percentage of GDP will be reduced, despite significant continued war-related expenses and extensive operational and national security commitments.

PREPARED STATEMENT

The Defense budget could actually shrink by more than 30 percent over the next decade, and the administration projects outlays of only 2.7 percent of GDP in 2021. That would be down from last year's 4.5 percent of GDP. That would be down—the 2021 outlays would be pre-World War II outlays. As recently as 1986, though, the United States has spent 6.2 percent of GDP on defense, with no real detrimental economic impact.

Again, thank you for allowing me to submit FRA's views to the subcommittee.

[The statement follows:]

PREPARED STATEMENT OF JOHN R. DAVIS

THE FLEET RESERVE ASSOCIATION

The Fleet Reserve Association (FRA) is the oldest and largest enlisted organization serving Active Duty, Reserves, retired, and veterans of the Navy, Marine Corps, and Coast Guard. It is congressionally chartered, recognized by the Department of Veterans Affairs (VA) as an accrediting Veteran Service Organization (VSO) for claim representation and entrusted to serve all veterans who seek its help. In 2007, FRA was selected for full membership on the National Veterans' Day Committee.

FRA was established in 1924 and its name is derived from the Navy's program for personnel transferring to the Fleet Reserve or Fleet Marine Corps Reserve after 20 or more years of active duty but less than 30 years for retirement purposes. During the required period of service in the Fleet Reserve, assigned personnel earn retainer pay and are subject to recall by the Navy.

FRA's mission is to act as the premier "watch dog" organization on Capitol Hill in maintaining and improving the quality of life for Sea Service personnel and their families. The Association also sponsors a National Americanism Essay Program and other recognition and relief programs. In addition, the FRA Education Foundation oversees the Association's scholarship program that presented awards totaling more than $120,000 to deserving students last year.

The Association is also a founding member of The Military Coalition (TMC), a consortium of more than 30 military and veteran's organizations. FRA hosts most TMC meetings and members of its staff serve in a number of TMC leadership roles.

FRA celebrated 87 years of service in November 2011. For nearly nine decades, dedication to its members has resulted in legislation enhancing quality-of-life programs for Sea Services personnel, other members of the uniformed services plus their families and survivors, while protecting their rights and privileges. CHAMPUS, (now TRICARE Standard) was an initiative of FRA, as was the Uniformed Services Survivor Benefit Plan (SBP). More recently, FRA led the way in reforming the REDUX Retirement Plan, obtaining targeted pay increases for mid-level enlisted personnel, and sea pay for junior enlisted sailors. FRA also played a leading role in advocating recently enacted predatory lending protections and absentee voting reform for servicemembers and their dependents.

FRA's motto is: "Loyalty, Protection, and Service."

CERTIFICATION OF NONRECEIPT OF FEDERAL FUNDS

Pursuant to the requirements of House Rule XI, the FRA has not received any Federal grant or contract during the current fiscal year or either of the 2 previous fiscal years.

INTRODUCTION

Mr. Chairman, the FRA salutes you, members of the subcommittee, and your staff for the strong and unwavering support of funding for programs essential to Active Duty, Reserve component, and retired members of the uniformed services, their families, and survivors. The subcommittee's work has greatly enhanced care and support for our wounded warriors and significantly improved military pay and other benefits and enhanced other personnel, retirement, and survivor programs. This support is critical in maintaining readiness and is invaluable to our uniformed services engaged throughout the world fighting the global War on Terror, sustaining other operational requirements and fulfilling commitments to those who've served in the past.

STOP DEPARTMENT OF DEFENSE SEQUESTRATION

As mandated by the 2011 Budget Control Act, failure of the Super Committee in 2011 to develop a bipartisan plan to contain the growth of the national debt will force implementation of "sequestration" in January 2013 unless the Congress intervenes. Failure to act will trigger across-the-board cuts with one-half coming from the defense budget. FRA agrees with Secretary of Defense Leon Panetta, who said these cuts "would do catastrophic damage to our military, hollowing out the force and degrading its ability to protect the country." Defense counts for 17 percent of the Federal budget but will receive 50 percent of the sequestration cuts.

With the American military out of Iraq and the conflict in Afghanistan winding down, some are suggesting the possibility of a "peace dividend." Although there have been victories in the War on Terror, there has been no peace treaty with terrorism and an additional $500 billion in defense cuts beyond the already-planned reductions over the next decade beginning in fiscal year 2013 could jeopardize essential funding of military pay and benefit programs, which would negatively impact recruiting, retention, and overall military readiness. For these reasons, FRA strongly supports the "Down Payment to Protect National Security Act" (S. 2065) sponsored by Senator Jon Kyl and a House bill (H.R. 3662) sponsored by the House Armed Services Committee (HASC) Chairman, Representative Howard P. "Buck" McKeon. These proposals would amend the Budget Control Act of 2011 by excluding the Department of Defense budget from the first year of sequestration (2013).

Less than 1 percent of the population is shouldering 100 percent of the burden of maintaining our national security, and the punitive funding reductions mandated

by sequestration would force major across-the-board cuts to all programs and could potentially threaten the all-volunteer force.

BUDGET DEVALUES MILITARY SERVICE

FRA's membership is especially concerned about the administration's proposed fiscal year 2013 budget which includes plans to drastically increase existing TRICARE Prime enrollment fees, implement new fees for TRICARE Standard and TRICARE-for-Life beneficiaries, and increase pharmacy co-pays. If authorized, fees would be tiered based on the beneficiary's retired pay. These increases are a major concern to the entire military retiree community and since mid-February that concern has prompted nearly 20,000 messages to Capitol Hill via FRA's Web site Action Center. Our members are also concerned that the budget calls for the fees to be adjusted annually based on healthcare inflation after fiscal year 2017.

As this statement is being written, the Senate Armed Services Committee has not marked up its version of the Fiscal Year 2013 Defense Authorization bill. The HASC version of the legislation (H.R. 4310) did not authorize the proposed healthcare fee increases for all military retirees—including TRICARE for Life (TFL) beneficiaries. The panel did, however, authorize higher pharmacy co-pays. In addition, future co-pay adjustments will be tied to the Consumer Price Index which is the basis of annual military retired pay adjustments and consistent with future TRICARE Prime enrollment fee adjustments that became effective this year. The legislation also authorizes a 5-year pilot program that would require TFL beneficiaries to use the mail-order, home delivery program rather than retail pharmacies for maintenance drugs, and beneficiaries could opt out of the program after 1 year. There would be no cost for prescriptions filled at military pharmacies.

The budget request also calls for a commission to study and propose changes to the military retirement system. This BRAC-like process would bypass the expertise of Senate and House committees and subcommittees and only allow the Congress an up-or-down vote on the commission's recommendations. All reservists responding to a recent (February 2012) FRA survey, and 97 percent of active duty participants ranked retirement benefits as a very important benefit. More than 1,000 current and former servicemembers participated in the survey. As the Congress considers plans to reduce DOD costs by revamping the military retirement program, that benefit is particularly relevant to Active Duty and Reserve component personnel. Many current servicemembers have expressed concern about the future of the retired pay and healthcare benefits they've been promised after they complete a career of military service. FRA appreciates Secretary of Defense Panetta assuring those currently serving that they will come under the current retirement system, but wonders why there is no similar commitment for those who served in the past?

The budget also requests an Active Duty and Reserve pay hike based on the Employment Cost Index of 1.7 percent in 2013, and only at that level in 2014 with capped pay adjustments below that index thereafter.

FRA supports a defense budget of at least 5 percent of GDP that will adequately fund both people and weapons programs, and is concerned that the administration's spending plan is not enough to support both, particularly given ongoing operational commitments associated with the new defense strategy.

Future spending on national defense as a percentage of GDP will be reduced despite significant continuing war related expenses and extensive operational and national security commitments. Wall Street Journal editorial writers noted, "Taken altogether, the (defense) budget could shrink by more than 30 percent in the next decade. The administration projects outlays at 2.7 percent of GDP in 2021, down from 4.5 percent last year (which included the cost of Iraq and Afghanistan). That would put U.S. outlays at 1940 levels—a bad year. As recently as 1986, a better year, the U.S. spent 6.2 percent of GDP on defense with no detrimental economic impact. What's different now? The growing entitlement state. The administration is making a political choice and sparing Social Security, Medicare and Medicaid, which are set to hit nearly 11 percent of GDP (without healthcare reform costs) by 2020."

Make no mistake about the importance of these entitlement programs; however, DOD and VA benefits are also important and essential to maintaining that all volunteer force and our national security.

TRICARE FEE INCREASES

Healthcare benefits are important to every segment of FRA's membership. The continued growth in healthcare costs is not just a military challenge but a challenge for the entire society. FRA believes that military service is a unique profession and notes minimal projected savings associated with DOD management efficiencies and other initiatives in fiscal year 2013 and beyond, while retirees are targeted for

major fee hikes. These proposals also follow the 13-percent military retiree TRICARE Prime increase imposed this year.

Our members are also very concerned about a proposed new TRICARE-for-Life (TFL) enrollment fee beginning in fiscal year 2013. This is viewed as another failure to honor commitments to those who served past careers in the military. These personnel have not benefited from the significant pay and benefit enhancements enacted since 2000.

The Association believes that military retirees have earned their TRICARE benefits with 20 or more years of arduous military service with low pay. As you know, many retirees believe that they were promised free healthcare for life.

FRA strongly opposes premium increases for TRICARE beneficiaries' based on healthcare inflation. The Consumer Price Index (CPI) is the basis for military retiree annual cost-of-living adjustments (COLAs), the purpose of which is to maintain purchasing power for the beneficiary. The Association strongly supports adequate funding of the Military Health Service (MHS) without the drastic fee increases and extreme pharmacy co-pays for all retirees proposed by the administration.

RETIREMENT COMMISSION

The administration proposed the creation of a BRAC-like commission to review and "reform" the current military retirement system. Numerous studies and commissions have focused on the military retirement as an opportunity to reduce overhead costs for the Pentagon. The latest is the Defense Business Board (DBB) proposal to replace the current system with a 401(k) plan similar to what corporations offer their employees. This concept has created significant anxiety in the career active duty community. An FRA online survey released last October resulted in strong opposition responses to proposals to "civilianize" the current military retirement system. More than 1,700 current and former servicemembers responded and nearly 95 percent believe retiree benefits offer the most appeal if they were joining today. More than 80 percent of Active Duty and Reserve component respondents said they'd shorten their term of service if retirement benefits were changed to conform with the recommendations.

FRA believes that military service is unlike any other career or occupation, and requires a unique retirement system. Career senior noncommissioned officers are the backbone of our military and their leadership and guidance are invaluable and a result of many years of training and experience.

WOUNDED WARRIORS

FRA believes post-traumatic stress should not be referred to as a "disorder". This terminology adds to the stigma of this condition, and the Association believes it is critical that the military do all it can to reduce the stigma associated with post-traumatic stress and traumatic brain injury.

FRA also believes the Armed Services and Veterans Affairs Committees should remain vigilant regarding their oversight responsibilities associated with ensuring a "seamless transition" for wounded warriors transitioning from DOD's MHS to the Department of Veterans Affairs (VA). FRA strongly supports efforts to create and adequately fund a Joint Virtual Lifetime Electronic Record (VLER) for every servicemember and believes this would be a major step toward the long-standing goal of a truly seamless transition from military to veteran status for all servicemembers and would permit a DOD, VA, or private healthcare provider immediate access to a veteran's health data.

According to Navy Times editors, "Even before sequestration takes effect budget cuts have impacted the Office of Wounded Warrior Care and Transition Policy with the elimination of 40 percent (44 positions) of the staff, and all 15 contract employees in the transition policy section that leaves only two full-time civilian employees."[1] Budget cuts have also resulted in the cancellation of the Virtual Transition Assistance Program Web site that was scheduled to replace the current Turbo TAP Web site. FRA is concerned that these cuts could negatively impact transitioning wounded warriors.

The Association also notes the importance of the Navy's Safe Harbor Program and the Marine Corps Wounded Warrior Regiment that are providing invaluable support for these personnel and recommends adequate funding to support these programs.

[1] "Navy Times" editorial, January 16, 2012, page 4.

SUICIDE RATES

Suicide in the military is a serious concern for FRA and the Association notes that active-duty suicides have been reduced or at least leveled off, but suicides for non-active-duty Reserve component personnel are increasing. "More than 2,000 servicemembers killed themselves in the past decade, including 295 in 2010 compared with 153 in 2001".[2]

In 2011, there were 51 Navy active-duty suicides and 7 Navy Reserve suicides which represents an increase from 39 active-duty suicides and 6 Reserve suicides in 2010. To reduce the suicide rate the Navy has implemented a multifaceted approach with communication, training, and command support, designed to reduce individual stress and strengthen psychological health of sailors. The Navy efforts fall within the scope of their broader family readiness programs and require adequate resources to sustain these efforts.

In 2011, there were 33 marine suicides and 171 failed suicide attempts. During the previous year, 37 marines committed suicide and there were 172 failed attempts. The marines have deployed peer-to-peer suicide prevention training and are working with the DOD Suicide Prevention Office to implement the recommendations of the DOD Joint Task Force on the Prevention of Suicide. Despite these initiatives, suicides continue and efforts to address the reasons for suicides must continue to be a top priority. FRA appreciates the provision in the Fiscal Year 2012 Defense Authorization Act that requires preseparation counseling for Reservists returning from successful deployments. In addition, FRA supports Representative Thomas Rooney's bill (H.R. 208) that authorizes reimbursement for mental health counseling under TRICARE and requests full funding to support this program if authorized.

COST-OF-LIVING ADJUSTMENTS

Under current law, military retired pay cost-of-living adjustments (COLAs) are rounded down to the next lowest $1. For many of these personnel, particularly enlisted retirees, their retired pay is sometimes the sole source of income for them and their dependents. Over time, the effect of rounding down can be substantial for these personnel and FRA supports a policy change to rounding up retiree COLAs to the next highest $1.

RESERVE EARLY RETIREMENT

A provision of the Fiscal Year 2008 National Defense Authorization Act reduces the Reserve retirement age requirement by 3 months for each cumulative 90-days ordered to active duty. This is effective upon the enactment of the legislation (January 28, 2008) and not retroactive to October 7, 2001, and the Association supports "The National Guardsmen and Reservists Parity for Patriots Act" (H.R. 181) sponsored by the House Personnel Subcommittee Chairman, Representative Joe Wilson, to authorize reservists mobilized since October 7, 2001, to receive credit in determining eligibility for receipt of early retired pay. Since September 11, 2001, the Reserve component has changed from a strategic Reserve to an operational Reserve that now plays a vital role in prosecuting the war efforts and other operational commitments. This has resulted in more frequent and longer deployments impacting individual reservist's careers. Changing the effective date of the Reserve early retirement would help partially offset lost salary increases, promotions, 401(k), and other benefit contributions. The Association urges support and funding for this important legislation.

RETENTION OF FINAL FULL MONTH'S RETIRED PAY

If authorized, FRA urges the subcommittee to provide funding to support the retention of the full final month's retired pay by the surviving spouse (or other designated survivor) of a military retiree for the month in which the member was alive for at least 24 hours. FRA strongly supports "The Military Retiree Survivor Comfort Act" (H.R. 493), introduced by Representative Walter Jones, which addresses this issue.

Current regulations require survivors of deceased Armed Forces retirees to return any retirement payment received in the month the retiree passes away or any subsequent month thereafter. Upon the demise of a retired servicemember in receipt of military retired pay, the surviving spouse is to notify DOD of the death. DOD's financial arm (DFAS) then stops payment on the retirement account, recalculates the final payment to cover only the days in the month the retiree was alive, forwards a check for those days to the surviving spouse (beneficiary) and, if not re-

[2] ABC News, "Rising Suicides Stump Military Leaders", September 27, 2011, Kristina Wong.

ported in a timely manner, recoups any payment(s) made covering periods subsequent to the retiree's death. The recouping is made without consideration of the survivor's financial status.

The measure is related to a similar VA policy. The Congress passed a law in 1996 that allows a surviving spouse to retain the veteran's disability and VA pension payments issued for the month of the veteran's death. FRA believes military retired pay should be no different.

CONCURRENT RECEIPT

FRA supports legislation authorizing and funding concurrent receipt of full military retired pay and veterans' disability compensation for all disabled retirees. The Association strongly supports Senate Majority Leader, Senator Harry Reid's "Retired Pay Restoration Act" (S. 344) and Representative Sanford Bishop's "Disabled Veterans Tax Termination Act" (H.R. 333). Both proposals would authorize comprehensive concurrent receipt reform, and Representative Gus Bilirakis's "Retired Pay Restoration Act" (H.R. 303) would authorize current receipt for retirees receiving concurrent retirement and disability pay (CRDP) with a disability rating of 50 percent or less.

FRA also strongly supports House Personnel Subcommittee Chairman Representative Joe Wilson's bill (H.R. 186), that expands concurrent receipt for servicemembers who were medically retired with less than 20 years of service (chapter 61 retirees) and would be phased-in over 5 years. This proposal mirrors the administration's proposal from the 110th Congress. In 2008, the Congress voted to expand eligibility for combat-related special compensation (CRSC) coverage to chapter 61 retirees and the proposed legislation would, in effect, extend eligibility for CRDP to all chapter 61 retirees over 5 years. A less costly improvement to pursue in an austere budget year would be fixing the so-called "glitch" for CRSC that result in compensation declining when the VA disability rating increases.

MILITARY RESALE SYSTEM

FRA strongly supports adequate funding for the Defense Commissary Agency (DeCA) to ensure access to the commissary benefit for all beneficiaries. Since 2000, DeCA's budget has remained flat in real dollars, meaning the agency has done more with less for the past 11 years.

The Association also strongly supports the military exchange systems (AAFES, NEXCOM, and MCX), and urges against revisiting the concept of consolidation. FRA instead urges a thorough review of the findings of an extensive and costly ($17 million) multiyear study which found that this is not a cost-effective approach to running these important systems.

CONCLUSION

FRA is grateful for the opportunity to provide these recommendations to this distinguished subcommittee.

Chairman INOUYE. I thank you very much, Mr. Davis, for your testimony, and we will most certainly look into the Lautenberg-Rubio bill. Thank you.

I thank this panel.

Now, the next panel consists of: Ms. Mary Hesdorffer, representing the Mesothelioma Applied Research Foundation; Mr. Stephen Isaacs, representing Aduro Biotech; Dr. Laurence Corash, representing Cerus Corporation; and Ms. Sharon Smith, representing the National Trauma Institute.

May I call upon Ms. Mary Hesdorffer.

STATEMENT OF MARY HESDORFFER, ARNP, MSN, MESOTHELIOMA APPLIED RESEARCH FOUNDATION

Ms. HESDORFFER. Chairman Inouye, Ranking Member Cochran, and members of the subcommittee: I really want to thank you again for allowing me to come before you to present our case on behalf of mesothelioma patients. I'm a nurse practitioner. I've been treating patients for more than 12 years with this disease, and I'd

like to share a little bit of information that I think is important for the Department of Defense.

Mesothelioma is directly related to asbestos exposure. It's an extremely rare disease. There's about 3,500 cases diagnosed per year. Of those 3,500 cases, one-third can be directly related to either Navy duty or working in shipyards. So we lose a tremendous amount of Navy vets to this disease. And it remains an active threat now because after exposure to asbestos the latency period can be anywhere from 10 to 50 years. So this remains a constant threat and something that we really need to do something about.

From the time of diagnosis, the average survival is documented as 6 to 9 months. We have one approved therapy and that's a drug combination, and that extends the median survival to 12.3 months.

I'd like to use a Navy vet who I'm very close to to give you an illustration of what the life of a mesothelioma patient is like. Tom Shikowski, who asked that I share his name and his story, was a sonar man. He worked as an underwater fire control technician on the USS *Fletcher*. He describes his situation as having spent 4 years in an asbestos cocoon on the Navy ship. He directly correlates his development of mesothelioma to his time served in the Navy.

Tom was faced with a tough decision. He could have chemotherapy and extend life to 12.3 months, or try something experimental, and the best experimental we have right now is what we call an extrapleural pneumonectomy, where we remove the entire lung, the lining of the lung, the lining of the mediastinum, which is the center of the chest, and the lining of the heart. The heart is then encased in a sack to keep it in place. Patients are subjected to chemotherapy and radiation therapy.

Yet this is not a cure, and in fact Tom, after having undergone this procedure, now faces a decision of what type of chemotherapy he's going to have for his fourth recurrence of the disease. Tom is out of options. He has one lung. It fills with fluid, and traveling for treatment becomes very difficult, especially in terms of having so few clinical trials to offer.

What we're asking today is that the subcommittee recognizes the need for mesothelioma and to spur research in this field. We'd like you to take this up as a critical national priority by providing at least $5 million in funding for mesothelioma research through the Congressionally Directed Medical Research Program for the fiscal year 2013 Defense appropriations bill, rather than the mere eligibility in the Peer-Reviewed Cancer Research Program. Mesothelioma needs to be designated as a specific line item. Mesothelioma patients, who have already risked their lives by serving in their country's armed services, do not have this time to wait.

PREPARED STATEMENT

I care deeply about my mesothelioma patients, the caregivers, and those people that have lost loved ones to this disease, and I really ask you to join me in caring deeply about this community as well and helping us to find a cure and to raise research dollars so others like Tom will not have to go through these devastating choices and will enjoy a better quality of life and extended survival.

Thank you so much.

[The statement follows:]

PREPARED STATEMENT OF MARY HESDORFFER, ARNP, MSN

Chairman Inouye, Ranking Member Cochran, and members of the subcommittee: Thank you for the opportunity to speak with you today to discuss mesothelioma, its connection to military service, and the desperate need for research. Your support is critical to our mission, and I look forward to continuing our relationship with this subcommittee.

My name is Mary Hesdorffer and I am a nurse practitioner that has worked with mesothelioma patients for over a decade. I am testifying on behalf of the Mesothelioma Applied Research Foundation and the Mesothelioma community composed of patients, physicians, caregivers, and family members. I would like to take this time to stress the importance of increased funding for the Congressionally Directed Medical Research Programs (CDMRP) which plays a critical role in finding and delivering treatments for mesothelioma.

Mesothelioma is an aggressive cancer known to be caused by exposure to asbestos. Doctors say it is among the most painful and fatal of cancers, as it invades the chest, abdomen, and heart, and crushes the lungs and vital organs. Mesothelioma disproportionately affects our service men and women, as one-third of mesothelioma cases have been shown to involve exposures in the Navy or working in our Nation's shipyards.

There are two types of mesothelioma—pleural and peritoneal. Patients with pleural mesothelioma, which affects the lining of the lungs, comprise 85 percent of the mesothelioma population and face a devastating survival time of only 9 months. Peritoneal affects the lining of the abdomen. The harsh reality for patients with advanced primary peritoneal cancer is a median survival time of 12.3 months; 5-year survivals are rare. Mesothelioma patients not only face a devastatingly short survival time, but also the harsh reality that there is only one Food and Drug Administration-approved treatment for mesothelioma. Often, the only option is surgery. I have dedicated my life to caring for these people, and I am here today to speak for the many patients that will never have the opportunity to speak for themselves and give testimony like this.

I am currently directing the care of a Navy veteran, Tom Shikoski. Tom joined the Navy directly out of high school, at the age of 18. He said "I always felt it was my duty as a citizen to serve my country." His primary duty was as a sonarman underwater fire control technician aboard the USS *Fletcher* DDE445. He spent most of his time below deck, in his words "a virtual asbestos cocoon". He is certain that he was exposed to asbestos in his 4 years on the USS *Fletcher*, although he was never informed about the dangers of asbestos.

Asbestos exposure among Navy personnel was widespread from the 1930s through the 1980s, and exposure to asbestos still occurred after the 1980s during ship repair, overhaul, and decommissioning. We have not yet seen the end of exposures to asbestos. Asbestos exposures have been reported among the troops in Iraq and Afghanistan. Soldiers in wars that extend into third-world countries, where asbestos use is increasing without stringent regulations, may also be at risk for exposure during tours of duty. Even low-dose, incidental exposures can cause mesothelioma. For all those who will develop mesothelioma as a result of these past or ongoing exposures, the only hope is that we will develop effective treatment.

Tom Shikoski had never even heard the word mesothelioma until his diagnosis. He never thought that his service to his country would come back to haunt him so many years later. His diagnosis came by accident. He had gone in for another procedure, and his doctor discovered fluid in his left lung. He had to undergo another surgery to drain over one liter of fluid from his lung, and 1 week later, he had the diagnosis of pleural mesothelioma. He found, through the help of a physician family friend, a mesothelioma specialist in Texas and had to travel across the country from his home in Michigan to see a mesothelioma expert. It was recommended that he have an extrapleural pneumonectomy, a surgical treatment to remove a lung, a portion of the diaphragm, the linings of the lungs, and heart. He then had 25 treatments of radiation, followed by 30 treatments of chemotherapy even though not more than 12 treatments are recommended due to the high risk of anaphylactic shock. Tom is willing to do anything to spend more time with his wife, children, and many grandchildren.

Patients take great risks to participate in clinical trials, but they feel the possibility of helping to find a better treatment is worth the risk. As peritoneal mesothelioma patient, Bonnie Anderson, said recently, "I knew if I was going to die from mesothelioma, I was going to put it to good use in a clinical trial."

There are brilliant researchers dedicated to mesothelioma. Biomarkers are being identified. Two of the most exciting areas in cancer research—gene therapy and biomarker discovery for early detection and treatment—look particularly promising in mesothelioma. The Mesothelioma Applied Research Foundation has made a significant investment, funding more than $7.6 million to support research in hopes of giving researchers the first seed grant they need to get started. We need the continued partnership with the Federal Government to develop the promising findings into effective treatments.

I will give you an example of how the support of the CDMRP has helped the promising research initiatives that are giving hope to mesothelioma patients:

—A vaccine is being developed that would induce an immune response against WT1, a tumor suppressor gene highly expressed in mesothelioma patients. A pilot trial was conducted in patients with mesothelioma to show that it is safe and immunogenic. The researcher was then funded by a 2009 CDMRP award. Today, a multisite clinical trial is being conducted on patients following definitive surgery.

It is efforts like these that give me faith. I am grateful for the Federal Government's investment in mesothelioma research, the discoveries being made due to the funding, and I want to see it continued and increased.

Mesothelioma is known to be caused by exposure to asbestos. We can not only document the Naval asbestos exposures over the course of the 20th century, but we have evidence that one-third of American mesothelioma patients were exposed while serving their country or working as civilians aboard Navy ships. The United States must take greater action to right this wrong and fund mesothelioma research.

The mesothelioma community urges the subcommittee to recognize mesothelioma as a critical national priority by providing at least $5 million in funding for mesothelioma research through the CDMRP in the fiscal year 2013 Defense appropriations bill. Rather than mere eligibility in the Peer-Reviewed Cancer Research Program, mesothelioma needs to be designated a specific line item. Mesothelioma patients who already risked their lives by serving in our Nation's armed services do not have the time to wait.

I look to the Defense appropriations subcommittee to provide continued leadership and hope to the people who develop this deadly cancer. You have the power to lead this battle against mesothelioma. Thank you for the opportunity to submit testimony and for funding the CDMRPs at the highest possible level so that patients receiving this deadly diagnosis of mesothelioma may someday survive.

Chairman INOUYE. As you know, we're constantly reminded of mesothelioma by television ads of law firms. But your suggestion, I think, has some merit. We'll look into it.

Ms. HESDORFFER. Thank you so much.

Chairman INOUYE. Thank you very much.

Now may I call upon Mr. Stephen Isaacs.

STATEMENT OF STEPHEN T. ISAACS, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, ADURO BIOTECH

Mr. ISAACS. Thank you and good morning, Chairman Inouye, Ranking Member Cochran, and members of the Defense subcommittee. It's truly an honor for me to testify before you today.

I'm the Chairman and CEO of Aduro Biotech from Berkeley, California, and we develop modern vaccines to both prevent and treat serious conditions such as cancer, infectious diseases, and a variety of bioterror pathogens. While these vaccines are primarily designed for civilian use, they also have a lot to offer to the military.

My purpose in testifying today is to briefly tell you about these new vaccine technologies that can make a big difference to the military and to make a few suggestions about the Peer-Reviewed Medical Research Program that we participate in and how the process can be improved.

No one knows better than your subcommittee that development of modern vaccines to support combat operations, to mitigate acts

of terrorism, and to provide new therapies for DOD-wide populations is a top priority for DOD. I think the past problems of a major U.S. Department of Health and Human Services (HHS) effort to develop a protective vaccine against anthrax really illustrates the complexity and difficulty of developing such vaccines.

But, fortunately, there's now a strategic opportunity to advance recent breakthroughs in vaccine technology, to develop both therapeutic and preventative vaccines. So briefly, the problem with many current vaccines is that they are attenuated or weakened pathogens and they're used to elicit an effective immune response, but these pathogens carry a risk of causing an infection. Another approach is to use so-called "killed vaccines", but these simply don't work as well.

To address this problem, my company, Aduro Biotech, has really developed a very novel platform technology that combines the safety of a killed vaccine with the efficacy of a live vaccine. Since 2002 we've raised and invested more than $83 million to the development of the Aduro vaccine platform technology, and we've made remarkable progress.

Aduro is currently conducting a phase two clinical trial to treat metastatic pancreatic cancer, and we will begin new trials on mesothelioma and glioblastoma within the next few months. We were recently competitively selected to participate in the peer-reviewed Prostate Cancer Research Program, and I thank you for your leadership in providing the Pentagon with the funds for this award. We strongly believe that we can make a difference in vaccine programs for the Army and the Navy as well.

In its medical research budget to the Congress, the Army notes that developing an effective malaria vaccine is a top priority, and the Navy notes that diseases that were once confined to remote areas of the world now have the capability to cross continents.

In our opinion, neither the Army nor the Navy have sufficient funds to conduct robust vaccine development programs that are clearly needed to deal with these threats. The main purpose of testifying is to say that the military could realize significant breakthroughs by competitively developing modern preventative and therapeutic vaccines, and I strongly urge your subcommittee to make it a top priority to give DOD adequate resources for robust vaccine development programs for our troops.

The other topic I'd like to briefly address is the process used by the Army to administer the DOD Congressionally Directed Medical Research Program that we believe can be improved. Here are a few of the issues. First, it's not always clear to us what DOD would like to fund. Is it innovative research or is it translational medicine?

Second, some topics that are listed as areas of interest are not funded at all. So in spite of high scores in these applications, no funding is received, and this is a huge waste of everybody's time for both the submitters and for the reviewers.

Finally, there is no path for resubmission of these applications, such as there is at the National Institutes of Health (NIH) and the Small Business Innovation Research (SBIR) program.

So, specifically, we respectfully submit our recommendations for improving the process, which are the following: first, consider limiting the use of congressionally directed medical research funds to

applied research; second, consider directing a specific percentage of the annual programs to small businesses; and finally, consider directing the Assistant Secretary of Defense for Health Affairs to submit a report on how DOD's peer-review process can be strengthened and approved.

PREPARED STATEMENT

So thank you very much for the opportunity to express my views about vaccine development that are really directed at solving important medical issues for our troops. And thanks to both of you for your interest in these programs and certainly for your service to our country.

Finally, I really do appreciate the opportunity to present today, and I invite you and other staff to come and visit Aduro the next time you're on the west coast.

Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF STEPHEN T. ISAACS

Chairman Inouye and Ranking Member Cochran, and members of the Defense subcommittee: It is an honor for me to testify before your subcommittee today.

I know that your subcommittee cares deeply about the health and welfare of the brave men and women who serve our Nation in the Armed Forces, and that your subcommittee has taken a leadership role in providing funds for health and biodefense research. My purpose today is to tell you about the new vaccine technologies like ours that can make a big difference to the military; and second, to make some suggestions about the Peer-Reviewed Medical Research Program in order to make it better for all who participate in it and to provide better value to the taxpayer.

I am Chairman and CEO of Aduro Biotech Incorporated in Berkeley, California. We are developing modern vaccines to both prevent and to treat serious diseases, and while these vaccines are designed for civilian use, they also offer tremendous capabilities to our Armed Forces. We team with other companies and nonprofit organizations to collaboratively develop the best vaccine technologies for specific purposes.

No one knows better than your subcommittee that development of modern vaccines to support combat operations, to mitigate acts of terrorism, and to provide new therapies for the Department of Defense (DOD)-wide population of military personnel and their dependents is a top priority for DOD. The past failure of a major Department of Health and Human Services (HHS)-supported program to develop a prophylactic (protective) anthrax vaccine illustrates the difficulty in developing modern vaccines. There is also now a strategic opportunity to advance recent breakthroughs in therapeutic vaccines to develop treatments for serious cancers and infectious diseases that affect our war fighters and their dependents—particularly for pancreatic cancer for which survival rates are very low—as well as infectious diseases that affect the military, such as malaria, and improve our defense against engineered biological threats.

Many current vaccines use small amounts of "attenuated" pathogens to elicit an effective immune response from the body. However, the use of attenuated microorganisms is often considered inappropriate due to potential risks that the live microbe itself may be harmful in some individuals and is out of the question for biodefense applications. An alternative is the use of "killed-vaccines" in which pathogens are completely inactivated and then used to produce an immune response without causing the severe effects of the disease; however, the efficacy of killed vaccines is often not as great as attenuated strains.

To address this problem, Aduro Biotech has developed novel live-attenuated double deleted (LADD) vaccines to target specific diseases, as well as a unique killed but metabolically active (KBMA) vaccine platform technology that combines the safety of a killed vaccine with efficacy similar to a live vaccine. Most recently, Aduro has developed a third vaccine platform in which the vaccine vector actually commits "suicide" within the body after stimulating a strong immune response ("Suicide Strains"). All three of these platforms stimulate the body's immune system by using a genetically modified form of the common bacteria Listeria monocytogenes as the platform. Promising work has been done by Aduro on selected LADD vaccines that

are excellent vaccine candidates in their own right and which require further development, some of which may also become more desirable if transitioned to KBMA or Suicide Strains. All three vaccine platforms are designed for the treatment of cancer, infectious disease, and protection against bioterror agents.

More than $83 million of private funds have been invested to date in development of Aduro's revolutionary LADD, KBMA, and Suicide Strain technologies. These approaches use advanced technology developed by Aduro to specifically and selectively block the ability of a vaccine organism to cause disease, yet preserve its ability to stimulate a robust immune response against selected pathogens or cancerous tumors. LADD, KBMA, and Suicide Strain vaccines can also be used as therapeutic agents used to treat cancers such as pancreatic, lung, and melanoma, and chronic infections such as human papilloma virus, malaria, and hepatitis B and C.

Remarkable progress has recently been made in treating pancreatic cancer. Aduro is currently conducting a Phase II clinical trial with a LADD vaccine to treat metastatic pancreatic cancer, and will begin new clinical trials on mesothelioma this summer and glioblastoma early next year.

We were recently competitively selected to participate in the Peer-Reviewed Prostate Cancer research program, and I am here to thank you for your leadership in providing the Pentagon the funds that allow companies like mine to competitively bring in the best new ideas and new technologies.

In its medical research budget to the Congress, the Army notes that developing an effective malaria vaccine is a top priority since "A highly effective vaccine would reduce or eliminate the use of anti-malarial drugs and would minimize the progression and impact of drug resistance to current/future drugs." In our opinion, the Army does not have sufficient malaria research funds to conduct a robust vaccine development program that it clearly needs. United States servicemembers are often deployed to regions endemic for malaria. Currently, a large contingent of U.S. forces is deployed in malarial regions in Southeast and Southwest Asia. Soldiers in today's military can be exposed to more than one malaria-endemic region prior to diagnosis. This presents new complexities for disease monitoring and prevention policy development.

In its medical research budget to the Congress, the Navy notes that diseases that may have once been confined to remote areas of the world now have the capability to swathe entire regions and to cross continents. United States expeditionary operational forces are especially susceptible due to their exposure to areas/regions of high risk and the potential for rapid, high-volume transmission among close quartered personnel. Enteric diseases are of special concern to the Navy and Marine Corps because of the high morbidity involved and the potential to infect a large number of personnel through contaminated food and water sources, especially in regions overseas where food handling, water supply, and waste disposal practices are questionable. Respiratory disease has been and will continue to be a main focus of military disease research and vaccine development. Viruses, bacteria, and parasites spread by arthropods (e.g., mosquitos, flies, fleas) are some of the most imminent threats to military forces abroad due to geographic risk factors and a general lack of effective vaccines and treatment. Emerging diseases also include new drug-resistant variants as well as new mutational strains of viral agents. In our opinion, the Navy does not have sufficient vaccine research funds to conduct a robust vaccine development program that it clearly needs to meet these requirements.

The main purpose of testifying before your subcommittee today is to tell you that the military could make some significant breakthroughs by competitively developing modern prophylactic and therapeutic vaccines to solve some of the more difficult challenges for ensuring the health of our Nation's Armed Forces. Understanding that we are in a very difficult budget climate, I strongly urge your subcommittee to make it a top priority to give DOD adequate resources for robust vaccine development programs for our troops as your subcommittee crafts annual appropriations bills.

The other topic I would like to briefly address today is the process used by the Army to administer the DOD Congressionally Directed Medical Research Program that we and others in our industry believe can be improved. Here are observations from our perspective:

—It is not clear to the investigators whether DOD would like to fund early innovative research or technology development, yet analysis of after-the-fact awards indicates a bias toward basic research even though solicitations seem to be inviting applied research proposals. The real-world funding gap, which should be the intent of the Senate's program, is in applied research not basic research.

—In some instances topics are listed in their contracting documents, review panels are formed for these topics, but in the subsequent review of industry proposals none of these grant applications are funded—even some with exception-

ally high scores. This seems to be a tremendous waste of everybody's time including the time of the reviewers.

—The review process seems to be a complete hit and miss; the quality of the review is highly variable and the comments are often not very helpful. Steps should be taken to ensure that the reviewers have a background in and understand the technology being reviewed.

—There is no path for resubmission and for addressing the reviewer's comments. Unlike other similar Federal programs, DOD does not allow for resubmissions. In contrast, National Institutes of Health (NIH), Small Business Innovation Research (SBIR), and Advanced Research Projects Agency-Energy (ARPA–E) do allow for at least one resubmission. The new reviewers are provided with the full review of the first submission and the investigator has one page to outline how the resubmission has been changed. We have had very good experience with resubmissions, which are the only form of dialogue between submitter and reviewer.

We believe that the following recommendations for improved management of the Peer-Reviewed Congressionally Directed Medical Research Programs would give DOD, the Congress, and the taxpayer better results:

—Consider limiting use of congressionally added medical research funds, particularly in the Peer-Reviewed Medical Research Program, to applied research rather that basic research.

—Consider directing a specific percentage of the annual programs to small businesses.

—Direct the Assistant Secretary of Defense for Health Affairs (ASD (HA)) submit a report to the Appropriations Committees of the House and Senate by January 31, 2013, on how DOD's peer-review process for the Congressionally Directed Medical Research Programs can be strengthened and improved. ASD (HA) should specifically examine the procedures used by the Department of Energy's ARPA–E that are efficient and consistently win praise from industry.

In closing, I would like to thank you for giving me the opportunity to express some priorities of vaccine development companies like mine on the possibilities for strategic breakthroughs in solving thorny medical issues for our troops through robust, competitive vaccine development programs.

I would also like to thank you, Chairman Inouye, for your lifetime of service to our Nation and to commend the other members of the subcommittee for your dedication to the welfare of the young men and women who so ably serve our Nation. I appreciate the opportunity to express my views to you today, and I invite any of the members or staff to come visit Aduro the next time you are on the west coast.

Chairman INOUYE. I thank you very much. Your study shows that vaccines can have an impact upon prostate cancer?

Mr. ISAACS. Well, we're working on that right now and we see a very strong impact in animal models that we've developed. And we've taken this on into human clinical trials in non-small-cell lung cancer and in pancreatic cancer. We hope to expand to mesothelioma as well.

Chairman INOUYE. I thank you very much.

May I now call upon Dr. Laurence Corash of the Cerus Corporation.

STATEMENT OF LAURENCE CORASH, M.D., CHIEF MEDICAL OFFICER, CERUS CORPORATION

Dr. CORASH. Thank you, Chairman Inouye and Ranking Member Cochran, members of the subcommittee, for the opportunity to testify about the safety of blood transfusion in the military. I'm a hematologist and I've spent 20 years researching ways to prevent transfusion-transmitted infections, first at the National Institutes of Health (NIH), then at the University of California as chief of laboratory medicine, and now at Cerus Corporation, and in my capacity as the industry representative for the U.S. Department of Health and Human Services (HHS) Advisory Committee on Blood Safety and Availability.

Blood transfusion is a fundamental component of healthcare. Patients assume that when blood is required it will be available and it will be safe. But this is not always the case. My interest in this problem began in the 1980s at the NIH and then at the University of California, when we saw our patients infected with a new disease via blood transfusion that we ultimately recognized as AIDS and the virus as HIV.

We now know, though, that this is not the only threat to the blood supply and it will not be the last threat. Our patients have experienced hepatitis B, hepatitis C, West Nile virus, and today they're facing dengue and bebizia, new pathogens that cause fatal and debilitating illnesses. There will be new pathogens in the future.

Improved donor testing has reduced the risk for some of these infections, but tests do not exist for all pathogens, and the blood supply remains vulnerable. Testing will always be inherently a reactive strategy against new pathogens. Improved donor testing has not solved the problem.

Soldiers on deployment are especially vulnerable to the problems of providing an adequate and safe blood supply for the military. As to adequacy, the military relies on its own donors, but many of these donors are disqualified due to travel related to deployment. Because blood products have a limited shelf life and require temperature control, it's not easy to transport blood to forward areas of deployment where they're critically required. As a result, the military must frequently rely on personnel to donate blood in forward areas of deployment, where it cannot be adequately tested, and this creates problems of safety due to exposure to unrecognized pathogens.

Today a solution exists to this problem. It's pathogen inactivation, treating donated blood to kill microbes. This is not a novel concept. We pasteurize milk and other intravenous medications are treated to sterilize them. However, pathogen inactivation of blood components has been a scientific challenge.

My colleagues and I started work on this technology years ago and in 1999 the subcommittee provided the first year of funding to advance this technology for the military, and we're grateful for this. In 2003 the technology from our company was licensed in Europe, and since that time 1 million blood components treated with this technology have been transfused.

In our country, the respiratory hurdles to pathogen inactivation have been challenging. But my focus today is on a modest step to improve safety for the military blood transfusion supply. The French military have solved the problem of adequacy and safety for plasma by creating a pathogen-inactivated freeze-dried plasma. This product has been used in Afghanistan since 2010. It can be stored for up to 2 years at room temperature and it's ready for use within 6 minutes.

The U.S. Army is aware of dried plasma, but without FDA agreement it cannot be used for U.S. troops. The clinical data from the French army support the use of this freeze-dried plasma, and the pathogen-inactivate plasma can be available to the U.S. military through a collaborative program with the French, at lower cost and more rapidly than other approaches.

PREPARED STATEMENT

Cerus asks that the subcommittee provide funding to support the licensure of this product and to encourage the FDA to define an expeditious pathway for licensure. This action is consistent with the 2009 recommendation by the Assistant Secretary for Health for implementation of pathogen inactivation of civilian blood components.

Chairman Inouye, thank you for the opportunity to testify and for your decades of service to our military and the Nation.

[The statement follows:]

PREPARED STATEMENT OF LAURENCE CORASH, M.D.

Chairman Inouye and Ranking Member Cochran, and members of the Defense subcommittee: Thank you for the opportunity to testify before your subcommittee today about improving blood safety.

I am the Chief Medical Officer for Cerus Corporation in Concord, California. In the 1980s, I was the director of a university hematology service in which a majority of our patients were infected by an unknown virus and developed a disease, we now call AIDS, but which no one knew existed at the time. There was no way to know at that time that blood being donated and transfused contained deadly pathogens that could kill people. Although many steps are taken today to reduce the risk of infection from donated blood, it is surprising and disappointing that for both civilian and military purposes there still remains no good way to prevent new and unknown emerging pathogens from entering the blood supply and no way to detect them prior to transfusion. Worse, if a terrorist organization were to engineer novel pathogens and introduce them into our Nation's blood supply, there is no mechanism for determining that they are in blood until you see the effects, when it is far too late. We had a close call with the anthrax event in which potential blood donors were unknowingly exposed.

There is a better way, and it's called "pathogen inactivation". This is not a novel concept as all other intravenous medications are sterilized. Unfortunately, our Nation has been slow to implement it, which is a Food and Drug Administration (FDA) issue. But we are also asking our military personnel, who maybe wounded in combat, to take blood-safety risks that are not necessary. I would like to bring this issue to your attention today, along with an interim solution for your consideration.

About 16 million units of whole blood were donated in the United States in 2006. Whole blood can be transfused directly or more commonly separated into its components:

—red cells;
—plasma; and
—platelets.

Most of the Nation's blood supply is handled by the American Red Cross and a small number of community blood-banks. The FDA regulates all blood bank operations.

Blood centers, which have tested for risks like hepatitis C and AIDS since the 1980s and 1990s, have added a number of new tests on donated blood in recent years to deal with emerging pathogens. However, more pathogens have shown up in the donor population as people travel more, climate change, and urbanization impact pathogen vectors, and bacterial pathogens become more resilient to antibiotics. Without FDA approved tests for many infectious risks, blood centers have steadily added new prohibitions for people wanting to give blood which reduce the donor pool significantly. In 2006, for example, 12.4 million people volunteered to donate blood but nearly 2.6 million were turned away during questionnaire screening. Donors may be rejected simply on the region of the world to which they travelled, but many of them could be qualified blood donors if adequate testing was possible or other safety measures were taken, such as pathogen inactivation.

The Department of Defense (DOD) is generally discouraged from relying on the domestic blood supply to support the military. The Armed Services Blood Program supplies blood for 1.3 million servicemembers and their families each year. Military personnel who were stationed in Europe for extended periods in the 1980s and 1990s are not allowed to donate blood, as a precaution against mad cow disease. Soldiers returning from Iraq and Afghanistan cannot donate blood for at least a year. As a consequence, a larger population of the military can no longer donate blood. Measures such as increasing blood recruitment efforts from military personnel in

training billets, from the DOD civilian workforce, and from military dependents may not be enough.

During recent operations in Iraq and Afghanistan, platelets were collected from U.S. military members and transfused with limited real-time testing. The U.S. Army Medical Command for example stated in a January 2008 news release that:

". . . field hospitals must rely on local personnel when treating someone who has suffered catastrophic injuries and needs a lot of blood quickly. At these times, an urgent call for blood donors is sent out and our men and women in uniform, already in a war zone, line up on-on the run to give blood."

As you can imagine, collecting blood in theater from deployed U.S. soldiers or civilians entails a significant risk of infection, because testing in theater is limited. Your subcommittee is aware of the incident where the British Government raised concerns about 18 of its troops and 6 civilians who received emergency blood transfusions from American personnel in Afghanistan without proper testing for infectious diseases.

As I indicated before, there is a better way to ensure blood transfusion safety, and it's called "pathogen inactivation". In fact, the Assistant Secretary for Health in the Department of Health and Human Services established a Federal pathogen inactivation task force in 2009 based on recommendations from its Advisory Committee on Blood Safety and Availability. I urge the Senate Appropriations Committee, through one of its other subcommittees, to look into the lack of progress that has been made at the Federal level to expedite pathogen inactivation technology to protect our national blood supply.

Cerus is a biotechnology company based in California founded in 1992 with the mission to develop technology for the inactivation of infectious microbes, including viruses, bacteria, and parasites, in blood components (platelets, plasma, and red cells) used for transfusion support of patients. We have a process for pathogen inactivation in blood using chemicals and ultraviolet light that prevents any organism from replicating. Cerus blood technology inactivates all infectious agents such as bacteria, viruses, and parasites in blood, whether you know they are there or not. We have spent more than $600 million developing the technology, of which less than 7 percent came from the Federal Government, and we have been on an agonizingly slow process toward FDA approval for its eventual use in the United States.

The technology is in use in Europe, Asia, Russia, the Middle East, and South America. The treated blood components have received national licensure as biologics in France, Germany, Switzerland, and Austria. To date more than 1 million therapeutic doses have been transfused in more than 100 blood centers in 16 countries. In France, more than 30,000 patients have received the platelet and plasma products. One Belgian blood center has used the technology for 9 years. The Swiss Regulatory Authority mandated use of the platelet technology in 2010. The French Armed Forces Blood Transfusion Service has used this technology to create dried plasma which has been used in Afghanistan to treat severely wounded personnel at the time of injury since 2010. Surveillance by the regulatory authorities in these countries has shown that the technology is safe and effective in routine use; and that it has prevented transfusion-transmitted infections. The red cell technology is entering Phase 3 clinical trials in Europe.

Cerus has received DOD funding to support the development of technology specific to the Army's blood transfusion requirements. The major portion of this funding has supported the red cell technology program that is now under discussion with FDA for design of Phase 3 clinical trials. Recently, Cerus became aware of the Army's interest in dried plasma as a means to improve outcomes for severely wounded personnel. However, the Army has communicated to Cerus the overwhelming task of taking this product through FDA regulatory approval.

The U.S. Army is aware of the French Armed Forces experience with the dried plasma product; and Cerus has discussed the use of data from the French Armed Forces clinical experience with the French Armed Forces Blood Service to support FDA licensure for the specific treatment of U.S. military personnel. Cerus believes that these data, in combination with the substantial European experience with this technology are relevant and sufficient to support licensure, but prior discussions with FDA have not resulted in a commitment to use these data. Cerus believes that there is a need for the pathogen inactivated dried plasma product and that this product can be made available to the U.S. Armed Forces through a collaborative manufacturing program with the French Armed Forces Blood Service. This approach would make this product available at lower cost and more rapidly than other approaches currently under consideration. Cerus requests the subcommittees recommend this initiative with expedited review by FDA which could improve the outcomes for military personnel with severe traumatic injuries.

The pathogen inactivation technology will also be of benefit to the civilian population especially for national disaster contingency planning when normal channels for blood donation, preparation, and transport may be disrupted by natural disasters or bioterrorism events.

Chairman Inouye, as a Medal of Honor winner who has personally witnessed the horrors of combat, I wanted to bring to your attention, and to the subcommittee, that through cooperation with the French military the Army can now take steps to expedite the availability of proven pathogen inactivation technology for the U.S. Armed Forces. That would mean that our soldiers and marines would have more blood supplies, faster treatment during the critical first moments after severe injuries, and improved safety during blood transfusions after being injured in combat.

I thank all the members of the subcommittee for allowing me this opportunity to testify today, and thank you for your decades of service to our military and to our Nation.

Chairman INOUYE. You've brought up a matter that's very personal to me because during the war I got about 30 transfusions. I just must have been lucky.

What was the situation in World War II? Was it this bad?

Dr. CORASH. Well, it was worse, of course, because transportation of blood in liquid format and even of plasma was extraordinarily difficult, and that meant that treatment could not be delivered close to the point of injury. We know now that the first 30 minutes are very critical for survival.

It's improved over the years by various measures, but we have not yet achieved the most optimal outcome. I think the French have really achieved this. The data from their experience in Afghanistan for salvage of these wounded personnel is quite impressive.

Chairman INOUYE. If you have any reading material on the French method, will you submit that, please?

Dr. CORASH. I'm sorry, Sir?

Chairman INOUYE. On the French method, if you have any reading material.

Dr. CORASH. Yes, I do. I can send you some publications that have been provided to me by the French military, and I work very actively with them.

Chairman INOUYE. Thank you very much.

May I now call upon Ms. Sharon Smith.

STATEMENT OF SHARON SMITH, EXECUTIVE DIRECTOR, NATIONAL TRAUMA INSTITUTE

Ms. SMITH. Thank you, Mr. Chairman and Ranking Member Cochran, for the opportunity to testify today to urge the subcommittee to invest a greater amount of DOD medical research funds into the primary conditions which kill our soldiers.

According to military trauma surgeons, noncompressible hemorrhage is the leading cause of death among combatants whose deaths are considered potentially survivable. This includes injuries to the neck, chest, abdomen, groin, and back, where a tourniquet or compression cannot be easily applied. The National Trauma Institute (NTI) believes an accelerated program of research into noncompressible hemorrhage will result in the first truly novel advances in treating this difficult problem, will save the lives of soldiers wounded in combat, and will have tremendous impact on civilian casualties and costs.

I'm executive director of the NTI, which is a nonprofit organization based in San Antonio, Texas, where so many of the military's

medical research assets are centralized. We were formed in 2006 by leaders of America's trauma organizations in response to frustration over lack of funding of trauma research. Our board of directors includes civilian, active duty, and retired military trauma surgeons, and we advocate and manage funds for trauma research and are a national coordinating center for those funds.

In a June 2011 letter, the Defense Health Board, which provides advice and recommendations to the DOD, cited an urgent need to improve the evidence base for trauma care, and further stated that, "Due to the lack of opportunities to perform randomized controlled trials on the battlefield, challenges arise in maintaining the best practice guidelines for the combat environment."

The board then recommended that the Department endorse high-priority medical research, development, testing, and evaluation (RDT&E) funding for improving battlefield trauma care. Further, individual members of the board have expressed grave concern that when the current combat mission ends no further military medical research progress will be made. A review of medical advances available to the combat medic has identified no significant changes during the period of relative peace from the end of the Vietnam War to September 11, 2011.

The challenge going forward is to fund medical research and development during peacetime, without the historical impetus afforded by active combat operations. A time of peace is an opportunity to make medical advances to ensure readiness for the next conflict or terrorist threat.

NTI has been invited to meet with the Defense Health Board later this month to explore how we together can address these concerns.

Military trauma surgeons agree that the major cause of death from combat wounds is hemorrhage. In recent conflicts, 21 percent of combat deaths were potentially survivable. In other words, more than 1,300 warriors wounded in Iraq and Afghanistan might have survived, but died because treatment strategies were lacking. More than 600 of these were due to noncompressible hemorrhage.

Currently there is no active intervention for noncompressible hemorrhage available to military medics, not even a method to detect whether the wounded warrior is bleeding internally and if so how much blood has been lost.

On the civilian front, trauma injury is responsible for more than 61 percent of the deaths of Americans between the ages of 1 to 44 every year, more than all forms of cancer, heart disease, HIV, liver disease, stroke, and diabetes combined. An American dies every 3 minutes due to trauma, and that's 170,000 deaths, in addition to 42 million injuries every year, making trauma the second most expensive healthcare problem facing the United States, with annual medical costs of $72 billion.

PREPARED STATEMENT

So NTI recommends that the Congress set aside a much larger portion of DOD medical research funding for the medical conditions which most seriously and severely injure, as well as kill, our soldiers, and in particular maintain or increase funding for non-

compressible hemorrhage, the leading cause of potentially survivable deaths of our soldiers.

So I thank you again for the opportunity to present our views.

[The statement follows:]

PREPARED STATEMENT OF SHARON SMITH

Mr. Chairman, Ranking Member Cochran, and members of the subcommittee: Thank you for the opportunity to testify today to urge the subcommittee to invest a greater amount of Department of Defense (DOD) medical research funds in the primary conditions which kill our soldiers. According to military medical officials, noncompressible hemorrhage is the leading cause of death among combatants whose deaths are considered "potentially survivable." The National Trauma Institute (NTI) believes an accelerated program of research into noncompressible hemorrhage will result in the first truly novel advances in treating this difficult problem, will save the lives of soldiers wounded in combat, and will have tremendous impact on civilian casualties and costs.

NTI is a nonprofit organization formed in 2006 by leaders of America's trauma organizations in response to frustration over lack of funding of trauma research. Our Board of Directors now includes 19 leading physicians totaling hundreds of years in treating traumatic injuries. Some of these physicians are active duty Army, Navy, and Air Force doctors in organizations such as the Army's Institute for Surgical Research in San Antonio, where NTI is based. Others are retired from the military after 20 plus years serving our Nation and are bringing the expertise gained in combat theaters to the civilian setting.

With the support and participation of the national trauma community, NTI advocates and manages funding for trauma research and is a national coordinating center for trauma research funding. In recent years, NTI issued two national calls for proposals and received a total of 177 pre-proposals from 32 States and the District of Columbia. After rigorous peer review, NTI awarded $3.9 million to 16 proposals involving 55 clinical investigators at 39 participating sites spread across 35 cities and 22 States nationally. Several of these studies are nearing completion. However, important as these studies are, they will barely begin to build the body of knowledge necessary for improved treatments and outcomes in the field of trauma in the United States.

DEFENSE HEALTH BOARD

As the subcommittee knows, the Defense Health Board is a Federal advisory committee which provides independent advice and recommendations on DOD healthcare issues including research to the Secretary of Defense. The Board, in a letter to the Honorable Jonathan Woodson, M.D., Assistant Secretary of Defense (Health Affairs) dated June 2011, cited "an urgent need to improve the evidence base for trauma care . . . due to the lack of opportunities to perform randomized controlled trials on the battlefield, challenges arise in maintaining . . . best practice guidelines for the combat environment." The DHB then recommended that the Department of Defense "endorse . . . high-priority medical Research, Development, Test and Evaluation (RDT&E) issues for improving battlefield trauma care."

Further, individual members of the Defense Health Board have expressed grave concern that when the current combat mission ends, no further military medical research progress will be made. The challenge going forward will be to provide the necessary support for medical research and development during peacetime, without the historical impetus afforded by active combat operations. A review of medical advances available to the Combat Medic has identified no significant changes during the period of relative peace from the end of the Vietnam War to September 11, 2001.[1]

A time of peace is an opportunity to make medical advancements to ensure readiness for the next conflict or terrorist threat. NTI will be visiting the Defense Health Board later this month to explore how our country can address these concerns.

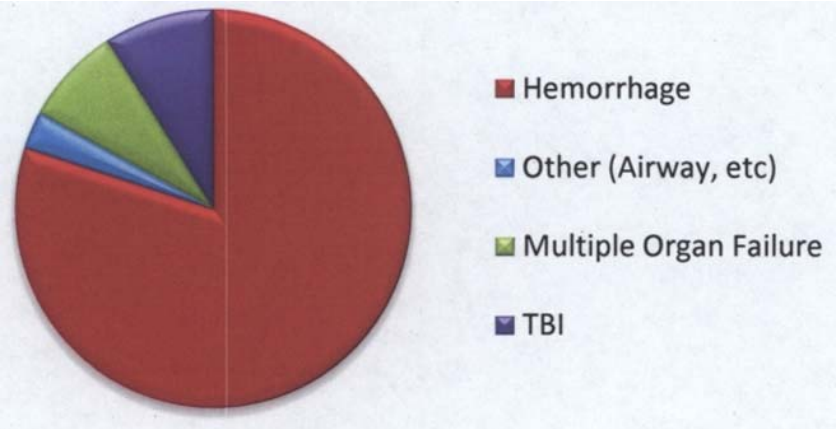
NONCOMPRESSIBLE HEMORRHAGE

According to military documents and officials, the major cause of death from combat wounds is hemorrhage. In recent conflicts, 21 percent of combat deaths have

[1] Blackborne, L.H.C. (2011) 1831. *The Army Department Medical Journal* April–June 2011, 6–10.

been judged to be potentially survivable.[2] In other words, more than 1,300 warriors wounded in Iraq or Afghanistan might have survived to come home to their loved ones, but didn't because treatment strategies were lacking. More than 1,100 (85 percent) of these deaths were due to hemorrhage, and 55 percent of these, more than 600 potentially survivable deaths, resulted from hemorrhage in regions of the body such as the neck, chest, abdomen, groin, and back that couldn't be treated by a tourniquet or compression.[2]

CAUSES OF POTENTIALLY SURVIVABLE DEATHS OPERATION IRAQI FREEDOM/OPERATION ENDURING FREEDOM



NTI commends the Congress for its attention to traumatic brain injuries and encourages a continuing focus on this potentially debilitating condition. Yet as the above chart shows, hemorrhage is a far more common killer of our soldiers, and hemorrhage has received relatively little funding.

Extremity wounds are amenable to compression to stop bleeding, and new tourniquets and hemostatic bandages have had a major impact on the decline in combat deaths due to extremity hemorrhage. But compression is rarely effective for penetrating wounds to the torso and major vessels can be damaged resulting in massive hemorrhage. At present, such wounds are normally only treatable through surgical intervention and typically such patients do not survive to reach the operating room.

Currently, there is no active intervention for noncompressible hemorrhage available to military medics, who along with civilian responders have only the tools their predecessors had in the early 20th century. There is not even a method to detect whether the wounded warrior is bleeding internally, and if so, how much blood has been lost. The current Tactical Combat Casualty Care guidelines for medics and corpsmen do not include strategies to stem bleeding from noncompressible hemorrhage because no solutions are available.[3] NTI hopes to decrease the mortality of severely injured patients suffering from torso hemorrhage. This can only be accomplished through research into the development of simple, rapid and field-expedient techniques which can be used by medics on the battlefield or first responders in a civilian context to detect and treat noncompressible hemorrhage. Examples of current NTI research in noncompressible hemorrhage include:

—The use of ultrasonography to measure the diameter of the vena cava to determine whether this will give an accurate indication of low blood volume.

—An observational study to determine the incidence and prevalence of clotting abnormalities in severely injured patients and to study the complex biology of proteins to better understand, predict, diagnose, and treat bleeding after trauma.

—Supplementation of hemorrhagic shock patients with vasopressin, a hormone needed to support high blood pressure. Vasopressin at high doses has been

[2] Eastridge, B.J., Hardin, M., Cantrell, J., Oetjen-Gerdes, L., Zubko, T., Mallak, C., Wade, C.E., Simmons, J., Mace, J., Mabry, R., Bolenbaucher, R., Blackbourne, L.H. (2011) Died of wounds on the battlefield: causation and implications for improving combat casualty care. J Trauma. 71 (1 Suppl): S4–8.

[3] (2009) Tactical Combat Casualty Care Guidelines. http://www.usaisr.amedd.army.mil/tccc/TCCC%20Guidelines%20091104.pdf. Accessed May 20, 2012.

shown to improve blood pressure, decrease blood loss and improve survival in animal models with lethal blood loss. This study investigates the use of vasopressin in trauma patients.

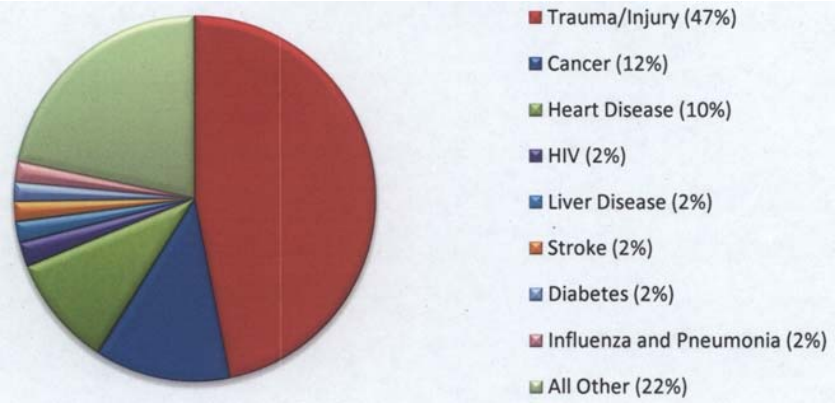
Another challenge in hemorrhage is resuscitation—the restoration of blood volume and pressure. Traditional resuscitation includes large volumes of intravenous fluids followed by blood and finally plasma. However, now this large intravenous fluid load is thought to worsen the trauma patient's coagulopathy (blood clotting problems), increasing bleeding. There is strong retrospective evidence that for patients requiring massive transfusion, a higher proportion of plasma and platelets, when compared to red cells, results in improved survival. Based on a 2004 research study,[4] the current Joint Theater Trauma Clinical Practice Guideline for Forward Surgical Teams and Combat Support Hospitals advocates a plasma, platelet, and red cell resuscitation regime in lieu of the standard intravenous fluids. Currently, there is no blood substitute available for in-theater use. The Army Medical Department/USA Institute of Surgical Research is working on a freeze-dried plasma solution; however, this product has not yet received FDA approval. Remarkably, current treatments used by military medics for restoration of blood volume are very similar to those originally used in 1831 when saline was first given as an intravenous fluid to cholera patients.[1]

Noncompressible hemorrhage is just one example of advances in research that can be applied to both military and civilian casualties. Many of the problems associated with hemorrhage of all kinds are potentially solvable and are transferable between military and civilian trauma care. The funding recommended by NTI could have a dramatic impact on civilian mortality in the United States as hemorrhage is responsible for 30 to 40 percent of deaths following a traumatic injury to civilians.[5]

IMPACT OF TRAUMA ON UNITED STATES CIVILIANS

Traumatic injury is the cause of death of nearly every soldier in combat. On the civilian front, trauma/injury is responsible for more than 61 percent of the deaths of Americans between the ages of 1 and 44 each year.[6] That's more than all forms of cancer, heart disease, HIV, liver disease, stroke, and diabetes combined. An American dies every 3 minutes due to trauma. That's 170,000 deaths in addition to 42 million injuries every year.[6]

TOP CAUSES OF DEATH IN 2009: 1–44 YEARS



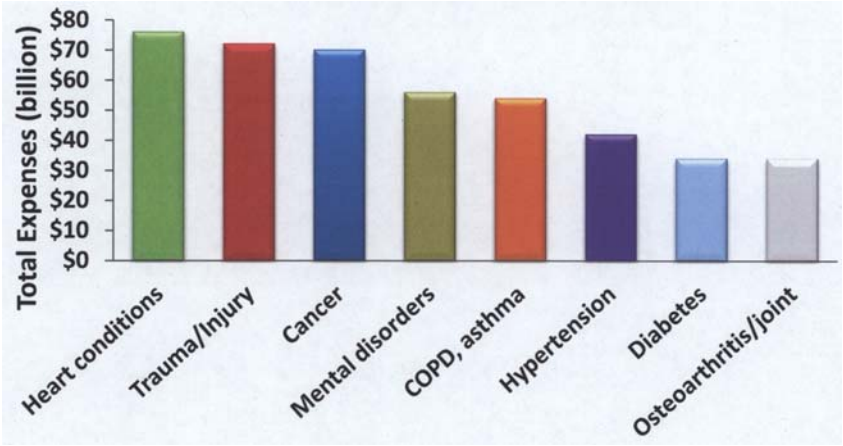
[4] Holcomb, J.B., Jenkins, D., Rhee, P., Johannigman, J., Mahoney, P., Mehta, S., Cox, E.D., Gehrke, M.J., Beilman, G.J., Schreiber, M., Flaherty, S.F., Grathwohl, K.W., Spinella, P.C., Perkins, J.G., Beekley, A.C., McMullin, N.R., Park, M.S., Gonzalez, E.A., Wade, C.E., Dubick, M.A., Schwab, C.W., Moore, F.A., Champion, H.R., Hoyt, D.B., and Hess, J.R. (2007) Damage Control Resuscitation: Directly Addressing the Early Coagulopathy of Trauma. *The Journal of Trauma* 62, 307–310.

[5] Holcomb, J.B. (2010) Optimal Use of Blood Products in Severely Injured Trauma Patients. *Hematology*, 465–469.

[6] CDC (2006) Centers for Disease Control/WISQARS. http://webappa.cdc.gov/sasweb/ncipc/mortrate10_sy.html. Accessed March 16, 2012.

Trauma is the second most expensive public health problem facing the United States. Data from the Agency for Healthcare Research and Quality (AHRQ) on the ten most expensive health conditions puts the annual medical costs from trauma at $72 billion, second only to heart conditions at $76 billion, and ahead of cancer and all other diseases.[7] The National Safety Council estimates the true economic burden to be more than $690 billion per year, since trauma has an ongoing cost to society due to disability, and is the leading cause of years of productive life lost.[8]

EIGHT MOST EXPENSIVE HEALTH CONDITIONS IN THE UNITED STATES



DEPARTMENT OF DEFENSE MEDICAL RESEARCH FUNDING

For fiscal year 2012, the Congress added more than $600 million to the President's budget request for DOD medical research funding. While very significant, this sum is considerably less than that appropriated just 2 years prior, when the Congress added more than $1 billion for DOD medical research. However, roughly 60 percent of the fiscal year 2012 funding the Congress added was not directed to those conditions such as hemorrhage which are common battlefield injuries and most severely impact our troops. NTI greatly appreciates the subcommittee's attention to traumatic brain injury and psychological health. NTI urges that the Congress set aside equivalent sums for improvements in treating other lethal or disabling battlefield injuries.

RESEARCH WORKS

It has been proven repeatedly that medical research saves lives. For instance, in 1950 a diagnosis of leukemia was tantamount to a death sentence. Research led to chemotherapy treatments in the 1950s and bone marrow transplantations in the 1970s. A substantial investment in research has led to safer and more effective treatments, and today there is a 90-percent survival rate for leukemia.[9] Another example is breast cancer. Thirty years ago only 74 percent of women who were diagnosed before the breast cancer spread lived for another 5 years. Due to research into early detection, chemotherapy and pharmaceuticals, the 5-year comparable survival rate for breast cancer is now 98 percent.[10]

Fifty years of dedicated research into proper diagnosis and treatment of leukemia has led to an 80-percent reduction in the death rate. Imagine even a 5 percent re-

[7] AHRQ (2008) Big Money: Cost of 10 Most Expensive Health Conditions Near $500 Billion. Agency for Healthcare Research and Quality http://www.ahrq.gov/news/nn/nn012308.htm. Accessed May 2, 2012.

[8] NSC (2011) Summary from Injury Facts, 2011 Edition. National Safety Council http://www.nsc.org/news__resources/injury__and__death__statistics/Documents/Summary%202011.pdf. Accessed March 16, 2011.

[9] (2011) Research Successes. Leukemia and Lymphoma Society http://www.lls.org/#/aboutlls/researchsuccesses/. Accessed May 20, 2012.

[10] (2011) Our Work. Susan G. Komen For the Cure http://ww5.komen.org/AboutUs/OurWork.html. Accessed May 20, 2012.

duction in trauma deaths and economic burden—this could save the United States $35 billion, save almost 9,000 lives every year, and significantly reduce the extent of disability of those who do survive a traumatic event.

Recommendation.—NTI recommends that the Congress set aside a much larger portion of DOD medical research funding for the medical conditions which most severely injure as well as kill our soldiers and in particular maintain or increase funding for noncompressible hemorrhage—the leading cause of potentially survivable deaths of our soldiers.

Chairman INOUYE. I can assure you that we will discuss this matter with DOD to see if they cannot increase funding. Thank you very much.

Now the final panel. We have: Rear Admiral Casey Coane, representing the Association of the United States Navy; Dr. Andrew Pollak, representing the American Association of Orthopedic Surgeons; Mr. Mark Haubner, representing the Arthritis Foundation; and Dr. Remington Nevin, representing the mefloquine research.

May I call upon Admiral Coane.

STATEMENT OF REAR ADMIRAL CASEY COANE, U.S. NAVY (RETIRED), EXECUTIVE DIRECTOR, ASSOCIATION FOR THE UNITED STATES NAVY

Admiral COANE. Chairman Inouye and Ranking Member Cochran: It's good to be with you again this year. On behalf of the Association of the United States Navy (AUSN) and our thousands of members, we thank you and the committee for the work that you do in support of our Navy, retirees and veterans, as well as their families. Your hard work has allowed significant progress in adequately funding our Nation's military that has also left a lasting impact on national security.

AUSN recognizes the difficulties ahead in your obligation to abide by the Budget Control Act of 2011, while adequately funding and providing for our Nation's defense. Our top concerns with defense appropriations include the proposed TRICARE increases, Navy shipbuilding, and adequately funding the National Guard and Reserve equipment account for the Navy Reserve component. I'll make a brief comment about each and refer your staff to our written testimony for details.

Regarding TRICARE, AUSN accepts proposed increases in pharmacy copays right now as reasonable, but urges the Congress to reject any new fees and any increase in TRICARE Prime fees that exceeds the cost-of-living adjustment (COLA)-based standard established just last year in the Defense Authorization Act.

If we were here discussing changing the age requirements for social security, there isn't a person in this room who wouldn't agree that we must grandfather current recipients who planned for their retirement under the current rule set. The Defense Department extends no such consideration to those already retired. In fact, the lion's share of proposed fee increases applies only to retirees.

AUSN supports legislation to protect the armed service retirees from proposed increases to their TRICARE coverage, such as S. 3203, the Military Health Care Protection Act of 2012, which was introduced bipartisanly by Senators Frank R. Lautenberg and Marco Rubio.

Senators, our Navy is stretched thin today. In this decade of war our Navy, while the budget has gone up, has gotten only smaller. Right now the budget calls for fewer ships. Deployments are

lengthening today. We just had a ship return from, instead of a 6-month deployment, a 10-month wartime deployment, and we just sent one on a 10-month deployment last month. This directly impacts families. As I said, the proposed budget calls for fewer ships.

As the Army and Marine Corps return from Afghanistan, the Navy's mission will not decrease. In fact, the President has directed in his January strategic guidance increased efforts in the Pacific.

Therefore, AUSN urges the Senate Appropriations Committee to restore planned cuts to the *Virginia*-class submarine, to restore 4 of the 7 cruisers now scheduled for early retirement. This is both necessary to the Navy's mission and cost-effective for the taxpayer.

Turning to the Reserve component, Senator Cochran, you and I discussed at this hearing last year the Navy's C–48 transport aircraft. It's a program of record calling for 17 aircraft to replace seriously aging C–9B's. Now, in keeping with the Pentagon's thoughts about unfunded lists, the Navy Reserve didn't ask for an airplane this year, and yet the program of record stands. Fourteen have been bought to this date of the 17. Some have been bought with National Guard and Reserve equipment moneys, which is the right place for that, in the Reserve component.

PREPARED STATEMENT

The Navy cannot do without this airlift capacity, and each year that the less capable and far more expensive to operate C–9s remain, the taxpayers lose. There are no C–40s, as I said, in the fiscal year 2013 budget. AUSN urges the addition of at least one, funded through the National Guard and Reserve Equipment Account (NGREA), this year.

That concludes my testimony, subject to your questions.

[The statement follows:]

PREPARED STATEMENT OF REAR ADMIRAL CASEY COANE

THE ASSOCIATION OF THE UNITED STATES NAVY

The Association of the United States Navy (AUSN) continues its mission as the premier advocate for our Nation's sailors and veterans alike. Formerly known as the Naval Reserve Association, which traces its roots back to 1954, AUSN was formally established on May 19, 2009, to expand its focus on the entire Navy. AUSN works for not only our members, but the Navy and veteran community overall by promoting the Department of the Navy's interest, encouraging professional development of officers and enlisted, and educating the public and political bodies regarding the Nation's welfare and security.

AUSN prides itself on personal career assistance to its members and successful legislative activity on Capitol Hill regarding equipment and personnel issues. The Association actively represents our members by participating in the most distinguished groups protecting the rights of military personnel. AUSN is a member of The Military Coalition, a group of 34 associations with a strong history of advocating for the rights and benefits of military personnel, active and retired. AUSN is also a member of the National Military Veterans Alliance and an associate member of the Veterans Day National Committee of the Department of Veterans' Affairs (VA).

AUSN's members are Active Duty, Reserve and veterans from all 50 States, U.S. territories, Europe, and Asia. AUSN has 81 chapters across the country. Of our 18,000 members, approximately 95 percent are veterans. Our national headquarters is located at 1619 King Street, Alexandria, Virginia, and we can be reached at 703–548–5800.

SUMMARY

Chairmen Inouye, Ranking Member Cochran, and members of the Senate Appropriations Committee, Subcommittee on Defense: AUSN thanks you and your Committee for the work that you do in support of our Navy, retirees, and veterans as well as their families. Your hard work has allowed significant progress in adequately funding our Nation's military that has also left a lasting impact on our national security.

Last year alone, in the Department of Defense (DOD) Appropriations Act of 2012, AUSN was pleased to see that the Congress funded Navy Military personnel at $26.8 billion; Marine Corps military personnel at $13.6 billion; Navy Reserve personnel at $1.9 billion; and Marine Corps Reserve personnel at $644 million. In addition, AUSN was pleased to see $14.9 billion appropriated for Navy Shipbuilding and Conversion; $32.5 billion for the Defense Health Program; and record amounts of National Guard and Reserve Equipment Account (NGREA) funding at $1 billion, of which $75 million was appropriated for the Navy Reserve.

As part of a larger military and veteran community, AUSN recognizes that there are many challenges ahead, especially with the release of the President's fiscal year 2013 budget request this past February and his Strategic Guidance earlier this past January. Of great concern amongst our membership, as well as the Navy and military community, are the increases in TRICARE rates and enrollment fees in DOD's budget request. AUSN believes that such changes must be done in accordance with what is right for our military and veterans given the promises that were made when they signed up to serve their country, and especially with those retirees who have already served and whom these changes effect even more. The impact this will also have upon future recruitment and retention within the military should also be taken into consideration as this subcommittee begins appropriating funds for the various essential DOD programs our servicemembers rely on.

Similarly, AUSN is concerned with the heavy cuts that appear to be disproportionately allocated to DOD. DOD requested, in the President's budget request, $614 billion for fiscal year 2013, which reduces $487 billion from its projected spending over the next decade. In the President's Strategic Guidance, released on January 3, 2012, it states that, "we will of necessity rebalance toward the Asia-Pacific region"; however, the proposed decommissioning of seven older cruisers (six of which had been scheduled for modernization), delaying the *Ohio*-class submarine (SSBN–X) replacement program by 2 years, build two fewer littoral combat ships (LCS) over the next 5 years (one from each variant builder), building only one *Virginia*-class submarine (SSN) in 2014 and delay it to 2018, and the reduction of the joint high speed vessel (JHSV) from 18 to 10 found in the President's budget seems counter intuitive to this new strategy.

The overarching, long-term, concerns with the proposed DOD budget cuts that the AUSN has is that DOD is already requesting $614 billion for fiscal year 2013, already trimming down $487 billion from its projected spending over the next decade. However, after the failure of the Joint Committee on Deficit Reduction, or "Super Committee", failing to find the savings as mandated by the Budget Control Act of 2011 (BCA), come January 2013, the "sequestration" mechanism would be triggered that would automatically slash an additional $450–$500 billion from the military's budget by fiscal year 2021. As a result of such drastic cuts, Secretary of Defense Leon Panetta has already stated, in a letter to Senators McCain and Graham last fall, that sequestration represents a reduction of nearly 20 percent in DOD funding over the next 10 years with reductions at this level meaning the smallest Navy since before World War II, potential termination of the Joint Strike Fighter (JSF) program, delay of the next-generation ballistic missile submarine and cuts to our existing sub fleet as well as the cancellation of the LCS program.

AUSN is working with other Military and Veteran Service Organizations to address these concerns, but in regards to Defense appropriations, our focus is on the Military Healthcare System (MHS) that is crucial to our military personnel and the Navy's Equipment/Procurement needs that is vital to our national security.

MILITARY HEALTHCARE SYSTEM FUNDING

AUSN was pleased to hear that the President's budget request included $32.5 billion for the Defense Health Program (DHP), which was the same level enacted for fiscal year 2012. However, for the DOD's unified medical budget, which includes DHP, the President's budget request included $48.7 billion, which is a reduction of $4.1 billion from the fiscal year 2012 enacted level of $52.8 billion. The reduction primarily comes out of the Health Care Accrual Program which includes healthcare contributions of the Medicare-Eligible Retiree Health Care Fund to provide for the future costs of our personnel currently serving on Active Duty and their family

members when they retire. AUSN stresses the importance of adequately funding the MHS and ensure that changes, like those proposed in the President's budget request, aren't burdensome to our military.

TRICARE

The administration's fiscal year 2013 budget request implements numerous changes to the existing MHS, which is utilized by more than 9.6 million beneficiaries which include active military member, their families, military retirees and their families, dependent survivors and certain eligible Reserve component members and their families. Changes include increases to TRICARE Prime Enrollment fees. Last year, finally acknowledging the Congress's long-standing concerns about the inappropriateness of dramatic increases in beneficiary fees, the administration proposed a 13-percent increase in TRICARE Prime fees. In the absence of congressional objection, the increase was implemented as of October 1, 2011. However, the new proposal for fiscal year 2013 through fiscal year 2017 is a dramatic departure, proposing to triple or quadruple fees over the next 5 years (for example $520 across the board retired pay levels for fiscal year 2012 to $600/$720/$820 tiered across the retired pay levels for fiscal year 2013 to $893/$1,523/$2,048 by fiscal year 2017). AUSN urges the Congress to reject any increase in TRICARE Prime fees that exceeds the cost-of-living adjustment (COLA)-based standard established in the Fiscal Year 2012 Defense Authorization Act.

In addition, the fiscal year 2013 budget request institutes an annual TRICARE Standard Enrollment fee to be phased in over a 5-year period and then indexed to increases in National Health Expenditures (NHE) after fiscal year 2017 (for example $0 in fiscal year 2012 to $70 in fiscal year 2013 for individuals and $0 in fiscal year 2012 to $140 for families). The deductibles for TRICARE Standard would also increase from $150 in fiscal year 2012 to $160 in fiscal year 2013 for individuals and from $300 in fiscal year 2012 to $320 in fiscal year 2013 for families. TRICARE for Life (TFL) would also see an implementation of enrollment fees for all three tiers going from $0 for all three for fiscal year 2012 to $35 for tier 1, $75 for tier 2 and $115 for tier 3 for fiscal year 2013. In total, the fiscal year 2013 budget request contains $48.7 billion for the entire DOD unified medical budget to support the MHS, which is a difference of $4.1 billion less than the $52.8 billion that was enacted for fiscal year 2012.

These proposed increases, which require congressional approval, are part of the Pentagon's plan to cut $487 billion in spending and seeks to save $1.8 billion from the TRICARE system in the fiscal year 2013 budget, and $12.9 billion by 2017. These rate increases amount to an overall change of 30-percent to 78-percent increase in TRICARE premiums for the first year and explodes for a 5-year span increase of 94 percent to 345 percent, more than three times current levels!

AUSN, our membership and the military and veteran community continue to oppose the establishment of any new fees where there are none now (such as the enrollment fees for TFL or TRICARE Standard). Our veterans should get guaranteed access for an enrollment fee which is not always the case for those that rely on TFL or TRICARE Standard where many can't find doctors to see them. Where a flat fee exists now (which DOD is trying to dramatically increase and then index to health cost growth), we assert that the same rules should apply to those that the Congress applied to the Prime enrollment fee in the fiscal year 2012 NDAA . . . they should be tied to COLA and not health cost growth.

These changes in the fiscal year 2013 budget request raise concerns amongst the military community about the impact this will have on recruiting and maintaining a high quality all volunteer military force. These benefits have been instrumental in recruiting qualified service men and women and keeping them in uniform.

PENDING LEGISLATION AND APPROPRIATIONS

AUSN was happy to see that the House Appropriations Committee, Subcommittee on Defense completed its markup in mid-May and included $32.9 billion for DHP, which is $333.5 million more than the President's budget request, and $380.2 million more than the amount appropriated for fiscal year 2012. The markup also includes $2.3 billion for family support and advocacy programs. Increases above the request include:

—$246 million for cancer research;
—$245 million for medical facility and equipment upgrades;
—$125 million for traumatic brain injury and psychological health research; and
—$20 million for suicide prevention outreach programs.

AUSN is supportive of these funding levels within the DHP to our military. In addition, AUSN supports legislation to protect armed service retirees from proposed

increases to their TRICARE coverage such as S. 3203, the Military Healthcare Protection Act of 2012, which was introduced bipartisanly by Senators Frank Lautenberg (D-NJ) and Marco Rubio (R-FL). This bill recognizes the sacrifices made over a 20- or 30-year military career to retirees and seeks to limit the proposed changes in TRICARE.

NAVY EQUIPMENT/PROCUREMENT

The President's fiscal year 2013 budget request included $43.9 billion for Navy and Marine Corps equipment funding. This is a decrease of $2.3 billion below the amount enacted for fiscal year 2012 (5-percent decrease). This includes, within the fiscal year 2013 budget request for the Navy, the proposed decommissioning of seven older cruisers (six of which had been scheduled for modernization), delaying the *Ohio*-class submarine (SSBN–X) replacement program by 2 years, build two fewer littoral combat ships (LCS) over the next 5 years (one from each variant builder), and build only one *Virginia*-class submarine (SSN) in 2014 and delay it to 2018. AUSN is concerned that these funding level decisions are being driven by budget, rather than strategy, and that the Navy procurement levels do not reflect the needs of a strong forward presence, especially in the hostile regions of the Asia-Pacific Theater.

NAVY SHIPBUILDING AND CONVERSION

As the Congress proceeds with consideration of the fiscal year 2013 Defense appropriations bill, it is important that the appropriated funding levels for Navy equipment meet the needs of our Navy as recommended by the President's Strategic Guidance released this past January. In the Strategic Guidance, the Administration highlights that, "we will of necessity rebalance toward the Asia-Pacific region . . . [providing] security in the broader Indian Ocean region." Yet the proposed cuts to Navy platforms in the President's budget request are alarming in that with this refocus in strategy, and the Navy's goal of a 300-plus fleet, appear to hamper this strategy and reduce our Navy's capability, making any attempt to deter hostilities in the Pacific very difficult.

Last year, in the Consolidated Appropriations Act for fiscal year 2012, the Navy was appropriated $14.9 billion for Navy Shipbuilding and Conversion. Of that, for the Advanced Procurement (AP) for the Carrier Replacement Program (AP), $554.7 million, for the *Virginia*-class submarine, $3.2 billion, for the *Virginia*-class submarine (AP), $1.5 billion, for the DDG–1000 Program, $453.7 million, or the DDG–51 Destroyer, $2.0 billion, for the DDG–51 Destroyer (AP), $100.7 million, for the LCS, $1.8 billion and for the joint high speed vessel (JHSV), $372.3 million. Along with the ship cuts in the President's fiscal year 2013 budget request, this year's request for shipbuilding and conversion had dramatic cuts in funding levels from the fiscal year 2012 enacted legislation. The fiscal year 2013 budget request includes a total of $13.6 billion for Navy shipbuilding and conversion (a reduction of $1.3 billion). Of that, for the Carrier Replacement Program, $608.1 million (an increase of $53.4 million), for the *Virginia*-class submarine, $3.2 billion, for the *Virginia*-class submarine (AP), $875 million (a decrease of $625 million), for the DDG–1000 program, $669.2 million (an increase in $215.5 million), for the DDG–51 Destroyer, $3 billion (an increase of $1 billion), for the DDG–51 Destroyer (AP), $466.3 million (an increase of $365.6 million), for the LCS, $1.8 billion, and for the JHSV, $189.2 million (a decrease of $183.1 million).

Although AUSN was pleased to see funding increases between the fiscal year 2012 enacted level and the fiscal year 2013 budget request in some areas, AUSN was alarmed by some of the other drastic reductions, especially in the Future Years Defense Program (FYDP) funding levels, and its effects upon the capability of our Navy to forward project our forces and deter hostilities as required in the President's Strategic Guidance of January 2013.

NAVY RESERVE NATIONAL GUARD AND RESERVE EQUIPMENT ACCOUNT FUNDING

AUSN was pleased last year when the fiscal year 2012 enacted levels for National Guard and Reserve Equipment Account (NGREA) were in historic amounts of $1 billion, of which the Navy Reserve received $75 million. Given the requirements set forth in the annual National Guard and Reserve Equipment Report (NGRER), AUSN would like to see the funding levels for the Navy Reserve increase to match their needs and priorities. With more than 6,000 mobilized or deployed Navy Reserve sailors, providing about one-half of the Navy's ground forces in the Central Command and in other critical roles worldwide, equipping the compatibility with the Active component (AC) is quite the challenge. Equipment in the Navy Reserve is experiencing a service life of more than 20 years for many platforms, adding

sustainment and interoperability challenges in preparing Reserve units to train and deploy mission-ready in support of the Navy's total force.

The Navy Reserve faces many equipping challenges. The first is aircraft procurement where Naval Aviation Plan 2031 provides a requirement to replace the aging and maintenance intensive aircraft that provide critical Reserve component (RC) capability enhancements. In particular, C–130s are a critical part of the Navy-unique fleet essential airlift mission between strategic airlift points and the carrier onboard delivery and vertical onboard delivery to the fleet. In addition are the C–40As, whereas they are continuously being procured, with 14 to date, with help from critical NGREA funding, however the C–40A is still below requirement levels. In addition, the Navy Reserve is facing shortfalls in expeditionary equipment funding and increased procurement in force protection, secure communications and a wide range of logistical equipment will increase the overall capabilities of units serving in contingency operations. Last, the RC Navy Special Warfare sea-air-land (SEAL) teams have been fully integrated with the AC since 2008, making up one-third of the personnel mobilized in support of overseas contingency operations. The RC relies on the equipment of the AC and the shortfalls become a challenge when 97 percent of special warfare personnel are mobilized for current operations.

As our Nation's overseas operations decrease, i.e. Iraq and Afghanistan, Active Duty for Training Funding (ADT) is resulting in increased utilization and driving an unfunded liability as high as $200 million. With the challenges to equip a total force and the increased reliance on the RC in the past decade, AUSN believes that the Navy Reserve should continue to have its funding requirements met to the best of the subcommittee's ability.

PENDING LEGISLATION AND APPROPRIATIONS

AUSN was happy to see that the HAC–D markup included, for Navy Shipbuilding and Conversion, an appropriation of $15.2 billion to remain available for obligation until September 30, 2017 (an increase of 1.7 billion from the fiscal year 2013 budget request). Highlights of this appropriation include for:

—Carrier Replacement Program: $578.3 million;
—*Virginia*-class submarine: $3.2 billion;
—*Virginia*-class submarine—Advance Procurement (AP): $1.6 billion (increase of $723 million for the subcommittee's return of the fiscal year 2014 *Virginia*-class submarine, from the President's fiscal year 2013 budget request of $874.9 million);
—DDG–1000 Program: $699.2 million;
—DDG–51 destroyer: $4 billion (increase $1 billion from President's fiscal year 2013 budget request of $3 billion due to subcommittee adding one additional DDG–51 *Arleigh Burke*-class destroyer);
—DDG–51 Destroyer—Advance Procurement (AP): $466.3 million;
—LCS: $1.8 billion; and
—JHSV: $189.2 million.

In addition, AUSN was pleased to see that the NGREA amount was to include $2 billion; a $1 billion increase in last year's enacted level. We look forward to seeing the Senate Appropriations Committee consider these funding levels in the Senate's fiscal year 2013 DOD appropriations bill.

CONCLUSION

The Association of the United States Navy understands that there are difficult decisions ahead in regards to this year's fiscal year 2013 budget and how the Senate Appropriations Committee considers adequately funding our military, while adhering to the Budget Control Act. Amongst our Legislative Objectives/Priorities for fiscal year 2013 is the looming concern of the effects of an automatic sequestration trigger upon DOD. AUSN was pleased that the Office of Management and Budget ruled in favor of exempting the Department of Veterans' Affairs. However, with our military community relying on TRICARE and DHP, as well as the President's strategic guidance shifting focus to a volatile Asia/Pacific region, cuts to DOD need to be carefully looked at and decisions need to be made based on strategy, rather than budget. On March 15, 2012, in a Senate Armed Services Committee hearing on the fiscal year 2013 budget request, the Secretary of the Navy highlighted how the goal is to have a Navy of more than 300 ships by no later than 2019. In the same hearing, Admiral Jonathan W. Greenert, the Chief of Naval Operations, testified that "In my view, if sequestration kicks in . . . I'm looking at not 285 ships in a given year. I'm looking at 230. We don't have enough force structure to accrue that kind of savings without reducing procurement." However, this raises the concern that as budget cuts progress, with looming DOD sequestration, our fleet size could be dras-

tically reduced, and consequently, so could our capabilities with forward force projection. AUSN urges this subcommittee to look at all proposals to ensure that vital DOD programs and platforms, for our military personnel and our strategic capabilities, aren't subject to further debilitating cuts and sequestration. In addition, we encourage members of the subcommittee to look at our Web site which contains detailed analyses of past and current DOD appropriations measures as the House and Senate Appropriations Committee's markup and consider the fiscal year 2013 DOD appropriations bills. (http://www.ausn.org/Advocacy/AppropriationBills/Defense/tabid/2758/Default.aspx)

Thank you.

Chairman INOUYE. As you can imagine, Admiral, this subcommittee has that assignment of preventing sequestration, and we will do our absolute best. I can assure you that.

Admiral COANE. Thank you, Sir. It's absolutely essential that we do.

Chairman INOUYE. Now may I call upon Dr. Andrew Pollak.

STATEMENT OF ANDREW N. POLLAK, M.D., TREASURER, AMERICAN ASSOCIATION OF ORTHOPAEDIC SURGEONS

Dr. POLLAK. Thank you, Mr. Chairman and Ranking Member. I'm Dr. Andy Pollak, treasurer of the American Association of Orthopaedic Surgeons (AOS) and immediate past president of the Orthopaedic Trauma Association. I'm also chief of orthopaedic traumatology at the University of Maryland's R. Adams Cowley Shock Trauma Center in Baltimore.

On behalf of the AOS and my orthopaedic colleagues across the country, thank you for inviting us to testify before you today on the Peer-Reviewed Orthopaedic Research Program (PRORP).

The events of September 11, 2001, catalyzed the global war on terror, a war that's resulted in thousands of wounded warriors, most of whom wind up with an extremity injury, an injured arm or leg. Between Operations Enduring Freedom, Iraqi Freedom, and New Dawn, more than 47,000 service men and women have been injured, and of those more than 80 percent have suffered a limb injury.

The issue of treating the sheer volume of injuries has been compounded with the newness of the injuries. Improvised explosive devices (IEDs) have overwhelmed our military medical providers with new injuries and scant data on how to best treat them, initially forcing our military surgeons to amputate limbs at an alarming rate.

The PRORP and the Orthopaedic Extremity Trauma Research Program (OETRP) were both created as a result of the Congress's action, specifically this subcommittee's leadership in recognizing the need for more research to save limbs and limit disability in our wounded warriors. PRORP is funded through DOD's health program and was established to quickly develop focused basic and clinical research through direct grants to research institutions across the country. The goal is to help military surgeons address the leading burden of injury and loss of fitness for military duty by finding new limb-sparing techniques to save extremities, avoid amputations, and preserve and restore the function of injured limbs.

PRORP aims to provide all warriors affected by extremity war injuries the opportunity for optimal recovery and restoration of function. One of the greatest successes of OET and PRORP has been the establishment of the Major Extremity Trauma Research Con-

sortium (METRC). METRC works to produce the evidence needed to establish treatment guidelines for the optimal care of the wounded warrior and ultimately improve the clinical, functional, and quality of life outcomes of both servicemembers and civilians who sustain high-energy trauma to the extremities. This research is presently being coordinated at 54 military and civilian sites throughout the country, making it a true military-civilian partnership to help our wounded warriors while learning more about relevant comparable civilian injuries as well.

One important recently published advance attributable directly to OET and PRORP has been the research on heterotopic ossification (HO). HO comes in two main forms, one that appears in children and is congenital and another that strikes wounded military personnel and surgery patients and is triggered by severe injuries and wounds such as amputation.

With HO, the bone grows in abnormal locations and can press against nerves and blood vessels, resulting in severe pain, limited motion, problems fitting prosthetic limbs, and skin breakdown. Nearly 65 percent of wounded warriors with extremity injuries suffer HO, a problem we understood little about prior to this program.

Through a grant from OETRP, researchers at Children's Hospital of Philadelphia have shown that a drug that interrupts a specific signaling pathway can prevent HO. The potential benefit to our wounded warriors is astronomical and that represents an advance that would not have been possible absent this program.

PREPARED STATEMENT

We're under no illusion that this kind of research is cheap. We further understand that we're in an era of unprecedented budget austerity. But the cost of not doing this research is exponentially higher. An amputation costs three times more than limb salvage in future medical care and significantly more than that after accounting for increased disability payments and the need to replace trained servicemembers with new recruits.

Furthermore, while we need to get our fiscal house in order, it can't be done on the backs of our men and women in uniform. If we put them in harm's way, we have a solemn duty to give them the best possible medical care, backed by the best possible science. The Peer-Reviewed Orthopaedic Research Program helps accomplish just that.

Thank you.

[The statement follows:]

PREPARED STATEMENT OF ANDREW N. POLLAK, M.D.

INTRODUCTION

Good morning, Chairman Inouye, Ranking Member Cochran, and other distinguished members of the subcommittee. I am Dr. Andrew N. Pollak, treasurer of the American Association of Orthopaedic Surgeons (AAOS), and immediate past president of the Orthopaedic Trauma Association. I am also the chief of orthopaedic traumatology at the University of Maryland Shock Trauma Center in Baltimore. On behalf of the AAOS and my orthopaedic surgeon colleagues across the country, thank you for inviting our organization to testify before you today on the Peer-Reviewed Orthopaedic Research Program (PRORP) as part of the fiscal year 2013 budget.

OVERVIEW

The events of September 11, 2001, served as a catalyst for the global war on terror. This war has resulted in thousands of wounded warriors, most of whom wind up with an extremity injury. Between Operations Enduring Freedom, Iraqi Freedom, and New Dawn, more than 47,000 service men and women have been injured.[1] Of the injured, more than 80 percent have suffered a limb injury.[2]

The issue of treating the sheer volume of injuries has been compounded with the newness of the injuries. Our men and women in uniform are facing a new type of weapon that causes a new type of injury: improvised explosive devices. Overwhelmed with new injuries and scant data on how best to treat them, our military surgeons were amputating extremities at an alarming rate.

PRORP and the Orthopaedic Extremity Trauma Research Program (OETRP) were both created as a result of the Congress's action, specifically this subcommittee's leadership in recognizing the need for more research to save limbs and limit disability in our wounded warriors. PRORP is funded through the Department of Defense Health Program, and was established to quickly develop focused basic and clinical research through direct grants to research institutions. The goal is to help military surgeons address the leading burden of injury and loss of fitness for military duty by finding new limb-sparing techniques to save extremities, avoid amputations, and preserve and restore the function of injured extremities. PRORP aims to provide all warriors affected by extremity war injuries the opportunity for optimal recovery and restoration of function.

BENEFITS OF RESEARCH

One of the greatest successes of OETRP and PRORP has been the establishment of the Major Extremity Trauma Research Consortium (METRC). METRC works to produce the evidence needed to establish treatment guidelines for the optimal care of the wounded warrior and ultimately improve the clinical, functional, and quality-of-life outcomes of both servicemembers and civilians who sustain high-energy trauma to the extremities. This research is being coordinated at 54 military and civilian sites throughout the country making it a true military civilian partnership to help our wounded warriors while learning more about relevant comparable civilian injuries.

One important recently published advance attributable directly to OETRP and PRORP has been the research on heterotopic ossification (HO). HO comes in two main forms—one that appears in children and is congenital, another that strikes wounded military personnel and surgery patients and is triggered by severe injuries and wounds such as amputation. With HO, the bone grows in abnormal locations and can press against nerves and blood vessels, resulting in severe pain, limited motion, problems fitting prosthetic limbs, and skin breakdown. It is so prevalent after high-energy trauma that nearly 65 percent of wounded warriors with extremity injuries suffer HO.[3] Through a grant from the OETRP program, researchers at The Children's Hospital of Philadelphia have shown that a drug that interrupts a signaling-nuclear protein pathway can prevent HO. The potential benefit to our wounded warriors is astronomical.

COST

We are under no illusion that this kind of research is cheap, we further understand that we are in an era of unprecedented budget austerity. But the cost of not doing the research is exponentially higher. An amputation costs three times more than limb salvage in future medical care and significantly more than that after accounting for increased disability payments and the increased need to replace trained servicemembers with new recruits. Indeed, 65 percent of all combat related medical care resources go to treating extremity injuries, and almost 70 percent of wounded warriors who suffer an unfitting condition are unfit to return to duty because of an extremity injury.[4]

Furthermore, while we need to get our fiscal house in order, it cannot be done on the backs of the men and women in uniform. If we put them in harm's way, we have a solemn duty to give them the best possible medical care backed by the best

[1] Wounded Warrior Project. http://www.woundedwarriorproject.org/mission/who-we-serve.aspx.
[2] United States Army Institute of Surgical Research. http://www.usaisr.amedd.army.mil/extremity_trauma_research_regenerative_medicine.html.
[3] Science Daily. http://www.sciencedaily.com/releases/2011/04/110403141331.htm.
[4] Masini BD, Waterman SM, Wenke JC et al. Resource utilization and disability outcome assessment of combat casualties from Operation Iraqi Freedom and Operation Enduring Freedom. J Orthop Trauma. 2009. 23 (4): 261–266.

possible science. The Peer-Reviewed Orthopaedic Research Program helps accomplish just that.

CLOSING

On behalf of the AAOS, I would like to thank the Chairman, the Ranking Member, and the entire subcommittee for your interest in and attention to this important issue facing America's military, and the surgeons who treat them. We look forward to continuing to work with you on this matter.

Chairman INOUYE. Dr. Pollak, did I hear you say that there were 47,000 injured in Iraq and Afghanistan, and of that number 80 percent had limb injuries?

Dr. POLLAK. Yes, Sir. Yes, the most common injury sustained. Many of them sustain multiple injuries to multiple parts of their body. But the limbs are disproportionately exposed, as the chest and abdomen are protected with body armor and the head's protected with a helmet.

Chairman INOUYE. Do we have enough orthopaedic surgeons?

Dr. POLLAK. That's a separate question, Sir. I don't believe we do at this point. Our orthopaedic surgeons at Walter Reed and at our military facilities throughout the country right now are terribly taxed with the number of wounded warriors returning.

Chairman INOUYE. I thank you very much, Sir.

Dr. POLLAK. Thank you, Sir.

Chairman INOUYE. May I now call on Mr. Mark Haubner and Ms. Erin O'Rourke.

STATEMENT OF MARK HAUBNER, ARTHRITIS FOUNDATION

Mr. HAUBNER. Chairman Inouye, Ranking Member Cochran, and distinguished members of the subcommittee: It's an honor to have the opportunity to speak with you, especially today, June 6, regarding the importance of funding arthritis research to benefit the health of our men and women in uniform, our military veterans, and our Nation.

We would first like to thank the Arthritis Foundation's 2012 Advocacy Leadership Award recipient, Senator Murkowski, for being a champion for the cause of arthritis research in the past.

My name is Mark Haubner, from Aquebogue, New York, and with me in the audience today is Erin O'Rourke from Lake Ronkonkoma, New York. We are here today as Arthritis Foundation advocacy ambassadors and as concerned citizens representing 50 million Americans with arthritis, the number one cause of disability in the United States. We hope that our comments today give voice to this very important request in support of peer-reviewed competitively awarded arthritis research funded by the DOD.

I would like to tell you how arthritis has affected our lives and the relevance to our military personnel. I broke my leg while skiing at the age of 14, underwent many operations as a result, and suffered my first total joint replacement at 44, which forced me into retirement. I'm having my fifth total joint replacement next month, 1 of 1 million joint replacements being done in the United States every year now.

Research now shows that the rampant presence of osteoarthritis in all of my joints is a result of a post-traumatic trigger event suffered 30 years before. My colleague Erin O'Rourke, who began suffering from severe pain in her hands and fingers at the age of 34,

was diagnosed with rheumatoid arthritis (RA), a debilitating autoimmune disease that causes unrelenting and destructive inflammation in the joints. The medications she is taking treat, but do not cure, arthritis. Due to RA, Erin has twice the risk of developing heart disease and diabetes, which will likely lead to a shortened life by almost a decade.

Studies show that our Nation's servicemembers are 32 percent more likely to develop osteoarthritis than the general population, and the damage is presenting itself within a few years of active duty. This is already becoming a great burden on the long-term healthcare provided by the Department of Veterans Affairs and can only increase with time.

One-third of our combat personnel what are medevaced out of the field are suffering from a musculoskeletal injury, and these injuries represent one of the leading causes of disability and medical discharge for active servicemembers under the age of 40. Research is needed for arthritis because the military is facing skyrocketing numbers of Active Duty and retired personnel fighting the high costs of pain and disability associated with arthritis, part of a total of $128 billion per year in this country.

Another area of research concerns the inflammation that occurs with RA. Further investigation of these inflammatory characteristics will help us to understand and improve the healing times and skin graft outcomes in wound care.

Thank you all for recognizing the need over the last 3 years to include post-traumatic osteoarthritis and last year arthritis, which includes both osteo and RA, in the DOD budget for Congressionally Directed Medical Research Program (CDMRP). We deeply appreciate the peer-reviewed research funding awards of almost $5 million from DOD appropriations over the last 2 years.

In conclusion, we ask for your consideration and support of the following: to continue to include the topics of post-traumatic osteoarthritis and rheumatoid arthritis in the fiscal year 2013 DOD appropriations bill for the peer-reviewed medical research program, CDMRP, under the account of Defense Health Programs, research and development. Maintaining arthritis research in the fiscal year 2013 DOD appropriations bill will aid Armed Forces personnel in active service, military veterans, and millions of Americans.

I thank you very much for your time and consideration.

PREPARED STATEMENT

Chairman INOUYE. Did I hear you say that 30 percent of the troops were evacuated because of skeletal injury?

Mr. HAUBNER. Sorry, Sir. It's 32 percent of the military population that's indicating osteoarthritis and one-third of the military population medevaced out, is suffering from a musculoskeletal injury, that's correct.

Chairman INOUYE. Can that be traced to the load they have to carry?

Mr. HAUBNER. Much is indicated by both Navy and Army studies that have been done in the past 5 or 10 years. They're carrying 100-pound packs, 120-pound packs, through the field, broken field running. It's making an immediate impact on their health.

Chairman INOUYE. World War II was easy. My pack was about 20 pounds.

Mr. HAUBNER. And the rifle was probably 18 more.

[The statement follows:]

PREPARED STATEMENT OF THE ARTHRITIS FOUNDATION

Nearly 6.5 million Americans have wounds that take months or even years to heal. Many of these wounds are a consequence of diabetes, which damages blood vessels and interferes with normal skin repair. But new research from Georgetown University Medical Center in Washington, DC, points to another cause: autoimmune diseases such as rheumatoid arthritis (RA) and lupus.

The research was presented earlier this month at the American College of Rheumatology's annual conference, in Chicago, by rheumatologist and lead author Victoria Shanmugam, M.D. It has been accepted for publication in the International Wound Journal.

Dr. Shanmugam had noticed an unusual number of nonhealing wounds—mostly leg ulcers—in people with autoimmune disorders. "What I saw clinically was that people who had autoimmune disease did not respond as well to the usual wound care treatments. I wanted to try to understand the reason for this by comparing healing times and [skin] graft outcomes," she says.

Treatment for nonhealing wounds depends on the wound, but might include special dressings, hyperbaric oxygen, growth factors, bioengineered skin substitutes and skin grafts. If treatment doesn't work, the patient faces amputation.

Dr. Shanmugam and her colleagues reviewed the charts of 340 patients who sought care at Georgetown's Center for Wound Healing and Hyperbaric Medicine during a 3-month period in 2009. Only those with open wounds that hadn't healed after at least 3 months of normal therapy were included.

Forty-nine percent of these patients had diabetes (both type 1, which is itself an autoimmune condition, or type 2). This isn't unusual—diabetes accounts for about one-half of all chronic wounds. Others had vascular or arterial diseases that typically cause poor wound healing. What surprised Dr. Shanmugam was that 23 percent had autoimmune disorders—a far greater rate than had been expected or previously reported. The most prevalent autoimmune diseases were RA (28 percent), lupus (14 percent), and livedoid vasculopathy, a vascular disease that causes ulcers on the lower legs (also 14 percent).

Dr. Shanmugam then looked at how the people with underlying autoimmune disease responded to therapy. "These patients had larger wounds at the first visit, had higher pain scores and took significantly longer to heal—14-and-a-half months compared to just over 10 months for other patients", she explains. "Clearly, there is something in the autoimmune milieu that is inhibiting wound healing," says Dr. Shanmugam.

The next step is a 3-year study funded by the National Institutes of Health. Under way since May, the study will monitor autoimmune-related wounds over time. "We are hoping to get some understanding of what happens on the cellular and molecular level in people who don't heal well," Dr. Shanmugam says.

One theory is that diabetes and autoimmune disorders cause wounds to become stalled in the inflammatory stage of repair, when the body normally develops new blood vessels. Why this occurs and what happens at the level of the wound itself are questions she hopes to answer.

She also will explore whether treating underlying autoimmune diseases such as RA improves wound healing. "There is concern about using potent immune suppressants in people with open wounds," she says, noting that immunosuppressive drugs are known to interfere with wound healing after surgery. "But in a cohort of rheumatoid arthritis patients, we found that aggressive treatment before skin graft surgery resulted in better outcomes."

Eric Matteson, M.D., chairman of rheumatology at Mayo Clinic in Rochester, Minneapolis, agrees with the approach. "People with rheumatoid arthritis develop wounds for many reasons. One is that they may have low-grade vasculitis—inflammation affecting the small blood vessels in the skin. When the wound is related to the underlying systemic inflammation of rheumatoid arthritis, not having that inflammation under control makes it much more difficult to achieve good wound healing."

He says that successful wound care requires cooperation and vigilance. "Perhaps the biggest message here is that treating people with autoimmune-related wounds really calls for a team approach among the rheumatologist, wound-care specialist and surgeon", says Dr. Matteson. "What you often see, unfortunately, is a primary

care doctor who can't properly manage the wound because of the complexity of the underlying disorder."

Dr. Shanmugam believes her findings will affect patient care in the future. "Understanding how people respond to wound care on a molecular level can help guide therapy and may reduce the risk of infections, which can lead to surgery and even amputation," she says.

As important, she hopes her research will alert other physicians to this underrecognized problem. "When a patient has a leg ulcer that hasn't healed after 3 or 4 months of normal treatment, I hope doctors will check for autoimmune disease," says Dr. Shanmugam.

Chairman INOUYE. I thank you very much.

Mr. HAUBNER. Thank you, Sir.

Chairman INOUYE. And now may I call upon Dr. Remington Nevin.

STATEMENT OF REMINGTON NEVIN, M.D., MEFLOQUINE RESEARCH

Dr. NEVIN. Good morning, Mr. Chairman and members of the subcommittee. My name is Dr. Remington Nevin. I am a board-certified preventive medicine physician, epidemiologist, and medical researcher. I'm a graduate of the Uniformed Services University School of Medicine, the Johns Hopkins Bloomberg School of Public Health, and the residency program in preventive medicine at the Walter Reed Army Institute of Research, where I was awarded the Distinguished George M. Sternberg Medal. I have published extensively in medical and scientific journals and my research has informed and broadly influenced military public health policy over the past 7 years.

I'm here today to testify on an important issue which I fear may become the Agent Orange of our generation, a toxic legacy that affects our troops and our veterans. This is a critical issue that is in desperate need of research funding. I'm referring to the harmful effects of the antimalarial drug mefloquine, also known as Lariam®, which was first developed more than 40 years ago by the Walter Reed Army Institute of Research.

Mefloquine causes a severe intoxication syndrome characterized by vivid nightmares, profound anxiety, aggression, delusional paranoia, dissociative psychosis, and severe memory loss. Experience has shown that this syndrome, even if rare, can have tragic consequences both on the battlefield and on the home front.

My recent research has helped us understand this syndrome as a toxic encephalopathy that affects the limbic portion of the brain. With this insight, we now understand the drug's strong links to suicide and to acts of seemingly senseless and impulsive violence. Yet new research suggests that even mild mefloquine intoxication may also lead to neurotoxic brain injury associated with a range of chronic and debilitating psychiatric and neurologic symptoms.

It is unknown how many of the hundreds of thousands of troops previously exposed to mefloquine may be suffering from the devastating effects of this neurotoxicity. However, I can tell you that I am contacted nearly every day by military patients and veterans from the United States and from around the world seeking diagnosis and care for their symptoms. Their compelling and often heart-wrenching stories can be found regularly in media reports worldwide. Invariably, these patients are frustrated by lack of resources and information specific to their condition.

A recent publication by the Centers for Disease Control suggests that the side effects of mefloquine may even confound the diagnosis and management of post-traumatic stress disorder and traumatic brain injury.

Given our research commitments to post-traumatic stress and traumatic brain injury, the first two signature injuries of modern war, this observation calls for a similarly robust research agenda into mefloquine neurotoxic brain injury to ensure that patients with either of these conditions are receiving accurate diagnosis and the very best medical care. Some concrete actions for facilitating this research include expanding the scope and mission of the defense centers of excellence and the National Intrepid Center of Excellence, to include the evaluation and care of patients suffering from the effects of mefloquine, and funding a dedicated mefloquine research center at a civilian medical school or school of public health to attract the very best minds to this problem and to coordinate broad investigations into the pathophysiology, epidemiology, clinical diagnosis, and treatment of mefloquine intoxication and neurotoxic brain injury.

A commitment to this research roughly commensurate with our initial investment in mefloquine's development will allow us to mitigate the effects of the toxic legacy it has left behind. If this issue is left unaddressed, mefloquine could become our next Agent Orange, but it does not have to. With action, mefloquine neurotoxic brain injury could join post-traumatic stress and traumatic brain injury as the third recognized signature injury of modern war and as a result receive the same level of commitment shown for these first two conditions.

PREPARED STATEMENT

I would again like to thank you, Mr. Chairman and members of the subcommittee, for the opportunity to appear before you and bring this issue to your attention. I should emphasize in closing that the opinions I express today are my own and do not necessarily reflect those of the United States Army.

This concludes my prepared statement and I am happy to answer any questions that you may have.

[The statement follows:]

PREPARED STATEMENT OF REMINGTON NEVIN, M.D., MPH

Good morning, Mr. Chairman and members of the subcommittee. My name is Dr. Remington Nevin. I am a board-certified preventive medicine physician, epidemiologist, and medical researcher. I am a graduate of the Uniformed Services University School of Medicine; the Johns Hopkins Bloomberg School of Public Health; and the residency program in preventive medicine at the Walter Reed Army Institute of Research, where I was awarded the distinguished George M. Sternberg Medal. I have published extensively in medical and scientific journals, and my research has informed and broadly influenced military public health policy for the past 7 years.

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severe memory loss. Experience has shown that this syndrome, even if rare, can have tragic consequences, both on the battlefield, and on the home front.

My recent research has helped us understand this syndrome as a toxic encephalopathy that affects the limbic portion of the brain. With this insight, we now understand the drug's strong links to suicide, and to acts of seemingly senseless and impulsive violence. Yet new research suggests that even mild mefloquine intoxication may also lead to neurotoxic brain injury associated with a range of chronic and debilitating psychiatric and neurologic symptoms.

It is unknown how many of the hundreds of thousands of troops previously exposed to mefloquine may be suffering from the devastating effects of this neurotoxicity. I am contacted nearly every day by military patients and veterans, from the United States, and from around the world, seeking diagnosis and care for their symptoms. Their compelling and often heart-wrenching stories can be found regularly in media reports worldwide. Invariably, these patients are frustrated by a lack of resources and information specific to their condition.

A recent publication by the Centers for Disease Control suggests that the side effects of mefloquine may even confound the diagnosis and management of post-traumatic stress disorder (PTSD) and traumatic brain injury (TBI).

Given our commitment to post-traumatic stress and traumatic brain injury, the first two signature injuries of modern war, this observation calls for a similarly robust research agenda into mefloquine neurotoxic brain injury, to ensure that patients with these conditions are receiving accurate diagnosis and the very best medical care.

Some concrete actions for facilitating this research include:

—Expanding the scope and mission of the Defense Centers of Excellence and the National Intrepid Center of Excellence to include the evaluation and care of patients suffering side effects from mefloquine; and

—Funding a dedicated mefloquine research center at a civilian medical school or school of public health, to attract the very best minds to this problem, and to coordinate broad investigations into the pathophysiology, epidemiology, clinical diagnosis, and treatment of mefloquine intoxication and neurotoxic brain injury.

A commitment to this research, roughly commensurate with our initial investment in mefloquine's development, will allow us to mitigate the effects of the toxic legacy it has left behind. If this issue is left unaddressed, mefloquine could become our next "Agent Orange", but it does not have to. With appropriate action, mefloquine neurotoxic brain injury could join PTSD and TBI as the third recognized signature injury of modern war, and as a result, receive the same level of commitment and care shown for these first two conditions.

In conclusion, I would again like to thank you, Mr. Chairman and members of the subcommittee, for the opportunity to appear before you and bring this issue to your attention. This concludes my prepared statement and I am happy to answer any questions that you may have.

Chairman INOUYE. I thank you very much, Doctor. I have a question here submitted by Senator Dianne Feinstein and it says: Do you believe the mefloquine research you're working on could develop treatments to reverse intoxication and brain injury?

Dr. NEVIN. Mr. Chairman, despite the permanent nature of the neurotoxicity produced by mefloquine, I believe that there may be effective treatments available right now, provided that the diagnosis of mefloquine neurotoxicity is made. I have personally treated a number of patients whose conditions have proven fairly responsive to rehabilitation, including vestibular, physical, and neuro-optometric therapy. Speech therapy and cognitive rehabilitation therapy may also hold promise.

However, obtaining access to such therapy requires that mefloquine neurotoxic brain injury be correctly diagnosed, such that patients receive appropriate specialist referrals. This cannot happen if these symptoms are poorly understood by healthcare providers or if they are mistaken for such things as malingering, personality disorder, conversion disorder, or factitious disorder, as they have been in the past.

For this reason, simply raising awareness of this diagnosis may prove very helpful in facilitating early treatment.

Now, regarding other therapies, such as potential drug treatments, evaluating these would require registered clinical trials, which typically have a time horizon of some years before they yield results to inform clinical practice. I am confident that such trials hold promise in identifying drug therapies that alleviate symptoms and improve patient outcomes, while not risking a further exacerbation of the condition.

Chairman INOUYE. Where does mefloquine come from?

Dr. NEVIN. Mr. Chairman, mefloquine is the end product of a multiyear drug development and discovery effort conducted by the Walter Reed Army Institute of Research beginning in the early 1960s. Of more than 300 compounds screened for their effectiveness and toxicity, mefloquine was one of a handful of compounds that passed this testing and later went on to commercial development by the F. Hoffman LaRoche Company.

PREPARED STATEMENT

Chairman INOUYE. I thank you very much, and I'd like to thank all of the witnesses who've testified this morning.

Two organizations have submitted testimony. Without objection, the testimony of Cummins, Incorporated and Research Advisory Committee on Gulf War Veterans' Illnesses will be made part of the record along with any other statements that the subcommittee may receive.

On behalf of the subcommittee, I thank all the witnesses for their testimony, and the subcommittee will take these issues in consideration and I can assure you will look at it very seriously.

[The statement follows:]

PREPARED STATEMENT OF DR. WAYNE A. ECKERLE, VICE PRESIDENT, RESEARCH AND TECHNOLOGY, CUMMINS INC.

Cummins Inc., headquartered in Columbus, Indiana, is a corporation of complementary business units that design, manufacture, distribute and service engines and related technologies, including fuel systems, controls, air handling, filtration, emission solutions, and electrical power generation systems. The funding requests outlined below are critically important to Cummins' research and development efforts, and would also represent a sound Federal investment toward a cleaner environment and improved energy efficiency for our Nation. We request that the subcommittee fund the programs as identified below.

DEPARTMENT OF THE ARMY

Army Procurement

Other Procurement, Budget Activity 03, Other Support Equipment, Line No. 171, Generators, Line Item: 0426MA9800, Generators and Associated Equipment.—Support the administration's request of $60.3 million in fiscal year 2013. $67.8 million was appropriated in fiscal year 2012. Specifically support the $16.7 million for M53500, Medium Generator Sets (5–60 kW) and $33.983 million for R62700 Power Units/Power Plants. Advanced Medium Mobile Power System (AMMPS) generators and AMMPS Power Units and Power Plants (trailer-mounted AMMPS generator sets) are the latest generation of Prime Power Generators for the Department of Defense (DOD) and will replace the obsolete Tactical Quiet Generators (TQGs) developed in the 1980s. AMMPS generator sets are 21 percent more fuel-efficient, 15 percent lighter, 35 percent quieter, and 40 percent more reliable than the TQG. Generators are the Army's biggest consumer of diesel fuel in current war theatres. When AMMPS generator sets are fully implemented, the Army and Marines will realize annual fuel savings of approximately 52 million gallons of JP–8 fuel and more than $745 million in savings based on fuel costs and current use pattern. This will

mean fewer fuel convoys to bases in active war zones resulting in saved lives of military and civilian drivers. AMMPS generators will result in annual carbon emissions reductions of 500,000 metric tons CO_2 or 7.7 million metric tons over the expected life of the generators.

Weapons and Tracked Combat Vehicles, Budget Activity 01, Tracked Combat Vehicles, Line No. 07, Modification of Tracked Combat Vehicles, Line Item 2073GZ0410, Paladin Integrated Management Mod In Service, Paladin Integrated Management.—Support administration's request of $206.1 million in fiscal year 2013. $46.8 million was appropriated in fiscal year 2012 to begin low-rate initial production. The M109A6 Paladin is the primary indirect fire weapons platform in the U.S. Army's Heavy Brigade Combat Team (HBCT) and is expected to be in the Army inventory through 2050. The PIM program will incorporate Bradley-based drive-train and suspension components which reduce logistics footprint and decrease operations and sustainment costs. PIM is vital to ensuring the long-term viability and sustainability of the M109 family of vehicles (Paladin and FAASV). The program will significantly reduce the logistics burden placed on our soldiers, and proactively mitigate obsolescence. The system will feature improved mobility (by virtue of Bradley-based automotive systems) allowing the fleet to keep pace with the maneuver force. The system will improve overall soldier survivability through modifications to the hull to meet increased threats.

Research and Development Test and Evaluation Programs

Budget Activity 05, System Development and Demonstration, Line No. 121, Program Element No. 0604854A: Artillery Systems, Paladin Integrated Management .—Support the administration's request of $167.8 million in fiscal year 2013. $120.1 million was appropriated in fiscal year 2012. The M109A6 Paladin is the primary indirect fire weapons platform in the U.S. Army's HBCT and is expected to be in the Army inventory through 2050. This request is to further develop Paladin Integrated Management (PIM) vehicles and conclude testing. The PIM effort is a program to ensure the long-term viability and sustainability of the M109A6 Paladin and its companion ammunition resupply vehicle, the M992 FAASV. PIM is vital to ensuring the long-term viability and sustainability of the M109 family of vehicles (Paladin and FAASV). The program will significantly reduce the logistics burden placed on our soldiers and proactively mitigate obsolescence. The system will feature improved mobility (by virtue of Bradley-based automotive systems) allowing the fleet to keep pace with the maneuver force.

Budget Activity 07, Operational Systems Development, Line No. 165, Program Element No. 0203735A: Combat Vehicle Improvement Programs.—Support the administration's request of $253.9 million in fiscal year 2013. $36.2 million was appropriated in fiscal year 2012 to initiate the program. Specifically support $74.1 million for the Armored Multi-Purpose Vehicle (AMP–V) program. AMP–V is an Army program that replaces the M113 platforms, which cannot be optimized for future U.S. Army combat operations. The Army has identified a significant capability gap within the HBCT formation. The Bradley Family of Vehicles are the most capable and cost effective platform for replacement of the M113. Along with established production, the recapitalized Bradley vehicles bring combat- proven mobility, survivability, and adaptability to a variety of missions. The Army currently has approximately 1,900 Bradley hulls that could be inducted into the production process. This low cost, low risk, Military-off-the-Shelf (MOTS) to replace the M113 addresses the significant capability shortfalls within the HBCT formation. In addition, it is an efficient use of existing Government-owned assets and existing Public-Private Partnership arrangements to bridge the modernization gap. Recapitalizing existing Bradley chassis provides the most survivable, mobile and protected solution for our soldiers at a significant lower cost.

DEPARTMENT OF THE AIR FORCE

Other Procurement

Budget Activity 04, Other Base Maintenance and Support Equip, Item No. 62, Mobility Equip.—Support the administration's request of $23.8 million ($14.4 million Base and $9.4 million OCO) in fiscal year 2013. $20.3 million was appropriated in fiscal year 2012. Specifically support $6.7 million ($4.6 million base and $2 million OCO) in fiscal year 2013 for the Basic Expeditionary Airfield Resource (BEAR). The BEAR product is an 800kW prime power mobile generator used by Combat Air Forces to power mobile airfields in-theatre and around the world. The finished product will replace the existing MEP unit that is 25 years old and will offer greater fuel economy, increased fuel options (JP–8), improved noise reduction, and the latest innovative control technology and functionality. With the ever-increasing global

reach of the U.S. military, the need for reliable mobile power is paramount. This program is currently funded for the design, development and preproduction of eight individual BEAR units. These units will undergo a battery of validation tests. Design and development of the BEAR product is on schedule. There is interest from other branches of the military for the BEAR product as well given the increased need for mobile electric power.

DEPARTMENT OF THE NAVY

Other Procurement, Marine Corps

Budget Activity 06, Engineer and Other Equipment, Line No. 47, Line Item 6366, Power Equipment Assorted.—Support the administration's request of $76.5 million ($56.3 million Base and $20.2 million OCO) in fiscal year 2013. $27.2 million was appropriated in fiscal year 2012. Specifically support $26.5 million ($19.5 million Base and $7 million OCO) in fiscal year 2013 for AMMPS. AMMPS generators are the latest generation of Prime Power Generators for the DOD and will replace the obsolete Tactical Quiet Generators (TQGs) developed in the 1980s. AMMPS generator sets are 21 percent more fuel-efficient, 15 percent lighter, 35-percent quieter and 40 percent more reliable than the TQG. Generators are the Army's biggest consumer of diesel fuel in current war theatres. When AMMPS generator sets are fully implemented, the Army and Marines will realize annual fuel savings of approximately 52 million gallons of JP–8 fuel and more than $745 million in savings based on fuel costs and current use pattern. This will mean fewer fuel convoys to bases in active war zones resulting in saved lives of military and civilian drivers. AMMPS generators will result in annual carbon emissions reductions of 500,000 metric tons CO_2 or 7.7 million metric tons over the expected life of the generators.

PREPARED STATEMENT OF JAMES BINNS, CHAIRMAN OF RESEARCH ADVISORY COMMITTEE ON GULF WAR VETERANS' ILLNESSES

Dear Chairman Inouye and Ranking Member Cochran: The Gulf War Illness Research Program (GWIRP) of the Department of Defense (DOD) Congressionally Directed Medical Research Program (CDMRP) has made remarkable progress during the past 2 years. As Chairman of the Research Advisory Committee on Gulf War Veterans Illnesses, created by Public Law 105–368, I deeply appreciate your support, which has made this progress possible.

I also appreciate the hearing you held this week to consider appropriations to CDMRP programs for fiscal year 2013 and am pleased to submit this letter for the record, to review these recent developments.

In its landmark 2010 report, the Institute of Medicine (IOM) recognized that the chronic multisymptom illness that affects 250,000 gulf war veterans is a serious disease (not attributable to psychiatric illness) that also affects other U.S. military forces. It called for a "renewed research effort with substantial commitment to well-organized efforts to better identify and treat multisymptom illness in Gulf War veterans."

The scientific community responded with a dramatic increase in the quality and quantity of proposals submitted to the GWIRP at CDMRP. Most importantly, last summer CDMRP-funded researchers from the University of California, San Diego, completed the first successful pilot study of a medication to treat one of the major symptoms of gulf war illness. It is not a cure, and the study needs be replicated in a full-clinical trial, but the result is extremely encouraging. As the IOM committee chair, Dr. Stephen Hauser, chairman of Neurology at the University of California, San Francisco, and former president of the American Neurology Association, emphasized in his preface to the IOM report, "we believe that, through a concerted national effort and rigorous scientific input, answers can likely be found."

The GWIRP is the only national program addressing this problem. It is a peer-reviewed program open to any doctor or scientist on a competitive basis. By contrast, Department of Veterans Affairs (VA) research programs are only open to VA doctors, few of whom have expertise in chronic multisymptom illness. To effectively address a new and difficult problem like this, it is necessary to enlist the entire medical scientific community. Because VA has not been able to find enough qualified researchers, it has reduced funding for gulf war illness research in its fiscal year 2013 budget from $15 million to $4.9 million. In contrast, the DOD CDMRP program is attracting a surplus of excellent investigators. It is critical to shift resources accordingly to the DOD program, so that the overall Federal research effort is not reduced just at the time it is producing results and the Institute of Medicine is pointing the way. The VA budget data is at http://www.va.gov/budget/docs/sum-

mary/Fy2013__Volume__II-Medical__Programs__Information__Technology.pdf on page 3A–5.

As stated by Dr. Hauser, in his attached letters to you, this subject is "vital to the health and effectiveness of current and future military forces, in addition to Gulf War veterans." Recognizing this importance, last summer the House of Representatives in a bipartisan roll-call vote increased funding for the program to $10 million in the 2012 DOD appropriations bill, and this figure was adopted by the Senate-House conference committee.

The Research Advisory Committee has recommended funding this program at the $40 million level. It is recognized that in fiscal year 2013 such an increase may not be possible. However, this effective program demonstrably merits increased investment, even in a time of fiscal austerity. Dr. Hauser has recommended $25 million. An appropriation of $20 million would hold Federal gulf war illness research level from last year, taking into account the $10 million VA reduction.

These funds would be productively spent to capitalize on the progress that has already been made. Specifically, there are quality projects in the pipeline that substantially exceed $25 million. These include highly ranked treatment pilot studies not able to be funded in previous years due to financial constraints (approximately $20 million), a followup clinical trial of the treatment shown effective in the completed pilot study (approximately $8 million), and three joint "consortium" treatment research programs developed with earlier planning grants by teams of researchers at different institutions (approximately $24 million, of which only $4 million has been funded).

At long last, the scientific community has recognized the severity and scope of this problem and is engaged in its solution. The Congress has created this superb program, which is succeeding where others have failed. Please enable these scientists to continue their work.

SUBCOMMITTEE RECESS

Chairman INOUYE. This subcommittee will take these issues into consideration, I can assure you, as we develop the fiscal year 2013 defense appropriations bill.

This subcommittee will reconvene on Wednesday, June 13, at which time we'll meet to receive testimony from the Secretary of Defense and the Chairman of the Joint Chiefs of Staff on the fiscal year 2013 budget request for DOD.

We stand in recess.

[Whereupon, at 12:02 p.m., Wednesday, June 6, the subcommittee was recessed, to reconvene at 10:30 a.m., Wednesday, June 13.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2013

WEDNESDAY, JUNE 13, 2012

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:30 a.m., in room SD–192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Leahy, Harkin, Durbin, Feinstein, Mikulski, Kohl, Murray, Reed, Cochran, Hutchison, Collins, Murkowski, Graham, and Coats.

DEPARTMENT OF DEFENSE

OFFICE OF THE SECRETARY OF DEFENSE

STATEMENT OF HON. LEON E. PANETTA, SECRETARY OF DEFENSE

ACCOMPANIED BY HON. ROBERT F. HALE, UNDER SECRETARY OF DEFENSE, COMPTROLLER

OPENING STATEMENT OF CHAIRMAN DANIEL K. INOUYE

Chairman INOUYE. This morning, I would like to welcome the Honorable Leon E. Panetta, Secretary of Defense, and General Martin E. Dempsey, Chairman of the Joint Chiefs of Staff, to testify on the administration's budget request for fiscal year 2013.

Gentlemen, you assumed these positions during a very challenging moment in history. Our economy, our country is facing a budget deficit, and you have been tasked with significantly reducing the Department of Defense's (DOD) budget plans in an effort to cut down spending.

These budget reductions come at an occasion when we are fighting a war in Afghanistan and the counterterrorism threat worldwide. At the same time, the world is changing rapidly, and DOD is being called upon to respond to threats ranging from cyberspace, weapons proliferation, rising powers, and instability in key regions, such as we have witnessed with the Arab Spring.

DOD's fiscal year 2013 budget request totals $604.5 billion that this subcommittee oversees. This is a decrease of $28.8 billion over last year's enacted budget, mainly due to the drawdown of operations in Afghanistan and Iraq.

However, over the next decade, the Budget Control Act of 2011 (BCA) sets limits for DOD, which is $487 billion less than what the Department had planned to spend.

In order to meet the new fiscal realities, you have produced a defense strategy to help guide these budget reductions. This strategy moves from having a capability to fight two major theater wars, to instead defeating a major adversary in one theater while denying aggression or applying unacceptable costs on another aggressor.

In addition, it shifts the military's focus to increase emphasis on the Pacific and Middle East regions. Furthermore, it commits the Department to institutionalize capabilities to deal with what were once considered nontraditional or asymmetric threats, such as increasing counterterrorism capacity, enhancing cyber operations, and countering antiaccess threats.

Most importantly, the strategy reaffirms the administration's support of the All-Volunteer Force and maintaining the readiness of this force as a vital component of our national security. The defense strategy does not, however, take into consideration another component of the Budget Control Act known as "sequestration".

As you know, beginning on January 2, 2013, if a deficit reduction agreement is not reached, DOD will take its first increment of an across-the-board reduction of nearly $500 billion over the next 10 years.

Gentlemen, I look forward to having a candid dialogue this morning on this issue, as well as others I have highlighted.

We sincerely appreciate your service to our Nation, and the dedication and sacrifices made daily by the men and women of our armed services.

We could not be more grateful for what those who wear our Nation's uniform and those who support and lead our military do for our country each and every day.

Mr. Secretary, General, your full statements will be made part of the record, and I wish to now turn to the Vice Chairman, Senator Cochran, for his opening remarks.

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, I'm pleased to join you in welcoming our distinguished panel of witnesses this morning to review the President's budget request for the Department of Defense, and to give us an overview of the needs and challenges facing our national security interests.

We thank you very much for your willingness to serve in these important positions. They really are complex and couldn't be more important.

We appreciate the dedication and the years of experience that you bring to the challenge as well, and we expect to have an opportunity today to find out some of the specific details that need to be brought to the attention of the Senate.

Thank you very much.

Chairman INOUYE. I thank you very much. May I now call upon the Secretary.

SUMMARY STATEMENT OF HON. LEON E. PANETTA

Secretary PANETTA. Thank you, Mr. Chairman. Senator Cochran, and members of the subcommittee.

It is a distinct privilege and honor to have the opportunity to appear before this subcommittee of the Senate Appropriations Committee.

First and foremost, let me express my personal thanks to all of you for the support that you provide our men and women in uniform and the Department.

I've had the honor of working with many of you in other capacities, and I just want to thank you for your patriotism in providing very important public service to this country, but from my point-of-view right now, providing the support that we absolutely need at the Department of Defense in order to keep this country safe.

DEFENSE BUDGET

I'm here to discuss the President's budget request for fiscal year 2013. I also want to comment as well on the problems associated with sequestration that faces us in January 2013, and mention also some of the budgetary challenges that we still face in fiscal year 2012 as a result of fuel costs and other contingencies that we're facing.

With regards to the fiscal year 2013 budget request, this was a product of a very intensive strategy review that was conducted by senior military and civilian leaders of the Department under the advice and guidance of the President.

The reasons for the review are clear to all of us. First and foremost, we are at a strategic turning point after 10 years of war, and obviously, a period when there was substantial growth in the defense budgets.

Second, we are now a country that is facing very serious debt and deficit problems. And the Congress did pass the Budget Control Act of 2011 which imposes spending limits that reduce the defense base budget by $487 billion over the next decade.

And I've always recognized, based on my own background, having worked on budget issues, that defense does have a role to play in trying to get our fiscal house in order.

For that reason, we looked at this as an opportunity to develop a new defense strategy for the future, not to simply have to respond to the budget requirements that were here, but to do it in a way that would provide a strong defense for the country in the future.

The defense strategy that we developed does reflect the fact that as we end the war in Iraq and draw down in Afghanistan, we are at a turning point that would have required us, frankly, to make a strategic shift, probably under any circumstances.

The problem is that unlike past drawdowns, where the threats that we confronted receded, after wars, after the Vietnam war, after the fall of the Soviet Union, the problem is we continue to face very serious security challenges in the world of today.

We are still at war in Afghanistan. We still confront terrorism even though there's been significant damage to the leadership of al Qaeda. The reality is, we confront terrorism in Somalia, in Yemen, in North Africa.

We continue to see the proliferation of weapons of mass destruction. We continue to see threats from Iran and North Korea. We continue to have turmoil in the Middle East. We see the rising

powers in Asia that represent a challenge in terms of stability in that region as well.

And there are growing concerns about cyber intrusions and cyber attacks. We have to meet all of these challenges, and at the same time, meet our responsibility to fiscal discipline.

I don't think we have to choose between our national security and our fiscal security. But, at the same time, this is not an easy task.

To build the force we need for the future, we developed strategic guidance that consists really of five key elements that were the elements that guided us in terms of the budget recommendations we made.

First of all, we know that the military is going to be smaller, and it's going to be leaner in the future. But it has to be agile, and it has to be flexible. It has to be quickly deployable. Yet, it also has to be technologically advanced.

Second, because of the world we live in, and where we confront some of the most serious problems that face us, we have to rebalance our global posture and presence to emphasize the Asia-Pacific region and the Middle East. Those are the two areas where we confront the most serious challenges.

Third, we have to build for the rest of the world that we deal with, we have to build innovative partnerships and strengthen key alliances and partnerships elsewhere in the world, so that we maintain a presence in Latin America, Africa, Europe, and elsewhere.

Fourth, we have to ensure that we have a force that can confront and defeat aggression from any adversary, anytime, anywhere.

And, last, this can't just be about cutting the budget. It also has to be about investments—investments in new technology and new capabilities, as well as our capacity to grow, adapt, and mobilize as needed.

In shaping this strategy, we did not want to repeat the mistakes of the past. Our goals were the following: Number one, maintain the strongest military in the world. That's what we have now. That's what we want to have in the future.

We do not want to hollow out the force, where you maintain a large force, less spending, and the result is that we weaken everything at the Defense Department by our failure to be able to address the needs of that kind of force.

And that was a mistake that's been made in the past. We don't want to make that mistake again today or in the future.

That means we have to take a balanced approach to budget cuts. We have to look at every area of the budget and put everything on the table. And it also means that we do not want to break faith with the troops and the families, particularly, the troops that have been deployed time and time and time again.

As a result of these efforts, the Department, both our military and civilian leaders, strongly unified behind the recommendations that we presented. Consistent with the Budget Control Act, this budget reflects that in the next 5 years, we'll achieve savings of almost $260 billion, with 10-year savings of $487 billion.

The savings come from four areas: One, efficiencies; two, force structure; three, procurement reforms; and, last, compensation.

Let me walk through each of these areas. First, on efficiencies. Efficiencies yield about one-quarter of the targeted savings that we have in this package. On top of the $150 billion in efficiencies that were proposed in the fiscal year 2012 budget, we've added another $60 billion, primarily from streamlining support functions, consolidating information technology (IT) enterprises, rephasing military construction programs, consolidating inventory, and reducing service support contractors.

As we reduce force structure, we also have a responsibility to be cost efficient in terms of the support for that force. And that's the reason that the recommendation has been to authorize another base realignment and closure process for 2013 and 2015.

And as someone who has gone through base realignment and closure (BRAC), I realize how controversial this process is for the members and for the constituencies.

And yet, we do need, if we're going to bring the force down, we have got to find an effective way to achieve infrastructure savings. And that's the reason that recommendation was made.

Efficiencies are still not enough to achieve the necessary savings. Budget reductions of this magnitude, almost half of $1 trillion, require significant adjustments to force structure, procurement investments, and compensation as well.

We achieve those in the context of the elements of the new strategy that I discussed, so let me just walk through each of those.

First, we obviously have a force that is smaller and leaner, but it has to be more agile and technologically advanced. We knew that coming out of the wars, the military would be smaller. And to ensure an agile force, we made a conscious choice not to maintain more force structure than we could afford to properly train and equip.

We're implementing force structure reductions consistent with this new strategic guidance. It will give us a total savings of about $50 billion over the next 5 years.

So, those recommendations are to gradually re-size the Active Army. We're at about 560,000 now. We would bring that down over 5 years to 490,000, about a 70,000 reduction over that period.

It's a force that would be flexible, would be agile. It would be ready. It would be lethal. We would still maintain 18 divisions, 65 brigade combat teams, and 21 aviation brigades.

We would do the same with the Marine Corps. We're at about 202,000 in the Marine Corps. We would bring them down to 182,000 over the next 5 years. That's a reduction of about 20,000.

Again, they would still remain the strongest expeditionary force in the world. They would have 31 infantry battalions, 10 artillery battalions, and 20 tactical air squadrons.

AIR FORCE AND NAVY INVENTORY

We would also reduce and streamline the Air Force's airlift fleet. In addition, the Air Force would eliminate seven tactical air squadrons, but we still would retain a robust force of 54 combat-coded fighter squadrons.

The current bomber fleet would be maintained. We obviously have the Joint Strike Fighter in production, and we're also going

to develop a new generation bomber that we look forward to in the future.

We also have a fleet of 275 strategic airlifters and 318 C–130s along with our refueling tanker capabilities.

The Navy would retire seven lower priority Navy cruisers. And the reason they focused on that is because these cruisers have not been upgraded with ballistic missile defense capability. They're old. They need repairs. And so that was an area that they decided to try to achieve savings.

That would still maintain a force in the Navy of 285 ships, 11 carriers, 9 large deck amphibs, 82 cruisers and destroyers, and 50 nuclear-powered attack submarines. And we would achieve a naval number of about 300 ships by 2020.

Second, in rebalancing our global posture to emphasize Asia-Pacific and the Middle East, we made clear that we've got to protect capabilities needed to project power in Asia-Pacific and in the Middle East.

To this end, the budget, as I said, maintains the current bomber fleet, maintains our aircraft carrier fleet, maintains the big deck amphibious fleet, and it restores Army and Marine Corps force structure, particularly in the Pacific.

We're looking at, we've already provided for a rotational deployment of Marines in Darwin in Australia. We're looking at doing the same thing in the Philippines as well as elsewhere.

And the same thing is true with regard to a strong presence in the Middle East. Because of the threats in that region, we have maintained a strong presence of troop strength in that area as well.

We're building innovative partnerships and trying to strengthen our alliances throughout the world. And the way we are doing this is by developing this innovative, rotational presence where troops will go into an area, exercise with them, provide guidance and assistance, develop alliances, develop their capabilities, and build key alliances and partnerships for the future.

That's the message I delivered to the Pacific on this last trip. It's well received. I delivered the same message to Latin America. It's well received. These countries want to develop their capabilities.

This is not a question of the United States going around basically exerting our own power and telling these countries we'll defend them. They've got to develop their capabilities to be able to secure themselves for the future. And that's what this proposal provides for.

Fourth, we ensure that we can confront and defeat aggression from any adversary, anytime, anywhere, and that, obviously, goes to the force structure that would sustain a military that's the strongest in the world, capable of quickly and decisively confronting aggression wherever and whenever necessary.

In the 21st century, our adversaries are going to come at us using 21st century technology. That's the world we live in. And we've got to be able to respond with 21st century technology.

So, we must invest. We've got to invest in space. We've got to invest in cyberspace. We've got to invest in long-range precision strikes. We've got to invest in unmanned vehicles. We've got to invest in special operations forces. We've got to invest in the latest

technologies to ensure that we can still confront and defeat multiple adversaries.

And the last area is to protect, obviously, and prioritize key investments, and have the capacity to grow and adapt and mobilize. I talked about some of the areas that we want to invest in. This budget provides almost $12 billion of investment in science and technology, $10.4 billion in special operations forces, about $4 billion in unmanned air systems, and about $3.5 billion in cyber.

NATIONAL GUARD AND RESERVE UNITS

The last point I would make is we have got to maintain a strong Reserve and a strong National Guard that can respond if we have to mobilize quickly. That's been a key to our ability to mobilize over these last 10 years.

And today, I have to tell you, when you go out to the battlefield, you can't tell the difference between Active Duty and National Guard and Reserve units. They're out there. They're fighting. They're developing great experience, great capabilities. I don't want to lose that for the future. I want to be able to maintain that.

The last area I will mention is obviously an area that is extremely important. It's fundamental to our strategy, which are our people. That, frankly, is the biggest strength we have in the United States.

For all the weapons we have, for all the technology we have, frankly, it's the men and women in uniform that are the strongest weapon we have for the future.

And so, we want to sustain the family assistance programs, the programs for wounded warriors, the basic support programs for our troops and their families. But at the same time, I've got to focus on some savings in the compensation area.

This is an area that's grown by 90 percent. And, frankly, we have got to be able to find some cost constraints in that area. So it's for that reason, that, you know, when it came to military pay, we provide pay raises these next 2 years, but we try to limit those pay raises in the out years in order to provide some limits.

HEALTHCARE COSTS

We also do the same thing with TRICARE costs. And I recognize that that's sensitive, and controversial, but healthcare costs us almost $50 billion a year at the defense budget. I've got to do something to control healthcare costs in the future.

We've also looked at the idea of a retirement commission to look at retirement provisions for the future. We'd like to grandfather, obviously, benefits for those that are presently in the force, but we do need to achieve savings in this area as well for the future.

So, that's the package. This is not easy. It's tough, and we need your support. We need your partnership in trying to implement this strategy. I know these cuts are painful, and the fact is, they impact on all 50 States.

But there is no way you can cut a half of $1 trillion out of the defense budget and not have an impact on States. That's just a reality if you do it right.

So the key here is to try to do this in a way that relates to a defense strategy. That's important. The committees that have

marked up our budget, in many ways, they've accepted the recommendations we've made for investment changes, and we appreciate that.

But some of the committees have also made changes with regard to our recommendations that we're concerned about. Some of the bills seek to reverse the decisions to eliminate aging and lower priority ships and aircraft.

My concern is that if these decisions are totally reversed, then I've got to find money somewhere in order to maintain this old stuff, which has me literally in a situation where I've got to hollow out the force in order to do that.

We've got to be able to retire what is aged and what we can achieve some savings on.

The same thing is true, there's been some proposals to basically not provide for the measured and gradual reductions in end-strength that we've proposed for the Army and the Marine Corps.

Again, if I have a large force, and I don't have the money to maintain that large force, I'm going to wind up hollowing it out because I can't provide the training, I can't provide the equipment.

So that's why, if we're going to reduce the force, then I've got to be able to do it in a responsible way.

The last point I would make is with regard to overhead costs in military healthcare and in compensation.

Again, I understand the concern about that, but if I suddenly wind up with no reductions in that area, I've got to reach some place to find the money to maintain those programs. And that too, somebody's going to pay a price for that.

There's no free lunch here. Every low-priority program or overhead cost that is retained, will have to be offset in cuts in higher priority investments in order to comply with the Budget Control Act.

I recognize that there's no one in this subcommittee that wants to hollow out the force or weaken our defense structure. So I would strongly urge all of you to work with us to reach a consensus about how we achieve our defense priorities recognizing your concerns.

Our job is to responsibly respond to what this Congress has mandated on a bipartisan basis with regard to reducing the defense budget. And I need to have your help and your support to do this in a manner that preserves the strongest military in the world.

SEQUESTRATION

Let me just say a few words about sequestration. Obviously, this is a great concern. The doubling—I mean, this would result in a doubling of cuts, another $500 billion, that would have to be cut through this kind of formulaic, meat-axe approach that was designed into that process.

And it would guarantee that we hollow out our force and inflict severe damage on our national defense. I think you all recognize that the sequester would be entirely unacceptable. And I really urge both sides to work together to try to find the kind of comprehensive solution that would detrigger the sequester, and try to do this way ahead of this potential disaster that we confront.

I know the members of this subcommittee are committed to working together to stop the sequester, and I want you to know

that we are prepared to work with you to try to do what is necessary to avoid that crisis.

The last point I would make is on fiscal year 2012. We have some additional needs that have developed during fiscal year 2012. Just to summarize a few.

With regard to fuel costs. Because of the increase in fuel costs, we're facing almost another $3 billion in additional costs with regard to that area. Obviously, if the price goes down, that will provide some relief, but right now, that's the number that we're facing.

We've also had the closure of these ground lines, the so-called ground lines of communication (GLOCs) in Pakistan. And the result of that is that it's very expensive because we're using the northern transit route in order to be able to drawdown our forces and also supply our forces.

I think the amount is about $100 million a day—a $100 million a month because of the closure of those GLOCs.

Iron Dome, a system that we're trying to provide for the Israelis, is another additional cost that we would like to be able to provide. And also, we have had to provide additional forces in the Middle East because of the tensions in the gulf.

And so because we've increased both our naval and land forces there, those are additional costs as well.

So we've got some unbudgeted needs that we would ask for your support. I'll present to you an omnibus reprogramming request, and we hope to work with you to resolve these issues in the current fiscal year and do what the American people expect of all of us to be fiscally responsible in developing the force we need, a force that can defend the country and defend our Nation and support the men and women in uniform that are so important to the strongest military in the world.

These last 2 weeks, I had the opportunity to travel throughout Asia Pacific, and I consulted with a lot of our key allies and partners. I think they're very receptive of the strategy that we're proposing and are enthusiastic, certainly about our engagement in the region.

PREPARED STATEMENT

And I think I've been able to reassure our allies and partners, that we have a strategy-based approach to dealing with national security. I come from this institution of the Congress, and I have great respect for you and for this institution.

And I look forward to a partnership here to try to develop the approaches that are going to be necessary if we're going to meet our responsibilities to national security and fiscal responsibility at the same time.

Thank you.

[The statement follows:]

PREPARED STATEMENT OF LEON E. PANETTA

Chairman Inouye, Senator Cochran, and members of the subcommittee. I appreciate the opportunity to appear before you to discuss the President's fiscal year 2013 budget. I also want to address the looming problems associated with sequestration as well as our budgetary situation in fiscal year 2012.

But let me begin by first thanking you for your support for our servicemembers and our military families, including your responsiveness to the urgent needs of our

men and women in the battlefield over the last decade of war. Our brave men and women, along with the Department's civilian professionals who support them, have done everything asked of them and more.

DEFENSE STRATEGY REVIEW

The fiscal year 2013 budget request for the Department of Defense (DOD) was the product of an intensive strategy review conducted by the senior military and civilian leaders of the Department with the advice and guidance of President Obama. The total request represents a $614 billion investment in national defense—including a $525.4 billion request for the Department's base budget and $88.5 billion in spending for overseas contingency operations (OCO).

The reasons for this review are clear: First, the United States is at a strategic turning point after a decade of war and substantial growth in defense budgets. Second, with the Nation confronting very large debt and deficits, the Congress passed the Budget Control Act of 2011 (BCA), imposing limits that led to a reduction in the defense budget of $487 billion over the next decade.

Deficit reduction is a critical national security priority in and of itself. We at the Department decided that this crisis presented us with the opportunity to establish a new strategy for the force of the future, and that strategy has guided us in making the budget choices contained in the President's budget. We are at an important turning point that would have required us to make a strategic shift under any circumstances. The United States military's mission in Iraq has ended. We still have a tough fight on our hands in Afghanistan, but over the past year we have begun a transition to Afghan-led responsibility for security—and we are on track to complete that transition by the end of 2014, in accordance with the commitments made at Lisbon and reaffirmed last month at the North Atlantic Treaty Organization (NATO) summit in Chicago. Last year, the NATO effort in Libya also concluded with the fall of Qadhafi. And successful counterterrorism efforts have significantly weakened al Qaeda and decimated its leadership.

But despite what we have been able to achieve, unlike past drawdowns when threats have receded, the United States still faces a complex array of security challenges across the globe:

—we are still a Nation at war in Afghanistan;
—we still face threats from terrorism;
—there is dangerous proliferation of lethal weapons and materials;
—the behavior of Iran and North Korea threaten global stability;
—there is continuing turmoil and unrest in the Middle East and North Africa;
—rising powers in Asia are testing international relationships; and
—there are growing concerns about cyber intrusions and attacks.

Our challenge is to meet these threats and at the same time, meet our responsibility to fiscal discipline. This is not an easy task.

To build the force we need for the future, we developed new strategic guidance that consists of these five key elements:

—First, the military will be smaller and leaner, but it will be agile, flexible, ready, and technologically advanced.
—Second, we will rebalance our global posture and presence to emphasize Asia-Pacific and the Middle East.
—Third, we will build innovative partnerships and strengthen key alliances and partnerships elsewhere in the world.
—Fourth, we will ensure that we can quickly confront and defeat aggression from any adversary—anytime, anywhere.
—Fifth, we will protect and prioritize key investments in technology and new capabilities, as well as our capacity to grow, adapt, and mobilize as needed.

STRATEGY TO FISCAL YEAR 2013 BUDGET

We developed this new strategic guidance before any final budget decisions were made to ensure that the budget choices reflected the new defense strategy.

While shaping this strategy, we did not want to repeat the mistakes of the past. Our goals were to maintain the strongest military in the world and to do our share of deficit reduction, recognizing that no country maintains its military might if its economy is weakened. We are determined to not break faith with troops and their families, to not "hollow out" the force, to take a balanced approach to budget cuts, and to put everything on the table. Throughout the review we made sure this was an inclusive process, and General Dempsey and I worked closely with the leadership of the Services and Combatant Commanders, and consulted regularly with Members of Congress.

As a result of these efforts, the Department is strongly united behind the recommendations we have presented to the Congress. Consistent with title I of the Budget Control Act, this budget reflects $259 billion in savings over the next 5 years and $487 billion over the next 10 years compared to the budget plan submitted to the Congress last year. Under the 5-year budget plan, the base budget will rise from $525 billion in fiscal year 2013 to $567 billion in fiscal year 2017. When reduced war-related funding requirements are included, we expect total U.S. defense spending to drop by more than 20 percent over the next few years from its peak in 2010, after accounting for inflation.

This is a balanced and complete package that follows the key elements of the strategy and adheres to the guidelines we established. The savings come from three broad areas:

—First, efficiencies—we redoubled efforts to make more disciplined use of taxpayer dollars, yielding about one-quarter of the target savings.

—Second, force structure and procurement adjustments—we made strategy-driven changes in force structure and procurement programs, achieving roughly one-half of the savings.

—Finally, compensation—we made modest but important adjustments in personnel costs to achieve some necessary cost savings in this area, which represents one-third of the budget but accounted for a little more than 10 percent of the total reduction.

Changes in economic assumptions and other shifts account for the remainder of the $259 billion in savings. Let me walk through these three areas, beginning with our efforts to discipline our use of defense dollars.

MORE DISCIPLINED USE OF DEFENSE DOLLARS

If we are to tighten up the force, I felt we have to begin by tightening up the operations of the Department. This budget continues efforts to reduce excess overhead, eliminate waste, and improve business practices across the Department. The more savings realized in this area, the less spending reductions required for modernization programs, force structure, and military compensation.

As you know, the fiscal year 2012 budget proposed more than $150 billion in efficiencies between fiscal year 2012 and fiscal year 2016, and we continue to implement those changes. This budget identifies about $60 billion in additional savings over 5 years. Across the military services, new efficiency efforts over the next 5 years include:

—The Army proposes to save $18.6 billion through measures such as streamlining support functions, consolidating information technology (IT) enterprise services, and rephasing military construction projects.

—The Navy proposes to save $5.7 billion by implementing strategic sourcing of commodities and services, consolidating inventory, and other measures.

—The Air Force proposes to save $6.6 billion by reducing service support contractors and rephasing military construction projects.

Other proposed DOD-wide efficiency savings over the next 5 years total $30.1 billion, including reductions in expenses in the Office of the Secretary of Defense and the Defense agencies.

Additionally, we are continuing the initiative to improve the Department's buying power by seeking greater efficiency and productivity in the acquisition of goods and services. We are strengthening acquisition support to the warfighter, executing acquisitions more efficiently, preserving the industrial base, and strengthening the acquisition workforce. This budget assumes that these policies produce savings of $5.3 billion over the next 5 years.

In terms of military infrastructure, we will need to ensure that our current basing and infrastructure requirements do not divert resources from badly needed capabilities.

As we reduce force structure, we have a responsibility to provide the most cost-efficient support for the force. For that reason, the President is requesting that the Congress authorize the base realignment and closure (BRAC) process for 2013 and 2015. As someone who went through BRAC, I realize how controversial this process can be for members and constituencies. And yet, it is the only effective way to achieve infrastructure savings.

Achieving audit readiness is another key initiative that will help the Department achieve greater discipline in its use of defense dollars. The Department needs auditable financial statements to comply with the law, to strengthen its own internal processes, and to reassure the public that it continues to be a good steward of Federal funds. In October 2011, I directed the Department to emphasize this initiative and accelerate efforts to achieve fully auditable financial statements. Among

other specific goals, I directed the Department to achieve audit readiness of the Statement of Budgetary Resources for general funds by the end of calendar year 2014, and to meet the legal requirements to achieve full audit readiness for all Defense Department financial statements by 2017. We are also implementing a course-based certification program for defense financial managers in order to improve training in audit readiness and other areas, with pilot programs beginning this year. We now have a plan in place to meet these deadlines, including specific goals, financial resources, and a governance structure.

These are all critically important efforts to ensure the Department operates in the most efficient manner possible. Together, these initiatives will help ensure the Department can preserve funding for the force structure and modernization needed to support the missions of our force.

STRATEGY-DRIVEN CHANGES IN FORCE STRUCTURE AND PROGRAMS

It is obvious that we cannot achieve the overall savings targets through efficiencies alone. Budget reductions of this magnitude require significant adjustments to force structure and investments, but the choices we made reflected five key elements of the defense strategic guidance and vision for the military.

Build a Force That is Smaller and Leaner, but Agile, Flexible, Ready, and Technologically Advanced

We knew that coming out of the wars, the military would be smaller. Our approach to accommodating these reductions, however, has been to take this as an opportunity—as tough as it is—to fashion the agile and flexible military we need for the future. That highly networked and capable joint force consists of:

—an adaptable and battle-tested Army that is our Nation's force for decisive action, capable of defeating any adversary on land;
—a Navy that maintains forward presence and is able to penetrate enemy defenses;
—a Marine Corps that is a "middleweight" expeditionary force with reinvigorated amphibious capabilities;
—an Air Force that dominates air and space and provides rapid mobility, global strike, and persistent intelligence, surveillance, and reconnaissance (ISR); and
—National Guard and Reserve components that continue to be ready and prepared for operations when needed.

To ensure an agile force, we made a conscious choice not to maintain more force structure than we could afford to properly train and equip. We are implementing force structure reductions consistent with the new strategic guidance for a total savings of about $50 billion over the next 5 years.

These adjustments include:

—gradually resizing the Active Army to 490,000, eliminating a minimum of eight brigade combat teams (BCTs) and developing a plan to update the Army's brigade structure;
—gradually resizing the Active Marine Corps to about 182,100, eliminating six combat battalions and four Tactical Air squadrons;
—reducing and streamlining the Air Force's airlift fleet by retiring all 27 C–5As, 65 of the oldest C–130s and divesting all 38 C–27s. After retirements, the Air Force will maintain a fleet of 275 strategic airlifters, and 318 C–130s—a number that we have determined is sufficient to meet the airlift requirements of the new strategy, including the Air Force's commitment for direct support of the Army;
—eliminating seven Air Force Tactical Air squadrons—including five A–10 squadrons, one F–16 squadron, and one F–15 training squadron. The Air Force will retain 54 combat-coded fighter squadrons, maintaining the capabilities and capacity needed to meet the new strategic guidance; and
—retiring seven lower priority Navy cruisers that have not been upgraded with ballistic missile defense capability or that would require significant repairs, as well as retiring two dock landing ships.

The strategy review recognized that a smaller, ready, and agile force is preferable to a larger force that is poorly trained and ill-equipped. Therefore, we put a premium on retaining those capabilities that provide the most flexibility across a range of missions. We also emphasized readiness. For fiscal year 2013, the Department is requesting $209 billion in the base budget for Operation and Maintenance, the budget category that funds training and equipment maintenance among other aspects of operations. That represents an increase of 6 percent compared to the enacted level in 2012, even though the overall base budget will decline by 1 percent. Striking the right balance between force structure and readiness is critical to our

efforts to avoid a hollow force, and we will continue to focus on this area to ensure that we make the right choices.

Rebalance Global Posture and Presence To Emphasize Asia-Pacific and the Middle East

The strategic guidance made clear that we must protect capabilities needed to project power in Asia-Pacific and the Middle East. To this end, this budget:

—maintains the current bomber fleet;
—maintains the aircraft carrier fleet at a long-term level of 11 ships and 10 air wings;
—maintains the big-deck amphibious fleet; and
—restores Army and Marine Corps force structure in the Pacific after the drawdown from Iraq and as we drawdown in Afghanistan, while maintaining persistent presence in the Middle East.

The budget also makes selected new investments to ensure we develop new capabilities needed to maintain our military's continued freedom of action in face of new challenges that could restrict our ability to project power in key territories and domains. Across the Services, this budget plan requests $1.8 billion for fiscal year 2013, and a total of $3.9 billion over the next 5 years, for enhancements to radars, sensors, and electronic warfare capabilities needed to operate in these environments.

Other key power projection investments in fiscal year 2013 include:

—$300 million to fund the next generation Air Force bomber (and a total of $6.3 billion over the next 5 years);
—$1.8 billion to develop the new Air Force tanker;
—$18.2 billion for the procurement of 10 new warships and associated equipment, including two *Virginia*-class submarines, two *Aegis*-class destroyers, four littoral combat ships, one joint high speed vessel, and one CVN–21-class aircraft carrier. We are also requesting $100 million to develop the capability to increase cruise missile capacity of future *Virginia*-class submarines;
—$2.2 billion in fiscal year 2013 for the procurement of an additional 26 F/A–18E/F Super Hornet aircraft;
—$1 billion in fiscal year 2013 for the procurement of 12 EA–18G Growler aircraft, the Navy's new electronic warfare platform that replaces the EA–6B; and
—$38 million for design efforts to construct an Afloat Forward Staging Base planned for procurement in fiscal year 2014. This base can provide mission support in areas where ground-based access is not available, such as countermine operations, Special Operations, and ISR.

Build Innovative Partnerships and Strengthen Key Alliances and Partnerships

The strategy makes clear that even though Asia-Pacific and the Middle East represent the areas of growing strategic priority, the United States will work to strengthen its key alliances, to build partnerships, and to develop innovative ways to sustain United States presence elsewhere in the world.

To that end, this budget makes key investments in NATO and other partnership programs, including:

—$200 million in fiscal year 2013 and nearly $900 million over the next 5 years in the NATO Alliance Ground Surveillance system. This system will enable the Alliance to perform persistent surveillance over wide areas in any weather or light condition;
—$9.7 billion in fiscal year 2013, and $47.4 billion over the next 5 years, to develop and deploy missile defense capabilities that protect the U.S. homeland and strengthen regional missile defenses;
—$800 million for the Combatant Commanders exercise and engagement program. Jointly with the State Department, we will also begin using the new Global Security Contingency fund that was established at our request in the fiscal year 2012 legislation;
—$401 million for the Medium Extended Air Defense System (MEADS). These funds are necessary to complete the Proof of Concept program that was agreed to between the United States, Italy, and Germany. Completing the Proof of Concept fulfills an important obligation to our international partners, lays the groundwork for strengthened NATO air defense, and will provide demonstrated technologies to enhance U.S. air defense capabilities in the future.

The new strategy also envisions a series of organizational changes that will boost efforts to partner with other militaries. These include:

—Allocating a U.S.-based brigade to the NATO Response Force and rotating U.S.-based units to Europe for training and exercises;

—Aligning an Army BCT with each regional Combatant Command to foster regional expertise; and
—Increasing opportunities for Special Operations Forces to advise and assist partners in other regions, using additional capacity available due to the gradual drawdown from the post-9/11 wars.

Ensure That We Can Confront and Defeat Aggression From Any Adversary—Anytime, Anywhere

The strategic guidance reaffirmed that the United States must have the capability to fight more than one conflict at the same time. Still, the strategic guidance recognizes that how we defeat the enemy may well vary across conflicts.

This budget invests in space, cyberspace, long range precision-strike, and the continued growth of special operations forces to ensure that we can still confront and defeat multiple adversaries even with the force structure reductions outlined earlier. It also sustains the nuclear triad of bombers, missiles, and submarines to ensure we continue to have a safe, reliable, and effective nuclear deterrent.

Even with some adjustments to force structure, this budget sustains a military that is the strongest in the world, capable of quickly and decisively confronting aggression wherever and whenever necessary. After planned reductions, the fiscal year 2017 joint force will consist of:

—an Army of more than 1 million Active and Reserve soldiers that remains flexible, agile, ready, and lethal across the spectrum of conflict, with 18 Divisions, approximately 65 Brigade Combat Teams, 21 Combat Aviation Brigades, and associated enablers;
—a Naval battle force of 285 ships—the same size force that we have today—that will remain the most powerful and flexible naval force on Earth, able to prevail in any combat situation, including the most stressing anti-access environments. Our maritime forces will include 11 carriers, 9 large deck amphibious ships (although we should build to 10 such ships in fiscal year 2018), 82 guided missile cruisers and destroyers, and 50 nuclear-powered attack submarines;
—a Marine Corps that remains the Nation's expeditionary force in readiness, forward deployed and engaged, with 31 infantry battalions, 10 artillery battalions, and 20 tactical air squadrons; and
—an Air Force that will continue to ensure air dominance with 54 combat-coded fighter squadrons and the current bomber fleet, with the Joint Strike Fighter in production and the next-generation bomber in development. Our Air Force will also maintain a fleet of 275 strategic airlifters, 318 C–130s, and a new aerial refueling tanker.

Protect and Prioritize Key Investments, and the Capacity To Grow, Adapt, and Mobilize

The force we are building will retain a decisive technological edge, leverage the lessons of recent conflicts, and stay ahead of the most lethal and disruptive threats of the future.

To that end, the fiscal year 2013 budget:

—provides $11.9 billion for science and technology to preserve our ability to leap ahead, including $2.1 billion for basic research;
—provides $10.4 billion (base and OCO) to sustain the continued growth in Special Operations Forces;
—provides $3.8 billion for Unmanned Air Systems by funding trained personnel, infrastructure, and platforms to sustain 65 USAF MQ–1/9 combat air patrols with a surge capacity of 85 by fiscal year 2016. We slowed the buy of the Reaper aircraft to allow us time to develop the personnel and training infrastructure necessary to make full use of these important aircraft. We also protected funding for the Army's unmanned air system Gray Eagle;
—invests $3.4 billion in cyber activities, with several initiatives receiving increased funding relative to last year. The scale of cyber threats is increasing and we need to be prepared to defeat these threats, mitigate the potential damage, and provide the President with options to respond, if necessary. We are investing in full spectrum cyber operations capabilities to address the threats we see today and in the future. The Department strongly believes that congressional action is needed on cyber legislation and is supportive of the bipartisan legislation introduced by Senators Lieberman, Collins, and Rockefeller; and
—provides $1.5 billion to fund the Department's Chemical and Biological Defense program.

At the same time, the strategic guidance recognizes the need to prioritize and distinguish urgent modernization needs from those that can be delayed—particularly in light of schedule and cost problems. Therefore this budget identifies about $75

billion in savings over the Future Years Defense Plan (FYDP) resulting from canceled or restructured programs. Key modifications and associated savings over the FYDP include:

—$15.1 billion in savings from restructuring the Joint Strike Fighter by delaying aircraft purchases to allow more time for development and testing;
—$1.3 billion in savings from delaying development of the Army's ground combat vehicle due to contracting difficulties;
—$2.2 billion in savings from curtailing the Joint Land Attack Cruise Missile Defense Elevated Netted Sensor System (JLENS) due to concerns about program cost and operational mobility;
—$4.3 billion in savings from delaying the next generation of ballistic missile submarines by 2 years for affordability and management reasons; and
—$0.8 billion in savings from delaying selected Army aviation helicopter modernization for 3 to 5 years.

We will also terminate selected programs, including:

—the Block 30 version of Global Hawk, which has grown in cost to the point where it is no longer cost effective, resulting in savings of $2.5 billion;
—upgrades to High Mobility Multipurpose Wheeled Vehicles (HMMWVs); we will focus our modernization resources on the joint light tactical vehicle, resulting in savings of $900 million; and
—the weather satellite program, because we can depend on existing satellites, resulting in savings of $2.3 billion.

We have also invested in a balanced portfolio of capabilities that will enable our force to remain agile, flexible, and technologically advanced enough to meet any threat. We will ensure that we can mobilize, surge, and adapt our force to meet the requirements of an uncertain future. To that end, ground forces will retain the key enablers and know-how to conduct long-term stability operations, and the Army will retain more mid-grade officers and noncommissioned officers. These steps will ensure we have the structure and experienced leaders necessary should we need to re-grow the force quickly.

Another key element is to maintain a capable and ready National Guard and Reserve. The Reserve component has demonstrated its readiness and importance over the past 10 years of war, and we must ensure that it remains available, trained, and equipped to serve in an operational capacity when necessary. We will maintain key combat support capabilities and ensure that combat service support capabilities like civil affairs are maintained at a high-readiness level. We will also leverage the operational experience and institute a progressive readiness model in the National Guard and Reserves in order to sustain increased readiness prior to mobilization.

In keeping with the emphasis on a highly capable reserve, this budget makes only relatively modest reductions in the ground-force Reserve components. Over the next 5 years, the Army Reserve will be sustained at 205,000 personnel, the Army National Guard will marginally decrease from 358,200 to 353,200 personnel, and the Marine Corps Reserve will sustain an end-strength level of 39,600 personnel. The Navy Reserve will decrease from 66,200 to 57,100 personnel over the next 5 years. Over the same span, the Air Force Reserve will decrease from 71,400 to 69,500 personnel, and the Air National Guard will decrease from 106,700 to 101,200 personnel.

Another key part of preserving our ability to quickly adapt and mobilize is a strong and flexible industrial base. This budget recognizes that industry is our partner in the defense acquisition enterprise. A healthy industrial base means a profitable industrial base, but it also means a lean, efficient base that provides good value for the taxpayers' defense investments and increases in productivity over time.

ENSURING QUALITY OF THE ALL-VOLUNTEER FORCE

Now to the most fundamental element of our strategy and our decisionmaking process: Our people. This budget recognizes that they, far more than any weapons system or technology, are the great strength of our United States military. All told, the fiscal year 2013 budget requests $135.1 billion for the pay and allowances of military personnel and $8.5 billion for family support programs vital to the well-being of servicemembers and their families.

One of the guiding principles in our decisionmaking process was that we must keep faith with our troops and their families. For that reason, we were determined to protect family assistance programs, and we were able to sustain these important investments in this budget and continue efforts to make programs more responsive to the needs of troops and their families. Yet in order to build the force needed to defend the country under existing budget constraints, the growth in costs of military pay and benefits must be put on a sustainable course. This is an area of the budget

that has grown by nearly 90 percent since 2001, or about 30 percent above inflation—while end strength has only grown by 3 percent.

This budget contains a roadmap to address the costs of military pay, healthcare, and retirement in ways that are fair, transparent, and consistent with our fundamental commitments to our people.

On military pay, there are no pay cuts. We have created sufficient room to allow for full pay raises in 2013 and 2014 that keep pace with increases in the private sector. That means for 2013, we propose a pay increase of 1.7 percent for servicemembers. However, we will provide more limited pay raises beginning in 2015—giving troops and their families fair notice and lead time before changes take effect. Let me be clear: Nobody's pay is cut in this budget nor will anyone's pay be cut in the future years of this proposal.

This budget devotes $48.7 billion to healthcare—a cost that has more than doubled over the last decade. In order to continue to control the growth of these costs, we are recommending increases in healthcare fees, copays, and deductibles to be phased in over 4 to 5 years. None of the fee proposals in the budget would apply to active-duty servicemembers, survivors of servicemembers who died on Active Duty, or retirees who retired due to disability. Most of the changes will not affect the families of Active-Duty servicemembers—there will be no increases in healthcare fees or deductibles for families of Active-Duty servicemembers. Those most affected will be retirees—with the greatest impact on working-age retirees under the age of 65 still likely to be employed in the civilian sector. Even with these changes, the costs borne by retirees will remain below levels in most comparable private sector plans—as they should be.

Proposed changes include:

—further increasing enrollment fees for retirees under age 65 in the TRICARE Prime program, using a tiered approach based on retired pay that requires senior-grade retirees with higher retired pay to pay more and junior-grade retirees less;

—establishing a new enrollment fee for the TRICARE Standard/Extra programs and increasing deductibles;

—establishing a new enrollment fee for the TRICARE-for-Life program for retirees 65 and older, also using a tiered approach;

—implementing additional increases in pharmacy copays in a manner that increases incentives for use of mail order and generic medicine; and

—indexing fees, deductibles, pharmacy copays, and catastrophic caps to reflect the growth in national healthcare costs.

These changes are important. I am therefore disappointed that the Authorization Committees did not support the proposed TRICARE fee initiatives that seek to control spiraling defense healthcare costs. We also feel that the fair way to address military retirement costs is to ask the Congress to establish a commission with authority to conduct a comprehensive review of military retirement. But the President and the Department believe that the retirement benefits of those who currently serve should be protected by grandfathering their benefits. For those who serve today, I will request there be no changes in retirement benefits.

FULLY SUPPORTING DEPLOYED WARFIGHTERS

The costs of overseas contingency operations (OCO) are funded separately from the base budget in a stand-alone fiscal year 2013 request of $88.5 billion. That funding level represents a decrease of $26.6 billion from the fiscal year 2012 enacted level.

This year's OCO request, which ensures that deployed troops have all the financial resources they need to conduct their challenging missions, primarily supports operations in Afghanistan, but also requests relatively small sums for the Office of Security Cooperation in Iraq (OSC–I) and the repair or replacement of equipment redeploying from Iraq.

Our fiscal year 2013 OCO request includes funding for added personnel pay and subsistence for deployed forces; communications; mobilizing Reserve component units; transportation; supplies; deployment and redeployment of all combat and support forces; force sustainment; and sustainment and replenishment of war reserve stocks.

For fiscal year 2013, we request $5.7 billion in funding for the Afghan National Security Forces (ANSF). It is critically important that we maintain sufficient financial support to ANSF so that they can ultimately assume full security responsibility across Afghanistan.

Much tough fighting lies ahead in Afghanistan, but the gradually improving situation permits the remainder of the United States surge force to redeploy by the end

of September 2012, leaving 68,000 United States troops in Afghanistan at that time. The fiscal year 2013 OCO request assumes a continued level of about 68,000 troops in Afghanistan. While future changes in troop levels may be implemented during fiscal year 2013, those decisions will be based on advice from field commanders about conditions on the ground.

In Iraq, OCO funding supports continued security assistance and cooperation with Iraqi Security Forces through the OSC–I in the areas of common interest, including counterterrorism, counterproliferation, maritime security, and air defense. This funding is critical for the United States to strengthen its long-term partnership with Iraq. Additionally, to ensure that United States forces redeployed from Iraq are ready and equipped for future operations, this funding replenishes equipment and stocks for these forces.

A BALANCED PACKAGE

Members of the subcommittee, the fiscal year 2013 request is a carefully balanced package that keeps America safe and sustains U.S. leadership abroad. As you take a look at the individual parts of this plan, I encourage you to do what the Department has done: To bear in mind the strategic trade-offs inherent in any particular budget decision, and the need to balance competing strategic objectives in a resource-constrained environment.

As the fiscal year 2013 budget request has worked its way through the relevant Committees, I am pleased to note that many of our changes have been sustained. In particular, most Committees have accepted a number of the investment changes we recommended, which are consistent with our new defense strategy and the budgetary limits imposed by the Budget Control Act.

However, some Committees of Congress have not supported certain choices that are critical to the long-term viability of a defense strategy that lives within the constrained resources of the Budget Control Act. For example, some Committee bills are seeking to reverse decisions to eliminate aging and lower priority ships and aircraft. If these decisions are totally reversed, it would be harder to invest in newer, multipurpose, and higher priority platforms for the future, and we would be burdening the services with excess force structure that would risk hollowing out the force.

There has also been opposition to the measured and gradual reductions in end strength we have proposed for the Army and Marine Corps. The Department has made it clear that we prefer a smaller ready force to a larger force that lacks sufficient training and equipment to perform the mission assigned to it. If we are prevented from making the full-planned reductions in the size of our ground forces, that's what we'll get.

Similarly, some bills would reverse our efforts to slow overhead costs, particularly by slowing the growth of military healthcare costs. By making it harder to get these costs under control, the Congress is making it more difficult to balance and maintain investments in readiness and equipment, which is essential to the overall health of the All-Volunteer Force.

In reversing difficult decisions and restoring funds to those areas that achieve necessary savings, the Congress risks upending the careful balance we have sought to achieve in our strategy.

There is no free lunch here. Every low-priority program or overhead cost that is retained will have to be offset by cuts in higher priority investments in order to comply with the Budget Control Act.

I know that this subcommittee does not want to hollow out the force. Therefore, I would strongly urge the Congress to work with us to reach a consensus about our defense priorities, recognizing your concerns. Obviously, our job is to responsibly respond to what this Congress mandated, on a bipartisan basis, with regard to reducing the defense budget. We need your partnership to do this in a manner that preserves the strongest military in the world. This will be a test of whether reducing the deficit is about talk or action.

Now that we have seen the sacrifice involved in reducing the defense budget by almost half $1 trillion, I want to remind the Congress of its important responsibility to make sure that we avoid sequestration. That would be a doubling of the cuts, another roughly $500 billion in additional cuts that would be required to take place through a meat-axe approach, and that we are convinced could hollow out the force and inflict severe damage on our national defense. All of us recognize that sequester would be entirely unacceptable, and both sides and both chambers in the Congress must work urgently to find a compromise that will allow us to head off this disaster.

I know that the members of this subcommittee are committed to working together to stop sequester, and to ensuring that our men and women in uniform have the resources they need to perform the hard work of defending this country.

FISCAL YEAR 2012 BUDGET SITUATION

On that note, let me close by pointing to some difficult budgeting problems for fiscal year 2012 that will require your help and support to solve. Our fiscal year 2012 budget was prepared several years ago. Changes in funding needs since then have resulted in shortfalls and excesses in particular areas.

To start, we have a significant shortfall in fuel funding for fiscal year 2012. The situation will improve if fuel prices remain at current lower levels, but the shortfall will still be substantial.

There are also additional Army manpower costs due to greater Reserve mobilizations than expected, Navy OCO operating costs that are higher due to the need for more ships than planned for Afghanistan support, Air Force flying hours that exceeded projections, and Army OCO transportation costs that are higher due to closures of ground lines of communications (GLOC) in Pakistan.

In terms of excesses, we know that our budgets for the Afghan Security Forces Fund (ASFF), both for fiscal year 2011 and for fiscal year 2012, are higher than are needed to provide full support to the Afghanistan National Security Forces.

We need the Congress to permit us to realign funds to meet our shortfalls. As a start, on June 1 we asked for authority to move $1 billion from the category for ASFF funding to the defense working capital fund. This will enable us to maintain cash reserves while paying higher fuel costs.

Thank you for approving our request which represents a first step toward resolving our fiscal year 2012 budgetary problems. Remaining issues will be addressed by an omnibus reprogramming request which we plan to submit for your review around the end of June.

As part of our efforts to confront fuel costs and also enhance our war-fighting capabilities, we are looking to make our installations and operations more fuel efficient and to diversify our energy sources, including with alternative fuels. I oppose efforts by the Congress to limit the Department's options for using alternative fuels. These efforts could deprive commanders of the flexibility they need to meet tactical and operational needs and make us more exposed to potential supply disruptions and future price volatility of petroleum products.

I will work closely with you to resolve these issues for the current fiscal year, and to do what the American people expect of their leaders: Be fiscally responsible in developing the force for the future—a force that can defend the country, a force that supports our men and women in uniform, and a force that is, and always will be, the strongest military in the world.

Over the past 2 weeks, I had the opportunity to travel extensively throughout the Asia-Pacific region, where I consulted with key Allies and partners and explained our new defense strategy both publicly and privately. I was struck by the enthusiasm and the support for America's continued engagement in that region, and the reassurance that our Allies and partners felt by the strategy-based approach we are taking to our national security.

This trip has convinced me that we are on the right track, but I recognize that we are still at the very beginning of a long-term process that will unfold over the next decade and that we must continue in future budget requests.

With our fiscal year 2013 budget, we have laid the groundwork to build the military we need for the future. But we need to work with the Congress to execute this strategy, and that means implementing the proposals we have presented this year, and pushing ahead with the hard work of maintaining the strongest military in the world and meeting our fiscal responsibilities.

Chairman INOUYE. Mr. Secretary, I thank you for your candid and painful testimony. May I now call upon General Dempsey.

STATEMENT OF GENERAL MARTIN E. DEMPSEY, CHAIRMAN, JOINT CHIEFS OF STAFF

General DEMPSEY. Thank you, Chairman, Senator Cochran, and distinguished members of the subcommittee: Thank you for this opportunity to discuss the President's defense budget proposal for fiscal year 2013.

This budget represents a responsible investment in our Nation's security. It maintains our military's decisive edge, and it sustains

America's global leadership. Moreover, it keeps faith with the Nation and the true source of our military strength which is, of course, America's sons and daughters who serve in uniform.

I'd like to open with a few words about them and their accomplishments. In just this past year, our soldiers, sailors, airmen, and marines further crippled al Qaeda. They brought to a close more than 20 years of military operations in and over Iraq.

They continued the steady transition of security responsibility in Afghanistan. They helped protect the Libyan people from a regime's brutality, and they helped Japan recover from a tragic natural disaster.

They also worked professionally and quietly behind the scenes defending against cyber threats, sustaining our nuclear deterrent posture, and working with allies and partners around the globe to build capacity and prevent conflict.

They didn't just do it last year. They've been doing it year after year after year. During a decade of continuous combat, our service men and women and their families have persevered and prevailed.

It is a genuine pleasure and honor to serve with each and every one of them. They remain a great source of pride for our Nation. We need to keep faith with them just as they work to keep faith with the Nation.

DEFENSE BUDGET

One way to do this is by making sure our defense budget is informed by a real strategy. This past January, we released a new defense strategy that reflects the lessons of war and anticipates a more competitive security environment in the future.

It also acknowledges the realities of the new fiscal environment. It sets priorities for investment and it establishes a strategic focus. This budget resources that strategy.

It ensures we retain our conventional overmatch while divesting capabilities not required in the Active Force or at all. It takes advantage of emerging capabilities as the Secretary said such as Special Operating Forces, intelligence, and cyber.

It restores versatility and readiness. Overall, it's an important stepping off point on our path toward the joint force we assess we will need in 2020, a military that is always ready to provide options for the Nation.

Keeping faith also means appropriate compensation for our troops. This budget proposes modest reforms to military pay and benefits. However, it does not place the burden of budget cuts on the shoulders of our men and women in uniform.

There are no freezes or reductions in pay, and there is no decrease in the quality of healthcare received by our active-duty members and medically retired wounded warriors.

That said, we can't ignore some hard realities. We need practical reform to deal with escalating personnel costs, particularly in healthcare. We must make our healthcare system more sustainable. Otherwise, we risk both the quality and the continuity of care. We can ensure its viability in ways that are fair and modest.

Last, keeping faith also means managing risk to our interests and to our institutions. To be sure, we are assuming some risk in this strategy. All strategies in all budgets that resource them have

to accept some risk. That risk is not in what we can do, but in how much we can do and how often.

The budget helps buy down that risk by investing in our people and in the joint capabilities we need most. We have achieved balance in this budget.

Keep in mind, please, that this is a budget for a joint force. It should not be thought of as a set of separate service budgets but as a comprehensive and carefully devised set of choices; choices that reflect the right mix among force structure, modernization, readiness, pay, and benefits.

Different choices will produce a different balance. So before giving us weapons we don't need, or giving up on reforms that we do need, I'd only ask you to make sure it's the right choice, not for our Armed Forces but for our Nation.

SEQUESTRATION

Sequestration is absolutely certain to upend this balance. It would lead to further end-strength reductions, the potential cancellation of major weapon systems, and the disruption of global operations.

We can't yet say precisely how bad the damage would be, but it is clear that sequestration would risk hollowing out our force and reducing its military options available to the Nation.

We would go from being unquestionably powerful everywhere to being less visible globally, and presenting less of an over match to our adversaries. And that would translate into a different deterrent calculus, and potentially therefore, increase the likelihood of conflict.

PREPARED STATEMENT

In closing, I offer my sincere thanks to this subcommittee and to the entire Congress of the United States. Thank you for keeping our military strong.

Thank you for taking care of our military family, for supporting those who serve, who have served, and who will serve, I know you share my pride in them. I look forward to your questions.

[The statement follows:]

PREPARED STATEMENT OF GENERAL MARTIN E. DEMPSEY

Chairman Inouye, Senator Cochran, and distinguished members of the subcommittee: It is my privilege to update you on our Armed Forces and the President's budget proposal for fiscal year 2013. The context for this year's posture testimony is unique. Our military has transitioned many of our major operations. We have new defense guidance that sets strategic priorities. And we are facing real fiscal constraints and an increasingly competitive security environment. The President's proposed fiscal year 2013 defense budget accounts for these realities. It provides a responsible investment in our Nation's current and future security.

GLOBAL MILITARY OPERATIONS

Today, our Armed Forces stand strong. We are proud of the performance and accomplishments of our men and women in uniform over the past year. They have carried out far-ranging missions with much success. They have defended our homeland, deterred aggression, and kept our Nation immune from coercion. And despite a decade of continuous combat operations, our troops and their families remain resilient.

Our U.S. Forces in Iraq completed their mission in December. More than 20 years of military operations in and over Iraq came to a conclusion. The security of Iraq is now the responsibility of the Iraqi people, leaders, and security forces. We have

transitioned to a normal military-to-military relationship. Diplomats and civilian advisors are the face of the United States in Baghdad. To be sure, Iraq still faces challenges to its future. But as we look to that future, we will continue to build ties across Iraq to help the people and institutions capitalize on the freedom and opportunity we helped secure.

In Afghanistan, we are seeing the benefits of the surge in combat forces begun in early 2010. The security situation is improving. The Taliban are less capable, physically and psychologically, than they were 2 years ago. Afghan and International Security Assistance Forces (ISAF) have wrested the initiative and momentum from them in much of the country. The Taliban, however, remain determined and continue to threaten the population and the Government. Combat will continue.

Key to long-term stability in Afghanistan is the development and sustainability of the Afghan National Security Forces (ANSF). In 2011, the Afghan National Army grew by 18 percent. The Afghan National Police grew by 20 percent. These forces, combined with the ever-more-capable Afghan local police, are steadily assuming responsibility for Afghan security. The process of transition began last July, and after nearly completing the second of five "tranches" of transition, Afghan security forces are now responsible for the day-to-day security of almost one-half of Afghanistan's population.

Developing the ANSF, degrading insurgent capabilities, and turning over responsibilities have allowed us to begin a measured draw down of our forces in Afghanistan. We withdrew more than 10,000 of the surge troops and will withdraw the remaining 23,000 by the end of this summer. By that time, we expect the ANSF to achieve their initial operating capability and to be responsible for securing nearly 75 percent of the Afghan population. They are on track to meet the goal of assuming lead for security in mid-2013 and full responsibility for security throughout Afghanistan by the end of 2014.

Sustaining progress in Afghanistan requires dealing with some significant challenges. The ANSF and other national and local government institutions require further development. Corruption remains pervasive and continues to undermine the capacity and legitimacy of government at all levels. Insurgent sanctuaries in Pakistan remain largely uncontested. And ultimately, much more work remains to achieve the political solutions necessary to end the fighting in Afghanistan.

The recent North Atlantic Treaty Organization (NATO) Summit in Chicago affirmed an international commitment to dealing with these challenges. Together, we will work to strengthen Afghan institutions through the end of 2014. And 2015 will mark the beginning of a decade-long commitment to solidify our relationship with and support to the Afghan Government and people.

Our military has been vigilant and active in other areas and with other missions to keep America and our allies safe. We decimated al Qaeda and pushed this terrorist network decidedly closer to strategic defeat. We supported NATO in its United Nations (UN) mission to protect civilians in Libya, allowing them to end Muammar Qaddafi's tyrannical rule. We responded quickly to the devastating earthquakes and tsunami that struck Japan, saving lives and acting on our commitment to this key ally. We fended off cyber intrusions against our military's computer networks and systems. And we helped counter aggression and provocation from Iran and North Korea.

A TIME OF TRANSITION

While our military continues to capably and faithfully perform a wide array of missions, we are currently in the midst of several major transitions. Any one of them alone would be difficult. Taken together, all three will test our people and our leadership at every level.

First, we are transitioning from a war-time footing to a readiness footing. With the end of our operations in Iraq and Libya and the ongoing transition of security responsibilities in Afghanistan, our troops are steadily returning home. From a peak of more than 200,000 troops deployed to combat 2 years ago, we have fewer than 90,000 today. This shift cannot lead us to lose focus on on-going combat operations. But, it does mean we must give attention to restoring our readiness for full-spectrum operations. We need to reset and refit, and in many cases replace, our war-torn equipment. We need to modernize systems intentionally passed over for periodic upgrading during the last decade. We must retrain our personnel on skills that may have atrophied. And, we will have to do all of this in the context of a security environment that is different than the one we faced 10 years ago. We cannot simply return to the old way of doing things, and we cannot ignore the lessons we have learned. As described in the Department's recently released strategic guidance, we

should adjust our missions, our posture, and our organizational structure in order to adapt to ever evolving challenges and threats.

Second, our military is transitioning to an era of more constrained resources. The days of growing budgets are gone, and as an institution we must become more efficient and transparent. We must carefully and deliberately evaluate trade-offs in force structure, acquisition, and compensation. We must make the hard choices, focus on our priorities, and overcome bureaucratic and parochial tendencies. In sum, we must recommit ourselves to being judicious stewards of the Nation's resources.

Third, tens of thousands of our veterans—and their families—are facing the transition to civilian life. Many enlistments are coming to their normal conclusion, but we are also becoming a leaner force. As we do this, we must help our veterans find education opportunities, meaningful employment, and first-class healthcare. We must pay particular attention to those bearing the deepest wounds of war, including the unseen wounds. We must help those who have given so much cope with—and where possible, avoid—significant long-term challenges such as substance abuse, divorce, depression, domestic violence, and homelessness. We must reverse the disturbing, continuing trend of increasing suicides. Addressing these issues is not the exclusive responsibility of the Services or veterans organizations. How we respond, as a military community and as a Nation, conveys our commitment to our veterans and their families. It will also directly affect our ability to recruit and retain our Nation's best in the future.

I have outlined several priorities for the Joint Force to help us anticipate and navigate the challenges these transitions present. We will maintain focus on achieving our national objectives in our current conflicts. We will begin creating the military of our future—the Joint Force of 2020. We will also confront what being in the Profession of Arms means in the aftermath of war. And above all else, we will keep faith with our military family. In doing all these things, we will provide an effective defense for the country and strengthen the military's covenant of trust with the American people.

A RESPONSIBLE INVESTMENT

The President's fiscal year 2013 Department of Defense base budget of $525 billion and overseas contingency operations (OCO) budget of $88 billion represent a responsible investment in our Nation's security. The decisions underlying them flow from the strategic guidance the Department of Defense issued in January. This guidance set priorities for assessing our programs, force structure, and spending in the context of a persistently dangerous and increasingly competitive security environment. With those priorities in mind, the budget proposal strikes an appropriate and necessary balance between succeeding in today's conflicts and preparing for tomorrow's challenges. It accounts for real risks and real fiscal constraints, marrying versatility with affordability.

The tradeoffs were complex, and the choices were tough. They will produce $259 billion in savings over the next 5 years and a total of $487 billion over the next 10 years. This savings does not portend a military in decline. Rather, this budget will maintain our military's decisive edge and help sustain America's global leadership. It will preserve our ability to protect our vital national interests and to execute our most important missions. Moreover, it will keep faith with the true source of our military's strength—our people.

The merits of this budget should be viewed in the context of an evolving global security environment and a longer term plan for the Joint Force. Coming on the heels of a decade of war, this budget begins the process of rebalancing our force structure and our modernization efforts and aligns them with our strategy. Essentially, we are developing today the Joint Force the Nation will need in 2020, and our plans to build this force will unfold over the course of several budget cycles. This budget is the first step—a down payment. If we fail to step off properly, our recovery will be difficult, and our ability to provide the Nation with broad and decisive military options will diminish.

It is worth addressing head-on some of the major changes we are planning. These changes must be viewed in the context of our evolving force. They represent a comprehensive package of decisions that strike a careful balance. They are not, and cannot be viewed as, individual, isolated measures. In all cases, needed capabilities are preserved or, when necessary, generated, through one or several programs.

This budget makes critical investments in our future force. Certain specialized capabilities, once on the margins, will move to the forefront. Networked special operations, cyber, and intelligence, surveillance, and reconnaissance will become increasingly central.

Of these, cyber represents both a potent capability and real vulnerability. The threats emanating from cyberspace have evolved faster than many could have imagined. This budget allows for us to expand many of our nascent cyber capabilities and to better protect our defense networks. Similarly, bipartisan cyber legislation under consideration in the Senate is a good first step in developing protection for our Nation's critical infrastructure. With much work to be done, we look forward to working on cyber with agencies across the Government and with our allies and partners.

While some additional capabilities for our Joint Force will be needed, others will not. The budget divests some outdated ships, planes, and equipment, particularly single-function systems. Each year that we delay retiring unneeded systems adds several years of additional costs. And, it hampers our ability to achieve the desired mix of military capabilities.

Moreover, we will no longer be sized for large-scale, prolonged stability operations. As a result, we expect to draw down the Army from 562,000 to 490,000 by the end of fiscal year 2017, and the Marine Corps from more than 202,100 to 182,100 by the end of fiscal year 2016. Some of this reduction was planned several years ago when the Congress authorized temporary end strength increases to support our operations in Iraq and Afghanistan.

In making ourselves leaner, we will not make the mistakes of previous draw downs. We will not retain organizational structures that lack the people, training, and equipment necessary to perform the assigned mission. We will be realistic about the organizations we keep, while also maintaining our ability to reconstitute and mobilize forces. This means retaining capacity in our Reserve components and our industrial base. We will maintain the Army Reserve end-strength at 205,000 and reduce the Army National Guard by only 5,000 down to 353,200. The Marine Corps Reserves will be retain their current strength.

Another major concern among our troops, their families, retirees, and with the American public is military compensation and benefits. I want to make it clear that cuts in spending will not fall on the shoulders of our troops. There are no proposed freezes or reductions in pay. There is no change to the quality of healthcare our active-duty members and medically retired wounded warriors receive. But we cannot ignore some hard realities. Pay and benefits are now roughly one-third of defense spending. Pay will need to grow more slowly in the future. We are also proposing a commission to review of military retirement.

To control the growth of healthcare costs, we are also recommending changes to TRICARE. These adjustments include modest, new or phased-in increases in healthcare fees, copays, and deductibles largely for our retirees—but not our active-duty servicemembers. These increases would help ensure TRICARE remains one of the finest medical benefits in the country. Each year we delay addressing rising healthcare costs puts further strain on readiness and modernization which are critical to the health of the future force.

The result of these changes will be a Joint Force that is global and networked, that is versatile and innovative, and that is ably led and always ready. This force will be prepared to secure global access—even where it is contested—and to respond to global contingencies. We will be a military that is able to do more than one thing at a time—to win any conflict, anywhere.

Overall, these changes value both the demands of military service and our duty to be good stewards of the Nation's fiscal resources. They will sustain the recruitment, retention, and readiness of the talented personnel we need. Most importantly, they will sustain our enduring commitment to our troops and their families—we must never break faith with them. I want to note, however, that keeping faith with our service men and women is not just about pay and benefits. It is also about ensuring we remain the best-trained, best-equipped, and best-led force in the world.

The last, and perhaps most critical issue, is risk. This budget and the strategy it supports allow us to apply decisive force simultaneously across a range of missions and activities around the globe. But like all strategies, it also accepts some risk. The primary risks lie not in what we can do, but in how much we can do and how fast we can do it. The risks are in time and capacity. We have fully considered these risks, and I believe they are acceptable. In fact, we will face greater risk if we do not change from our previous approaches. I am convinced we can properly manage this risk by ensuring we keep the force in balance, invest in new capabilities, and preserve strong Reserve components.

Our ability to manage this risk would be undermined by changes to the budget that disrupt its carefully crafted balance. Sequestration would do this. It could have serious effects on our readiness and disrupt essential programs and contracts. We cannot predict precisely how bad the damage would be, but it is clear that sequestration would reduce the military options available to the Nation.

CONCLUSION

In the upcoming year, our Armed Forces will build on the past year's achievements, adapt to emergent challenges, seize new opportunities, and provide for our common defense. We will continue to face threats to our security, whether from aggressive states or violent non-state actors. Our Joint Force will be ready, and our response will be a source of pride for the American people. In all of our efforts, we will aim to maintain strength of character and professionalism—at the individual and institutional level—that is beyond reproach.

As we embark on this critical new course, we will need Congress's support to help us build the Joint Force the Nation needs and to strengthen our relationship with the American people. As I stated before, this budget and the choices that underlie it should be understood in the context of the comprehensive, carefully balanced, multiyear plan they support. We ask the Congress to support this budget while working to avoid the deep cuts that sequestration would impose.

I thank this subcommittee, and the entire Congress, for all you have done to support our men and women under arms and their families. Your resolute attention to their needs and to our security has been both invaluable and greatly appreciated.

Chairman INOUYE. Thank you very much.

Mr. Secretary, your description of sequestration I believe is a candid, but frightening one. You've indicated that you would reduce training at a time when you should be increasing training.

It would mean deferral of maintenance of equipment, and it's getting pretty bad. You have fewer purchases of aircraft and ships. There's something else you didn't mention, and I'd like to have your comment on that.

This sequestration, coupled with projected discretionary defense spending, could add 1 percent to the national unemployment rate from job losses in Government, military, and the private sector within the defense industrial base.

Does that description make sense?

Secretary PANETTA. Mr. Chairman, I think that is the estimate that we've seen in terms of the impact that would have.

Now, you know, again, I just stress, look, the Defense Department is not a jobs program. It's a program to defend the Nation. But clearly, that kind of sequestration cut across the board would have a serious impact not only on men and women in uniform but on our personnel and the contractors who serve the Defense establishment.

Chairman INOUYE. When you speak of deferral of maintenance of equipment, can you give us something beyond that?

SEQUESTRATION

Secretary PANETTA. Yes, let me have Bob Hale, our comptroller, speak to that.

Mr. HALE. Mr. Chairman, we haven't done a detailed plan, but I think one of the options we would have to look at is cutbacks in depot maintenance and that would mean we would push out the availabilities of ships, for example, or planes.

We would try to do it in a sensible manner, but I think it inevitably would delay some of the maintenance activities. I can't give you details, but I think that's an almost inevitable result of sequestration.

Secretary PANETTA. I mean, the way the formula works under sequestration is it takes a percentage across the board out of every area of the Defense budget. And it means that, you know, it's almost about a 20-percent cut in a weapon's system.

It would be a 20-percent cut with regard to training equipment. It would impact on every area of the Defense budget. That's the way it was designed. It was designed as a meat axe. It was designed to be a disaster, because the hope was, because it's such a disaster, that the Congress would respond and do what was right.

And so I'm just here to tell you, yes, it would be a disaster.

Chairman INOUYE. Now, the across-the-board cut that you've indicated will not impact upon pay and health programs. Anything else?

Secretary PANETTA. It would.

Mr. HALE. The President has the authority, Mr. Chairman, to exempt military personnel. He'll have to decide whether he does that. If that were the case, then it won't affect military personnel.

But the other accounts would have to be cut by larger amounts so that the total remains the same. It would affect our ability to pay healthcare. It's in a separate account. And as the Secretary said, it gets its meat-axe share of this cut, and we would face a serious problem of potentially not being able to pay all our TRICARE bills, for example.

General DEMPSEY. Mr. Chairman, could I add something?

Chairman INOUYE. Please do.

General DEMPSEY. Because it's important also to note that overseas contingency operations (OCO) is now subjected to sequestration. That would roughly be about $8 billion. And of the $88 billion or so, $88.5 billion that we've requested to sustain our operations globally, mostly in the gulf region.

But we have to fund that. So that money will have to be taken, will have to come to you for some reprogram activity to move money from base to cover those war-related costs.

That in combination with the potential freeze in the manpower account, in other words, exempting manpower, means that a service chief, and I was a service chief, can only go back to find this money to about three places, training, maintenance, and modernization.

That's it. There's no magic in the budget at that point. And those three accounts will be subjected to all of the cuts mandated by sequestration.

Mr. HALE. May I add one more point, Mr. Chairman?

I would not look at reprogramming as a way to solve this problem. We have some legal limits. Unless you change them on the amount we can reprogram, and we wouldn't have the authority to offset all of those changes, at least not readily, in OCO, without some major changes.

So we could do some, but they'll be very little flexibility if this goes into play or into effect as it's currently designed.

Chairman INOUYE. Thank you very much.

Before I call upon my colleagues, I'd like to note that because of the good attendance, we will have to limit the questioning period to 5 minutes.

With that, Senator Cochran.

SHIPS

Senator COCHRAN. Mr. Chairman.

Let me ask you, Mr. Secretary, what your impression is of the need for amphibious ships?

We've heard that the Navy and Marine Corps have determined a minimum force of 33 amphibious warships is the limit of acceptable risk in meeting the amphibious force requirement.

What's your assessment of the risk that we are assuming, if any, with our current shipbuilding plan as proposed and requested for funding by the Department?

Secretary PANETTA. I'll ask General Dempsey to comment as well.

But one of the things I'm really trying to do is to maintain our industrial base in the Defense Department. If we lose more shipyards, if I lose, more of the industry that supports our Defense Department, it makes it very difficult to mobilize in the future.

And so my goal is to try to design a budget here that maintains the shipyards that we have, that maintains the industrial base that supports our defense system.

On the amphibs, the reason they're important is because of the agility issue that I talked about, because we are going to have a smaller force. These ships allow us to be very agile, to be quickly deployable, to be able to move quickly if we have to.

And that's the reason that we want to maintain those as part of our Defense structure.

General DEMPSEY. And just to add, Senator, the number that you cited as based on the existing war plans and a particular phase in which the amphibious warship capability is under most stress.

And what we're doing as a result of our defense strategy is we're opening up our operation plans in concept format (CONPLANs) or our operation plans (OPLANs) to look at the assumptions we made, and to see if we can adjust the way we conduct operations in order to mitigate that risk.

And at this point, the commandant and I are content that the budget proposal and the number of amphibs in that budget proposal are adequate to the task. But it means we'll have to adjust the way in which we conduct operations.

Senator COCHRAN. Well, there's a suggestion that the current 30-year shipbuilding plan projects an inventory that will fall to 28 ships in fiscal year 2015.

And I wonder, General, if this is below the level required by the Department, and whether or not this is an increase in the assumption of risk? Do we need to revise that upward? What do you suggest we do when we review the requirements being submitted by the Marine Corps and the Navy?

General DEMPSEY. What I'd ask to do, Senator, is take that question for the record, because there is a bit of it that would cross over into classified information related to war plans, but I'd be happy to answer that for you.

[The information follows:]

Each year, the combatant commanders submit force requirements to my staff, which include capabilities that reside in all Services. Some of these requirements routinely exceed the Services' capacity to meet them. Within the Navy, this includes not only demand for amphibious platforms, but also aircraft carriers, cruiser/destroyers, coastal patrol boats, and frigates. The strategic risk associated with these capacity shortfalls is balanced among the combatant commanders based upon Secretary of Defense policy and guidance, which reflect the National Military Strategy.

Specific to the issue of amphibious ship capacity, the Navy remains committed to providing 30 operationally available amphibious ships to meet Naval amphibious ship demand. With some risk, 30 amphibious landing ships can support a two-Marine Expeditionary Brigade (MEB) forcible entry operation. This force accepts risk in the arrival of combat support and combat service support elements of the MEB, but this risk is appropriately balanced with the risk in a wide range of other important warfighting requirements within today's fiscal limitations.

Navy can achieve this operational availability goal by sustaining an inventory of about 32 amphibious ships in the mid- to long-term. The 32-ship amphibious force being procured to meet this need will optimally be comprised of 11 landing helicopter assault (LHA/D), 11 landing platform/dock (LPD) 17 and 10 landing ship, dock (LSD). To support routine forward deployments of Marine Expeditionary Units (MEUs), the amphibious force will be organized into nine, three-ship CONUS-based Amphibious Ready Groups (ARGs), and one four-ship ARG based in Japan, with an additional big-deck amphibious ship available to support contingency operations worldwide. Two LSDs will be taken out of commission and placed in reserve status allowing Navy to reconstitute an 11th ARG as required in the future, or to build up the number of ships in the active inventory, if necessary.

Senator COCHRAN. Thank you. Thank you, Mr. Chairman.

Chairman INOUYE. Thank you very much. Senator Leahy.

Senator LEAHY. Thank you, Mr. Chairman.

Secretary Panetta and General Dempsey and Mr. Hale, thank you for being here. I appreciate the chance we had to talk before the hearing.

One thing I didn't mention then was something you're well aware of, that during the last 10 years, we've depended more than ever on our Guard and Reserve.

And, Secretary Panetta, I appreciate what you said during your testimony. I know we could never have supported two simultaneous wars without men like you.

General Dempsey, anytime I've visited areas where we're in combat, you don't see a difference between the Active Guard and Reserve. They're all out there doing their job, putting their lives on the line.

AIR FORCE BUDGET

I think your strategies echo this reality from the President's guidance in the last Quadrennial Defense Review (QDR). As a result, it surprised many of us in the Congress, including Senator Graham and I as co-chairs of the Guard caucus, when the Air Force presented a fiscal year 2013 budget plan that disproportionately cut the Guard.

I know there will be cuts and we all understand that, but it appeared here that you were going after your least expensive manpower to save money. That did not make a lot of sense, especially since manpower costs are more and more of the defense budget as you said.

So I don't know how you shrink the Guard and maintain a ready and capable force. So my question is, does DOD stick with its earlier strategies to increasingly depend on the Guard and Reserve, or is there an alternative?

Because the Air Force budget does not appear to follow that idea.

Secretary Panetta.

Secretary PANETTA. Senator, you know, again, what the Air Force was asked to do is based on the new strategy, try to develop an approach that provided a kind of multimission support for the force.

And, as a result of that, made decisions with regards to some areas that could be reduced in order to achieve obviously the savings that we were required to achieve.

I recognize, you know, the controversy involved here because it impacts on constituencies, it impacts on the Guard.

Senator LEAHY. I'm afraid it impacts on readiness too. That's my biggest concern.

Secretary PANETTA. Yes, I understand that.

But, you know, obviously, we don't want to take it out of the Active Force because that is a force that's there ready to deploy quickly.

What I've suggested is to try to see if there's a way that we can work to provide some restoration. So I think I suggested putting some additional 130s back in place to try to assist some of these areas with regards to the impact that might be there.

Let me just say this for the record. I'm fully prepared to work with this subcommittee and to work with the staff of this subcommittee to try to see if there's a way to do this that can minimize the impact, but at the same time, hopefully achieve some of the necessary savings that we have to do in order to achieve it.

Senator LEAHY. I hope you will. And you've worked with Senator Graham and me in the past on these issues. I know we can again.

On another matter related to the budget, I was one of those on the subcommittee who opposed the Iraq war from the very start. President Obama also did. I opposed it because I didn't think it was the right decision for our national security. And we basically ran that war on a credit card.

Now we're making decisions how we address the national deficit. It is not just sequestration. We voted earlier, the majority of us did, that sequestration should happen only if we were unable to reach consensus on deficit reduction.

The understanding was we would put everything on the table. But now we find people who are calling for more military action in other parts of the world. At the same time, they do not want to consider any way of paying for it, unlike what we've always done in the past.

What would be the impact of going to war again without committing to pay for that war with upfront taxes, something we did not do in either Iraq or Afghanistan, for the first time in the history of the country?

Secretary PANETTA. Well, obviously, if we repeated the mistake of not paying for the war that we decide to engage in, whatever that might be, the result would be that you would simply add more to the deficit and to the debt of this country for the future. You just put that burden on our kids for the future.

And, you know, look, I think we always have to be careful when you make the decision to put our men and women in uniform into harm's way. That's number one.

But number two, if that decision is made, then I think for the sake of the country, it's important that we recognize the costs that are involved and that, frankly, all of us bear some responsibility to pay those costs if we're willing to engage in war.

Senator LEAHY. Thank you very much. Thank you, Mr. Chairman.

Chairman INOUYE. Thank you.

Senator Hutchison.

Senator HUTCHISON. Thank you, Mr. Chairman. And thank you for your service, all three of you.

NORTH ATLANTIC TREATY ORGANIZATION

Secretary Panetta, since the end of the cold war, North Atlantic Treaty Organization (NATO) has grown from 16 to 28 members, and yet we know that the threat of a Soviet invasion into Europe has virtually disappeared, with only five alliance members spending the obligatory standard of 2 percent of their Nation's gross domestic product (GDP) on defense.

And several countries as we know refused to participate in combat assignments or limit what they will do.

We're contributing 23 percent of the military construction (MILCON) for NATO which is approximately $254 million this year alone. And then virtually the same amount of percent of expenditures for operations of NATO.

My question is, are you looking at the NATO alliance and determining if it is serving the function for which it was intended, and if there is a commensurate effort by all of the members? Or whether, perhaps, we are paying more than our fair share for what we are getting in return?

Secretary PANETTA. Senator, you've raised a legitimate concern here, you know, with regards to the responsibility of NATO nations to assume a greater responsibility for developing their capabilities and improving their defense posture.

One of the things that came out of the NATO meeting in Chicago was developing greater capabilities for NATO with regards to missile defense, intelligence, surveillance, and reconnaissance (ISR), with regards to other areas, to try to ask them to assume greater responsibilities in those areas.

But I also think as I stated to my fellow defense ministers, we have great concerns because of the budget situation that faces many of those nations in Europe that one of the dangers here is that they'll constantly go back to defense and seek further savings there, which I think would be dangerous.

Right now, for example, when it comes to a NATO deployment, Libya is a good example, I think we provided probably about 60 percent of the support for the forces that went into Libya. Now they tell me that if we were to engage, the United States would probably have to pick up 80 percent of that responsibility.

You know, that's not something that really makes clear to those nations the responsibility they have to be able to develop their own capability. So I think it's very important to continue to stress to those countries that they have to continue to invest in their basic security.

There are some countries that are doing that. There are some countries that are investing well over 2 percent of their GDP in the defense budgets. We commend them for that.

But other countries have to recognize that the last thing that we need right now is for them to do further cuts in the defense budgets that they have because that will put more of a burden on our shoulders in the future.

Senator HUTCHISON. Well, let me just take Germany as an example. And Germany is certainly going through the hard times, and we understand, and they're burdened with regard to the rest of Europe.

But on our side, representing our interests, Germany, in military construction, Germany contributes 7 percent to the infrastructure costs that we would make in their country, as compared, for instance, to Japan, which provides at least 40, and sometimes more, percent.

Germany has refused to contribute any resources into Libya. In Afghanistan, they limit what they will do, and their number of troops has been around 5,000.

Now, the army is planning this year to spend 7 percent of its military construction budget in Germany, that's on top of the NATO part. It will be about $243 million this year, to build Landstuhl, which is fine, that's a priority of ours. I'm for that.

But the other half, a $113 million, is for new schools, elementary and high schools. Now, obviously, if our troops are there, we need to furnish the schools that are good.

But my question is, the troops that are there. Are we overspending the military construction for the amount of troops that we have there?

And are we looking at the future on whether, in fact, it might be the rotational forces that you mentioned, is more of the strategy in the Pacific, that maybe we would start doing that in Germany and other places and cut back on this enormous military construction cost?

Secretary PANETTA. I'll ask General Dempsey to comment on this as well.

But we're doing exactly that. We're bringing two brigades home from Europe. One of the things we intend to do is to emphasize more of the rotational presence that we have there, and to be able to do exercises.

We do have some important infrastructure there. It's very important to our deployments to the Middle East and to the war zone, and that's the reason some of that is continuing.

But I think you're right. I think we've got to increase our rotational deployments. We've got to ask them to make a greater contribution to the infrastructure needs to do this.

At the same time, let me make very clear, the NATO alliance is extremely important to our ability to deal with some of the challenges in the world. We can't do it alone.

We've got to be able to have alliances like NATO, be able to work with us in confronting the many challenges that we face in the world.

General DEMPSEY. Yes, we're out of time, Senator.

But what I would offer is a briefing to you on what we consider to be the enormous and important benefits of being part of that alliance. And I know some of them are self-evident.

But we've got initiatives, Baltic Skies, allied ground system, the activities in Kosovo, things that are kind of behind the scenes that we really need to expose to you so that you understand the reason we're still so deeply integrated into the NATO command structure.

And acknowledging your point about their investment and the fact that it's declining. But let's, if I could, take that one as a task.

Senator HUTCHISON. I appreciate it, and thank you, Mr. Chairman.

I do just hope we're looking at an equalization of effort according to the return that we're getting. Thank you.

Chairman INOUYE. Thank you.

Senator Mikulski.

Senator MIKULSKI. Thank you very much, Mr. Chairman. Secretary Panetta, General Dempsey, and Mr. Hale.

First of all, we want to welcome you, and we want to thank you for your service.

Mr. Panetta, you came to the House of Representatives in 1976. We came together. We were part of the bicentennial year. And the way we're going, we're going to be here for the tricentennial.

And, General Dempsey, you graduated from West Point just about the time Secretary Panetta and I were getting started in the Congress.

But you two represent close to 70 years, 35 years in each military and through a variety of exemplary civilian posts. So we thank you for your dedication and your service to the country.

And, Mr. Hale, your being here, shows what is often overlooked when we talk about national security, the role of the civilian work force in supporting our military, its commanders, and the Secretary of Defense and the Commander in Chief. So we want to thank the civilian work force.

CYBER

I want to raise some questions about new priorities and new threats, acknowledging that Maryland has really a strong military presence from the Naval Academy to Walter Reed, Naval Bethesda, helping those with the wounds of war, to Fort Meade, our new cyber command, the 10th Fleet, Pax River, Andrews, Aberdeen, Fort Detrick, we're really proud of the presence here.

But I want to go to the issues of cyber. Mr. Secretary, you've said publicly, and even at our debriefings, that you viewed cyber as the potential digital Pearl Harbor.

And, General Dempsey, you, and again, at meetings, briefings and our cyber exercise, talked about the great sense of urgency. Could you talk about what you mean when you say a digital Pearl Harbor?

Do you feel that, as you indicate on page 6 in your testimony, Sir, you have the right money? And do you also have the authorities that you need to do to protect the Nation?

You have here, in addition to the Appropriations chair Senator Inouye and Ranking Member Cochran, but you have the chair of the Intelligence Committee, you have one of the co-authors of the Lieberman-Collins bill.

So we want to make sure that we don't have a digital Pearl Harbor. So could you elaborate on what you meant? Do you have what you need? And should we have a greater sense of urgency in getting some things done, and what would you say they'd be?

And, General Dempsey, I'd like your comments as well, Sir.

Secretary PANETTA. Senator, I appreciate the question.

I think there has to be a greater sense of urgency with regards to the cyber potential, not only now, but in the future.

I think this is a, obviously, it's a rapidly developing area. The reality is that we are the target of, you know, literally hundreds of thousands of attacks every day. It's not only aimed at Government; it's aimed at the private sector.

There are a lot of capabilities that are being developed in this area. I'm very concerned that the potential in cyber to be able to cripple our power grid, to be able to cripple our Government systems, to be able to cripple our financial systems, would virtually paralyze this country.

And, as far as I'm concerned, that represents the potential for another Pearl Harbor, as far as the kind of attack that we could be the target of, using cyber.

For that reason, it's very important that we do everything we can, obviously, to defend against that potential. I feel very good about our capabilities in terms of defending our systems with the help of the National Security Agency (NSA) and their great technological capabilities.

I do think that authorities, and the ability to try to not only, it's not only in the defense sector, it's in the civilian sector, that we have to improve this. And I think that's the area where we have to deal with the additional authorities.

And I think the Lieberman-Collins bill is one that addresses that, and we support the Congress enacting that in order to try to facilitate that capability.

General DEMPSEY. I would just add, Senator, that we've seen the world go from distributed denial of services, you know, just hackers overwhelming a Web site, to incredible intellectual property theft and technology theft, to now destructive cyber.

It's in the open press. And that has all happened in a matter of a few years. And this particular domain, the cyber domain, is changing rapidly.

And so to your question about sense of urgency, I can't overstate my personal sense of urgency about that.

Second, I'd like to pile on to the Secretary in support of the pending legislation that encourages information sharing and takes a good necessary but only first step.

And then, third, I'll tell you on the issue of authorities. The President does have the authorities he needs. What we need to develop are some rules of engagement, if you will, because these things occur at network speed.

This is not something where we can afford to, you know, convene a study after someone has knocked out the east coast power grid. So, we're working on that.

Senator MIKULSKI. So, I know my time is up, but what you say is that you feel that there's enough money in the DOD approach to meet the protection of the .mil.

What gives you heartburn and concern is the protection of .com.

Secretary PANETTA. That's right.

Senator MIKULSKI. And as you develop rules of engagement, the Congress now has to really have a sense of urgency at developing the legislative framework, starting with Lieberman-Collins, in the protecting of .com.

Does that sound right?

General DEMPSEY. If I could just, maybe just sharpen that a bit.

I don't have any intention of, you know, the .com would include your personal email address. I'm fine with you doing what you do in your own personal email domain.

But I'm concerned about the defense industrial base, and I'm concerned about the critical infrastructure of this country. That's where we should focus our efforts.

Senator MIKULSKI. Thank you very much.

Mr. Chairman, I know my time is up. I have other questions related to military medicine, and if I could, one final note.

COMFORT

Mr. Secretary, I wouldn't be the Senator from Maryland if I didn't raise the ship, the *Comfort*. Today's the beginning of our sail, tall ships coming into Baltimore Harbor.

As ancient ships come in, we're saying goodbye to the hospital ship, the USNS *Comfort*. I take no comfort in that. Could you take a look at it and see if I could keep the *Comfort*, or Maryland can keep the *Comfort*.

Thank you.

Chairman INOUYE. Thank you very much.

Senator Durbin.

Senator DURBIN. Thank you very much, Mr. Chairman. Mr. Secretary, General Dempsey, and Mr. Hale.

BUDGET

Mr. Chairman, you recalled your time in the House of Representatives, and at one point you chaired the House Budget Committee, and I was one of your loyal acolytes.

You set the stage in our budget deliberations for us to reach a balanced budget, which I'm very proud of that achievement, and I know it wasn't easy.

I asked the Appropriations Committee staff to compare spending when our budget was in balance to where it is today, in three categories, using constant dollars, and here's what they came up with.

Going back to 2001, in domestic discretionary spending, there has been zero increase in spending. When it comes to entitlement spending, there has been 30-percent increase in spending since we were in balance.

With the budget we are proposing, the base budget, not the OCO, but the base budget we're proposing for the Department of Defense, it will be a 73-percent increase over what we were spending when we were in balance in constant dollars.

I might also say to you though I think the sequestration clearly hits hard, maybe too hard, and too fast, at the end of the day under sequestration, Defense would end up with the same percentage of the gross national product (GNP) that it had when the budget was in balance.

So my question to you is one to take a step back, perhaps from your role, and go back to your history with the budget. What is a fair number for us when it comes to the defense of this country and security?

I know we need every dollar it takes to be safe. But if we are going to cut back in healthcare and education to provide more money on the military side, isn't that going to have an impact on the men and women who volunteer to serve in our military, and whether they are qualified to serve?

Secretary PANETTA. Well, first and foremost, you know, with regards to the defense budget, I do believe we have to play a role. And the fact is that we're going to be cutting half of $1 trillion from the defense budget over the next 10 years.

SEQUESTRATION

Senator DURBIN. Under sequestration.

Secretary PANETTA. And this is part of——

Senator DURBIN. In addition to sequestration.

Secretary PANETTA. And then if you add sequestration to that, you're looking at another chunk, $500 billion, on top of that.

So, I think, defense, it does have to play a role. At the same time, I think we have a responsibility, obviously, to protect the strongest military in the world, and to help defend this country.

On the larger issue, Senator, you know this as well as I do, and I think every member of this subcommittee knows it, you're dealing with a very serious deficit issue and debt issue. And you can't keep going back to the same well to try to resolve those issues.

You can't keep going back to domestic spending. You can't keep going back to the discretionary side of the budget in order to solve a multitrillion dollar problem that faces this country.

I mean, if you're serious about taking this on, it's what we had to do, frankly, beginning in the Reagan administration, that's what we did in the Bush administration, it's what we did in the Clinton administration.

If you're serious about taking this on, you got to put everything on the table. You've got to look at mandatory spending. You've got to look at revenues. You also have to look at, you know, how you cap domestic discretionary.

But you're not going to solve this problem with the domestic discretionary budget. You're just not.

Senator DURBIN. May I ask you this question?

DEPARTMENT OF DEFENSE CONTRACTORS

When we brought—in the Simpson-Bowles Commission, when we brought the experts in to talk about the Department of Defense and where we might save money, the most startling testimony came when we asked about private contractors who work for the Department of Defense.

The basic question we asked is, how many are there? And the answer was, we don't know. We really don't know.

Estimate somewhere, you know, maybe Governmentwide, some 7 million. There are 2 million Federal civil service employees, to give you some context here.

And when you look at the dollar amounts that are being spent in the Department of Defense for contractors, as opposed to the civilian work force at the Department of Defense, and those in uniform, it is substantially higher.

For many of us, this outsourcing just became a passion, and people stopped asking the most basic question: Is this serving the Nation well? Is it saving us money?

I notice that you are in-sourcing more. You're bringing some jobs back into the Department of Defense. And in your earlier testimony, you said you need to reduce the service support contractors.

So it seems to me that there has been documented waste when it comes to these service contracts. When it comes to the contracts for big ticket items, I will tell you the cost overruns on the F–35 equal 12 Solyndras.

I haven't heard too many press conferences on those, but it's an indication to me that there is money to be saved there, and I know that you would take that personally and want to do it.

How much is built into your cost savings and cuts when it comes to this potential overspending on contractors and cost overruns on projects?

Secretary PANETTA. Well, obviously, on the efficiency front, this is an area of principal focus. We did $112, or $125 million last year?

Mr. HALE. On service contracts.

Secretary PANETTA. On efficiencies.

Mr. HALE. $150 billion.

Secretary PANETTA. $150 billion last year with regards to those efficiencies. We're adding another $60 billion on top of that. A lot of that is aimed at trying to reduce the contractors, and to try to gain greater efficiencies there.

Look, I'd be the last one to say that we can't find those savings in the Defense Department budget. We can, and that's what we did.

But the goal is not simply to whack away at it without tying it to a strategy about what kind of defense system do we need for the future in order to protect the country.

As long as we can tie it to that strategy, as long as we can make sense out of how we achieve these savings, then we can achieve, as I said, the $500 billion in savings that we've been asked to do by the Congress, and we can achieve and be more efficient in the future.

But don't think that Defense alone is going to solve the bigger problem that you're facing in this Congress and in the country.

Chairman INOUYE. Senator Harkin.

Senator HARKIN. Thank you very much, Mr. Chairman. Mr. Secretary, welcome back.

DISCRIMINATION

I have two kind of disparate issues I wanted to cover with you.

One, last November, we had a short conversation about what I was hoping to be perhaps the next step in breaking down the discrimination against people with disabilities in our country.

And that was allowing people with disabilities to serve in our Armed Forces. We had a unique case of a young man who had gone through Reserve Officers Training Corp (ROTC) in California, had done extremely well in all of his tests, all of his scores and stuff, but was denied entry into the military because he was deaf.

And I reported to you at that time perhaps having a pilot program, of bringing people in to the military, who could add to the defense of this country, who would be exemplary employees, but they might not be able to be the Chairman of the Joint Chiefs of Staff. They may not be a pilot in the Air Force or other things they might not be able to do, but they can do a lot of other things.

And so, since that time, I must tell you that we've had some problems with the Department of Defense in moving ahead on this. You even requested, Mr. Secretary, a briefing on this from people down below, but nothing is happening.

I can tell you that my staff has tried to work on this since the first of this year. Numerous phone calls and meetings have been cancelled. We could never get any response on this about setting up such a pilot program until a couple of days ago when they found out that I was going to ask you about this, and we now have a meeting set up next week, which is fine, I understand all that.

I'm just saying that I know that you were going to look at that. I just think this is one place where again, we've got to break down some of these barriers. There's a lot of people with disabilities that want to serve their country, can serve in the Air Force, Army, Navy, Marines.

They may not be able to do exactly everything that people can do, but they can do within their abilities. They can provide a lot of support. And then I would just ask you, please, once again, to really take a look at this and set up a pilot program.

And, if you can't do it, Mr. Secretary, if you can't do this, if something is prohibiting you from doing that, let me know, and we'll try a legislative approach on it.

Secretary PANETTA. No, I appreciate your leadership on this issue. You've led on this issue for a long time during your career here on the Hill, and I respect it, but, more importantly, I agree with you.

And for that reason, you know, I think we can try to set up a pilot program. I mean, look, right now, when we have wounded warriors, and let me tell you, wounded warriors come out of there with new legs, new arms, and sometimes they're back at duty, and they're doing the job, and they're doing it well.

Senator HARKIN. Exactly.

Secretary PANETTA. So if we can do it for wounded warriors, I think we can reach out and do it for others as well that can be part of it. So you have my assurance, we'll look at something.

Senator HARKIN. I appreciate it. Especially looking at some of these young people that are coming through schools right now and stuff who have a lot of abilities and want to serve.

That was one. The second one had to do with another issue that I briefly raised with you. In Afghanistan, the Department of Defense has been involved in a program of spurring small businesses in Afghanistan.

Obviously, you get people off of the drug business and stuff. And one of that was in the carpet industry. The Afghan law, there's an Afghan labor law. There's U.S. law. There's International Labor Organization (ILO) Convention 182 about child labor, using child labor in this thing.

INSPECTION SYSTEM

We asked that you work with the Department of Labor, our Department of Labor, on this to incorporate, to use a nongovernmental organization (NGO), in terms of monitoring this and setting up an inspection system, an independent, third-party inspection and verification system to make sure that no U.S. taxpayers' dollars are used to support businesses that employ children in the worst forms of child labor.

Now, we've had some progress in that, but as we tend now, as we're going to turn this over to them, we're not setting up a mandatory verification system, and that bothers me.

So, in other words, we were kind of doing a pretty good job, but now that we're handing it over in our agreement, we're not making an agreement to make sure that they adhere to the independent third-party verification system there.

I know it's a small thing. You got a lot on your plate, Mr. Secretary. You're talking about all of our budgets and stuff like that, but to me, this is just again, one of those areas where we can do a lot of good while also supporting an industry in Afghanistan.

And, again, I would ask you to look at those contracts that we have to safeguard that verification, and that third-party verification system in Afghanistan.

Secretary PANETTA. I know we're aware of your concerns in this area. Let me ask Bob Hale to comment on that.

Mr. HALE. Senator Harkin, I think you're referring in part at least to some contracts through the Task Force for Visits and Stability Operations.

Senator HARKIN. That's the name.

Mr. HALE. They did do some delays trying to make sure that there were appropriate safeguards on child labor. It's a difficult area to work in, a country that has different rules and standards than we do.

Senator HARKIN. No, there's an Afghan law.

Mr. HALE. Say again?

Senator HARKIN. There's a law in Afghanistan. We just want them to adhere to their own law, that's all.

Mr. HALE. Okay. I hear you. They are aware of the concerns, and I think they have made some steps in the right direction, but I promise you, I'll go back and make sure that we're doing all we can.

Senator HARKIN. Thank you. If you could just give me a point person to work with in your office down there, because my staff and I know this pretty well, and we know what needs to be done in terms of that verification. That's the big sticking point.

Mr. HALE. Okay. We'll do that.

Senator HARKIN. Thank you. Thank you, Mr. Chairman.

Chairman INOUYE. Thank you very much.

Senator Collins.

Senator COLLINS. Thank you, Mr. Chairman.

First, let me thank my colleague from Maryland for bringing up the very important issue of cyber security. She along with Senator Feinstein, Senator Lieberman, Senator Rockefeller, and I have been working very hard and agree that it's absolutely critical that

we set standards for critical infrastructure, and that that has such important consequences.

And I very much appreciate the endorsement of our efforts that I heard this morning. I also appreciate, Mr. Secretary, your urging as to act sooner rather than later to avert what would be the disastrous consequences if sequestration were allowed to go into effect.

I think it would be a huge mistake for us to wait until the lame duck, that's too late, and we do need to tackle that issue now. We really do.

And I think it would help if you provide us with even more detail, and I know the Armed Services Committee has asked for that.

SHIPBUILDING

Let me turn to another issue that refers to our priorities. As I review the Department of Defense's budget, I'm very concerned that the ship building account is significantly undervalued.

Shipbuilding represents a mere 2.2 percent of the budget requested by the Department of Defense. Sixteen ships were eliminated or delayed outside the 5-year budget window.

And just to put this in perspective, our country currently spends as much on interest payments on the national debt every month than we do for shipbuilding in the entire year.

Further, the executive branch as a whole spends slightly more than the equivalent of the entire shipbuilding budget, $15 billion a year, on Federal agency travel and conferences.

Now, I know the administration's trying to address travel and conferences, but that really says something about our priorities.

I'm concerned that the combatant commanders have testified repeatedly about the increasing importance of the maritime domain and their areas of responsibility.

I recently returned from a conference in Southeast Asia, and I know Secretary Panetta, you were over there as well, in which I heard about China's aggressiveness in the South China Sea, and its maritime claims, its harassment of vessels from the Philippines, for example.

The importance of our Navy and to our ability to project power, particularly with the pivot to the Asia Pacific region, cannot be overstated.

So I'm concerned that the budget projects only 285 ships by fiscal year 2017 when every study I've seen, whether it's within the Department or outside of the Department, independent reviews, have said that we need a minimum of between 300 and 315 ships.

And the fact is that while our ships are increasing in their ability, that quantity still counts, if you're going to try to project power.

So I would ask you to address my concern and how the Department settled on 285 ships when virtually every study calls for 300 to 313.

Secretary PANETTA. Senator, I appreciate the concerns that you've indicated.

And what I asked the Navy to do, and the Navy Chief to do, is to make very certain that we have the ships we need in order to project the power we have to project in the Pacific, in the Middle East and elsewhere, and be able to do that effectively.

And their recommendation was that based on, you know, the number of ships that are in line to come on, the ones that we are already producing, that to do this and do this in a way that meets our needs, that the 285 ship approach is a good baseline, and we're ultimately going to move to 300 ships by 2020.

You know, we're maintaining 11 carriers. We're going to maintain, you know, a number of the amphibs. We're going to maintain our destroyer and our key fleets. With regards to the Pacific, we're obviously going to maintain a strong submarine force as well.

And I'm convinced based on the Navy Chief's recommendations, that we can do this, you know, obviously meeting our fiscal needs here, but we can do this in a way that protects a strong Navy for the future.

Now, I'm willing to keep going back and looking at those numbers to make sure that we're in the right place, because I share the same concern. If we're going to have a strong presence in the Pacific, if I'm going to have a strong presence in the Middle East, I have got to have a Navy that's able to project that.

And right now, I think everybody I've talked to in our shop and in the Joint Chiefs says, we've got the force we need to be able to make that happen.

General DEMPSEY. Senator, I know we're over time, but I really feel obligated to comment on this, because I mentioned in my opening statement that the budget we submitted is a joint budget.

It's not the individual service budgets kind of bundled together. We really worked this as a joint team.

We were faced with the Budget Control Act, $487 billion. And so every service paid a bit of that bill. I will tell you the Navy paid least of all because we prioritized exactly the issue you're talking about.

But, you know, quantity counts, not only at sea, it counts in the air, and it counts on the land.

Senator COLLINS. Thank you, Mr. Chairman.

Chairman INOUYE. Thank you.

Senator Feinstein.

Senator FEINSTEIN. Thank you very much.

Welcome, Mr. Secretary. It's good to see you. I've known you for a very long time. I was sitting here thinking. Your first appearance before the Intelligence Committee when you became Director of the Central Intelligence Agency (CIA), you were somewhat tentative, somewhat reserved.

And today, I saw you at full volume. Totally in control. So, it's been quite an evolution.

Let me begin by thanking you for the help you gave us on our intelligence congressional delegation (CODEL) to Afghanistan. It's very much appreciated.

GROUND LINE OF COMMUNICATION

I wanted to see what I might be able to talk with you a little bit about on the ground line of communication (GLOC) subject. You were good enough to facilitate a meeting with General Allen, and the four of us had an opportunity to spend some time.

He was most impressive. And I think we learned a great deal. And one of the things that came up was the incident in November.

And it became rather clear to me that there were mistakes made on both sides.

And General Allen, much to his credit, has taken at least I think it's six or seven steps to remedy some of the problems. Here enter the GLOCs.

You raised the question of the GLOCs. It is my information that Pakistan wants most of all some civilian announcement that mistakes were made on our side. And I think mistakes were made on their side as well as I've looked into this.

And that the GLOC problem could be solved. As a matter of fact, I think there was a meeting on the 11th, a day or so ago, unless it was cancelled. And so, they are prepared to rather dramatically lower the cost.

But the apology is all important. As we have discussed, and I think the position is, that the national security of this Nation is best served if we can develop a positive relationship with Pakistan.

And both you and I and others know what the road has been. And that there might be an opportunity to make a change in that direction, particularly with the new head of the Inter-Services Intelligence (ISI), as well as some other things.

So my question of you, and I guess my lack of understanding, is why there can't be some form of statement that in essence says, if it's believed, I happen to believe it, that mistakes were made on both sides.

And, of course, the United States apologizes for any mistakes that we made, and we have taken steps to correct that and see that it will never happen again.

Secretary PANETTA. Senator, I appreciate your concern, and you understand these issues by virtue of your chairmanship of the Intelligence Committee and the dealings that we've had to have with Pakistan.

You're right. I mean, it's a complicated relationship, but it's also a necessary relationship by virtue of our security needs in that area.

This is an issue that is still under negotiation. There are discussions that continue with regards to how we can resolve this. The issue you discussed is one of those areas. I think General Allen, the United States, has made clear that mistakes were made and they were made on our side. They were also made on the Pakistani side.

And that we expressed condolences for the mistakes that were made. We've made that clear, and we certainly have continued to make clear the mistakes that were made.

I think the problem is that, at this point, they're asking not only for that, but there are other elements of the negotiation that are also involved, that have to be resolved.

So that alone, isn't the only issue that's being discussed and that needs to be resolved in order to get the GLOCs opened.

Senator FEINSTEIN. All right. Thank you for that answer.

Do you believe that the Afghan military will be fully ready to take over come 2014?

AFGHAN ARMY

Secretary PANETTA. I was just there in Afghanistan on this last trip and had a chance to meet with Minister Wardak.

Every time I go there, I get the opportunity to see the Afghan army and the improvements in terms of their operations. There's no question, right now, they're at about 346,000. They're going to go to 352,000. They're way ahead in terms of achieving the target that they want to achieve.

They are doing an incredible job in terms of maintaining security, particularly in the transition areas that we've provided. I think that they are improving.

Our goal over these next 2 years is to continue to train, continue to assist them in their capabilities. And I have to tell you that I am confident that we're going to be able to complete all of the transition in the areas that we have as part of General Allen's plan.

That we can do this because we have the Afghan army in place, but also because we continue to have ISIF in places well to provide the support necessary. So I think the combination of an Afghan army that's able to do the job plus the kind of enduring presence that we need to have there as well in order to assure that the training and assistance continues.

I think that combination does make clear that they're going to be able to govern and secure themselves at that point.

Senator FEINSTEIN. Thank you very much. I know that my time is up.

Chairman INOUYE. Thank you very much.

Senator Coats.

Senator COATS. Thank you, Mr. Chairman.

Just two things I would like to raise in the time that I have.

One is, Mr. Secretary, as CIA Director, you had operational control over the bin Laden raid. As you know, three of us on this Committee also serve on the Senate Intelligence Committee which Senator Feinstein chairs.

And we've been alarmed, I think it's fair to say, with this recent spate of leaks that have occurred. We are working together in a bipartisan way to try to address this.

But one of the areas of concern is over the question of this accommodation with Hollywood filmmakers regarding the bin Laden raid. It's been alleged that the name of one of the participants in that, one of our uniformed participants in that, has been made public.

We are wondering, the question is whether other details have been shared about that. This comes on the heels of a series of devastating leaks that have compromised very sensitive operations, put peoples' lives at risk.

Devastating negative consequences going forward in working with sources, et cetera, et cetera. You're well aware of all that.

I guess my question here is simply the role of the Department of Defense relative to this Hollywood situation and other situations where your forces are involved.

And I think it's just fair to say, the Chairman would agree, that we're looking at every possible avenue to try to minimize, mitigate, eliminate these types of leaks.

And so working with you and your people in your Department I think is going to be helpful as one of the areas that we're going to need to work with in a comprehensive way of trying to get a handle on this.

I'm really not asking you for details regarding all this. We all love to go see these Hollywood movies. They're exciting and so forth.

CLASSIFIED OPERATIONS

But to the extent that information is shared relative to classified operations and personnel to make the movie a little more exciting and realistic and so forth and so on, contributes to the problems that we have.

And so I think we want to make sure that each department, whether it's the agency or whether it's the intelligence community or whether it's the Department of Defense is aware of the fact that we need to thoroughly investigate all this and put in place measures which will prevent this from happening in the future.

Whether you want to comment on that or not, I'll leave that to you.

Secretary PANETTA. Thank you. Thank you, Senator.

Look, let me first say as a former Director of the CIA, I deplore the unauthorized disclosures of classified information.

Senator COATS. I know you do.

Secretary PANETTA. I think that this is something that does have to be fully investigated, and it has to be very clear that this is intolerable if we're going to try to protect the defense of this country. We've got to be able to protect those who are involved in clandestine operations.

Having said that, I also want to make clear that, you know, no unauthorized disclosures were provided to movie producers or anybody else. What we do have is we do have an office at the Pentagon that almost every day deals with people that want to do something about, you know, either a movie or a book or an article or something related to our defense.

And we want to make sure that the information that they do use is accurate. And we do assist them with regards to the accuracy of that information. But I can assure you, I've asked that question, in this instance, nobody released any information that was unauthorized.

Senator COATS. Well, I hope you would join us in a thorough review of procedures just to make sure that our policies are straight on this.

Secretary PANETTA. We will. Absolutely.

Senator COATS. Thank you.

And, General Dempsey, you and I were posted to Europe during the same timeframe, and I do agree with Senator Hutchison that, you know, with this rebalancing and global posture and with our financial fiscal issues, we have to be very careful with taxpayers' money.

And I think she raised some legitimate questions in terms of infrastructure and MILCON money going to that. By the same token, I'd just like to get your take and make sure that we're not rebalancing too far.

I mean, as you look across this arc of terrorism and arc of threats starting in Pakistan and Afghanistan and coming across to Iran and Israel and Syria, the Arab Spring, all those countries involved

and so forth, everything from the Khani network to Al-Shabaab in Somalia.

I mean, there are a lot of threats out there. And the question is, some of these threats require a rapid response.

And Germany has always been a place where we have facilities to house and train those people who can be that rapid response to emergency situations and as well as just normal operations.

Have we gone too far? Or, I mean, are we on the cusp of leaving too much too fast?

And then when you also add the NATO component in terms of our need to continue to utilize and keep that organization dynamic and vibrant and effective as a partner. What is your take on all that?

General DEMPSEY. Well, as you know, Senator, former Ambassador, I've had 12 years of service in NATO, and so I tend to see the world in many cases through our North Atlantic Alliance.

And, in fact, I think that's legitimate because it is the track record of this country that when we enter into conflict, the first people we turn to to be partners with us in that regard are the members of the North Atlantic Alliance.

Second, you know, we shouldn't discount the benefit of being there to also build partners, build their capacity. And we do that at places like Hohenfels and Grafenwoehr and elsewhere.

And I think that building their capability makes it certain that we won't always have to be in the lead, even if sometimes there is some political reluctance that has to be overcome to do that.

I mention the Allied Ground Surveillance System which is a SMART defense initiative. I didn't mention the European phase, adaptive approach, ballistic missile defense cooperation. We've just gone through a NATO command structure review and shrunk the number of headquarters from about 12 to about 6.

So, I mean, I will just tell you that I tend to be very strong on our relationship with NATO, notwithstanding the Senator's concerns about the investment.

Senator COATS. Thank you, Mr. Chairman.

Chairman INOUYE. Thank you very much.

Senator Graham.

Senator GRAHAM. Thank you, Mr. Chairman.

Thank you both for your service. I think we have a vote on so I'll try to cover as much ground as possible.

SEQUESTRATION

Mr. Secretary, if we do not change the sequestration dilemma, if we don't do something about it before the election as a Congress, when can we expect layoff notices to hit?

Secretary PANETTA. Well, obviously, industries make that decision, but under the law, I think they've got, they got to do it at 60 days.

General DEMPSEY. The Worker Adjustment and Retraining Notification (WARN) Act, anywhere from 60 to 90 days.

Secretary PANETTA. Yes, 60 to 90 days before it takes effect.

General DEMPSEY. So, September.

Senator GRAHAM. Will you have to lay off any civilian employees as a result of the sequestration?

Secretary PANETTA. I suspect that if in fact it ultimately takes effect, we're going to have to do the same thing, sure.

Senator GRAHAM. Well, would you do the same thing, 60 to 90 days before? I would urge you to do it sooner rather than later.

Secretary PANETTA. We have to. We have to.

Senator GRAHAM. Well, I just want you to make it real to us.

It seems like the biggest bipartisan accomplishment we've had in recent memory is to destroy the Defense Department. It's not something I'm very proud of, and it's going to take bipartisanship to undo this.

So the sooner you can tell us about the number of jobs to be lost and how it will affect our Defense base, I think the better for the Congress as a whole.

Now, you're telling us about TRICARE. You're telling us you have a budget problem. When is the last time TRICARE premiums have been adjusted for the retired force?

General DEMPSEY. 1993.

Secretary PANETTA. 1993.

Senator GRAHAM. Okay.

Now, members of this subcommittee and I know we all love our retired military members, and I hope to be one one day, but isn't it unsustainable for you, if we do not bring this program into some kind of a sustainable footprint, you're having to compete with retiree healthcare against modernization, against benefits for today's force, against the ability to fight and win wars; is that correct?

Secretary PANETTA. I mean, as I said, we're paying $50 billion now in the healthcare arena, and if we don't control those costs, it's going to eat up other areas that are vital for our defense.

Senator GRAHAM. So, you're telling the Congress, it's unsustainable.

Secretary PANETTA. Exactly.

Senator GRAHAM. You're having to make choices between the retired healthcare costs and fighting this war and future wars.

Secretary PANETTA. That's correct.

Senator GRAHAM. And I hope we can find a way to be fair to the retired force, but also to maintain a sustainable military budget.

When it comes to retirement, you're talking about reshaping retirement benefits in the future not for people who exist today, right?

Secretary PANETTA. That's correct.

Senator GRAHAM. Because if you retire at 38, you get half pay for the rest of your life. Maybe that's something we need to revisit. I want to be generous, but I want it to be sustainable.

That's the message to the Congress, right?

Secretary PANETTA. That's correct.

Senator GRAHAM. Okay. And your message about sequestration is, I'm doing my best to handle $450 to $500 billion. If you want to double that, you're going to destroy the best military we've ever had.

Is that simply put?

Secretary PANETTA. That's right.

Senator GRAHAM. Okay.

GROSS DOMESTIC PRODUCT

Now, GDP spending on the military. What's been the historical average for the last 45 years of GDP spent on the military?

General DEMPSEY. Back to the last 20 years, maybe 4 or 5 percent.

Senator GRAHAM. Okay. It's 5.5 percent over the last 45 years.

General DEMPSEY. You knew the answer.

Senator GRAHAM. September 11, 2001, it was 3 percent. Today, it ranges from 4 percent to 5.78 percent. In World War II, it was 5.72 to 42 percent. The Korean War was 8.25 to 18 percent. Vietnam, 7.65 to 10.86.

I would argue to my friends on both sides of the aisle, that you're right. We're not going to get out of the debt by lowering the military spending alone.

I'm all in for reforming the way we spend money. Costs plus contracts seem to be a bad idea. Do you agree?

Secretary PANETTA. That's correct.

Senator GRAHAM. The longer it takes, the more you make. The more it costs, the longer it takes for the contractor, the more they make.

You're looking at doing a fixed-price contract for future weapons acquisitions, right?

Secretary PANETTA. That's right.

Senator GRAHAM. Where everybody's got skin in the game. Go down that road. I applaud you tremendously for doing that.

Aid to Pakistan. Do you consider the Foreign Ops budget a benefit to the military? The Foreign Operations account, the State Department's role in the world.

Secretary PANETTA. Yes.

Senator GRAHAM. Okay. Would you recommend to us to stop aid to Pakistan right now?

Secretary PANETTA. I'd be very careful about, you know, just shutting it down.

What I would do is look at conditions for what we expect them to do.

Senator GRAHAM. What about Egypt?

Secretary PANETTA. No, I would not, I think, at this point in time, support that——

Senator GRAHAM. Could you and General Dempsey write me a letter recommending to the Congress what we should do about our aid programs to the Pakistani military, the Pakistani Government, to the Egyptian military and to the Egyptian Government?

Secretary PANETTA. Yes.

Senator GRAHAM. Okay.

The last thing I want to talk to you about very briefly is you said something that just kind of went over everybody's head I think. That there's a Pearl Harbor in the making here.

You're talking about shutting down financial systems, releasing chemicals from chemical plants, releasing water from dams, shutting down power systems that could affect the very survival of the Nation.

What's the likelihood in the next 5 years that one of these major events will occur?

Secretary PANETTA. Well, you know, all I can tell you is that——

Senator GRAHAM. Is it a high probability or low probability?

Secretary PANETTA. All I can tell you is that, technologically, the capability to paralyze this country is there now.

Senator GRAHAM. Is there a growing will to use that capability by our enemies?

Secretary PANETTA. I think the more this technology develops, the more the will to potentially use it is going to dictate the will.

Senator GRAHAM. Would you say there is a high probability, that the capability, and the will?

Secretary PANETTA. I think there's a high risk.

Senator GRAHAM. Okay. Thank you both for your service.

Chairman INOUYE. Thank you.

Senator Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman. I will be brief. Gentlemen, thank you.

AIR FORCE IN ALASKA

Secretary Panetta, you have mentioned that this budget needs to relate to the full-defense strategy. We certainly understand that with the attention to Asia and the Pacific. We think that Alaska plays a large and a significant role. We have, historically.

But we think going into the future, that that role actually accelerates. There has been a proposal by the Air Force to move the F–16 Aggressor Squadron from Eielson. We've raised many, many questions.

Unfortunately, it seems that there are more questions that are being raised after we receive some of the information from the Air Force.

We just got the site activation task force review that was assigned to look at the feasibility of this move. The concern that we have is in addition to additional questions being raised, you've got a situation where the other forces are, I think, are impacted.

You've mentioned that this needs to—this budget needs to be a balance between all forces. We're looking at the impact to the Guard which has the 168th Refueling Wing, and how it will be impacted if Eielson is put to reduced hours.

We look at the incredible Army training ranges that we have up north that could be comprised. At J-Bear, we've got some very serious housing issues that need to be assessed.

We are in a situation now where we are trying aggressively to get some very concrete answers from the Air Force on this. We have determined that this proposal is going to cost us this next year $5.65 million in fiscal year 2013, which does not fall in line with the President's budget.

The very direct question that I have to you, Secretary Panetta, General Dempsey, is whether or not you will encourage the Air Force to abandon this plan for Eielson Air Force Base in 2013.

Take this proposal back to the drawing board, give it the thorough, very comprehensive vetting that it must have, to ensure that in fact we are operating with the focus, the vision towards the Asia Pacific, and that this truly does reflect the new defense strategy.

Secretary PANETTA. I will have General Dempsey respond to this as well.

Let me make clear that, you know, the Air Force was looking for, obviously, ways to save money because of the responsibility to respond to the Budget Control Act.

There are F–15s located at Eielson. There's F–15s located at Elmendorf, and they felt that it was better to try to unify those.

I just want you to know, and I've shared this with your colleague as well, that we have no intention of closing down Eielson. It's a very important base for us. It's important in terms of air refueling. It's important in terms of the role that we want to be able to play with regards to the Pacific.

And so nothing that is being recommended here in any way is intended to impact on Eielson itself as a future base for the Air Force.

General DEMPSEY. I'll just add.

I know that you and Senator Begich are in contact with the Air Force. I won't commit to going back and talking the nut of their plan. I will commit to you to go back and make sure I understand their plan better. And then, I'll engage with you on it personally, you and Senator Begich.

Senator MURKOWSKI. Well, I appreciate that.

I do recognize though that part of the proposed savings that the Air Force is looking to is demolishing several buildings within Eielson. The replacement value of these is about $150 million.

So it puts it in a situation where it would appear to be a backdoor BRAC, and that is the concern, the consideration.

So again, if I can ask you to do a very comprehensive review, work with us, General Dempsey, I will look forward to your conversation.

Mr. Chairman, I thank you. And I will conclude my comments with just a direct appeal. The focus, as we look at the infrastructure is all very keen, but it always comes down to our human assets.

SUICIDE

I remain very, very troubled with the high level of suicide that we are seeing with our military, also with our veteran population. I think most are staggered to learn that we're actually seeing more deaths due to suicide than we are actually out in theater in Afghanistan.

How we deal with this reflects on how we are as a Nation and our commitment to those who serve us. So I know you are focused on that, but I felt compelled to raise it here.

Secretary PANETTA. Senator, I thank you for pointing that out.

I'm very concerned by the high rate of suicides. Talking with the Service Chiefs, they share that concern. And, as a matter of fact, highlighted the fact that they were seeing, you know, a higher rate in suicide than they had seen in the past.

And what I've asked all of them to do, plus the undersecretaries that are responsible for this, is to immediately look at that situation and determine what's behind it, what's causing it, and what can we do to make sure it doesn't happen.

Chairman INOUYE. Thank you very much.

Senator Murray.

But before you do, we'll be leaving because there's a vote pending.

Senator MURRAY [Presiding]. Okay. Thank you very much, Mr. Chairman. I appreciate that.

Mr. Secretary, I want to continue the thought process of Senator Murkowski. I, too, am very alarmed by the suicide rate among our servicemembers and our veterans.

New analysis is showing us that every day in 2012 one of our servicemembers committed suicide, and as you just commented, outpacing combat deaths. In our veteran population, we know a veteran commits suicide every 80 minutes, every 80 minutes.

Now, I think we can all agree on two things. First of all, our servicemembers and their families have risen to the challenge. They have done everything this country's asked of them throughout the wars in Iraq and Afghanistan. We're all eternally grateful.

Second, the Pentagon and the Department of Veterans Affairs (VA) are losing the battle on mental and behavioral health, conditions that are confronting a lot of our servicemembers, loved ones and as we just talked about, resulting in such extreme things as suicides.

Secretary Panetta, our servicemembers and veterans can't get needed treatment or access to needed resources without correct diagnosis. As you know, this has been a major problem for soldiers in my home State of Washington.

POST-TRAUMATIC STRESS DISORDER

At Madigan, to date, more than 100 soldiers and counting, have had their correct post-traumatic stress disorder (PTSD) diagnoses now restored after being told they were exaggerating their symptoms, lying, and accused of shirking their duties.

So, understandably, a lot of our servicemembers' trust and confidence in the disability evaluation system has been seriously shaken in the wake of these events.

As you know, I have continually raised concerns about the consistency and accuracy of behavioral health evaluations and diagnosis within the entire disability evaluation system and have offered my recommendations on how to improve the system.

And, as you also know, the Army has now taken some critically important steps forward in beginning to address these concerns.

Secretary McHugh has announced a sweeping, comprehensive Army-wide review of behavioral health evaluations and diagnosis back to 2001 to correct the errors of the past and to make sure our servicemembers get the care and services that they need and that they deserve.

But I wanted to ask you today, because this is not just an Army disability evaluation system; this is a joint Department of Defense and VA program, covers all the services. So I wanted to ask you why the Department has not taken the lead in evaluating and making improvements to the entire system.

Secretary PANETTA. Senator, we are.

What I've asked is the other service chiefs' view, implement the same approach that the Army's taking here.

Senator MURRAY. To go back to 2001 and review all cases?

Secretary PANETTA. That's correct.

Senator MURRAY. Throughout the entire system?

Secretary PANETTA. That's correct.

Senator MURRAY. Okay.

So they are all following the Army's lead now, and we will be told the evaluations and the progress of that.

Who's heading that up?

Secretary PANETTA. Our Under Secretary for Personnel and Healthcare. That's the individual that you need to contact.

Senator MURRAY. Well, I would very much like to be kept informed as I'm sure all of our Members of Congress would. I think this needs to be transparent and clear.

We need to make sure that people are accessing the system, getting back if they need it, and the only way to do that is to be clear, open, and honest with everyone.

So I didn't know that we were looking at all the other Services, and I'd like more information and to be informed on that as soon as possible about how that's taking place and what the timetable is, and how that's going to occur.

Secretary PANETTA. I appreciate your leadership on this, Senator, and I'm not satisfied either.

I think, you know, the misdiagnosis that took place, what's happening in this area between, look, we're doing everything we can to try to build a better system between the Pentagon, the Department of Defense, and VA.

But there are still huge gaps in terms of the differences as to how they approach these cases, how they diagnose these cases, and how they deal with them. And, frankly, that's a whole area that we've just got to do much better on.

Senator MURRAY. Well, you can't imagine what it's like to talk to a soldier who was told he had PTSD. His family was working with him, and then when he went through the disability evaluation system was told he was a liar, or a malingerer. He was taken out of it, and then he went out into the civilian world, not being treated.

DISABILITY EVALUATION SYSTEM

That is a horrendous offense. You know, I'm chair of the Veterans Affairs Committee, and I recently held a hearing on the joint disability evaluation system. And I just have to tell you, I am really troubled by what I'm hearing.

Enrollment is continuing to climb. The number of servicemembers' cases meeting timeliness goals is unacceptably low. The amount of time it takes to provide benefits to a servicemember who is transitioning through the system has risen each year since we began this.

In response to these problems, we heard from DOD and VA together about how 5 years after, 5 years after the Walter Reed scandal, and this program was piloted, they're just now beginning to map out business processes to find room for improvement.

You know, that's just unacceptable. The public, all of us, really believe that this was being taken head on, that we were dealing with it. At 5 years out, unacceptable numbers that we're seeing.

So I wanted to ask you what you are doing at your level to deal with this, 5 years into this program, and we're still hearing state-

ments from Army leaders about how the disability evaluation system is fundamentally flawed, adversarial, disjointed.

Tell me what we're going to do.

Secretary PANETTA. Let me do this.

Secretary Shinseki and I have been meeting on a regular basis to try to do what we can to implement improvements. And, very frankly, we're not satisfied either by the progress that's being made here.

Part of it is bureaucratic, part of it is systems, part of it is just the complicated and——

Senator MURRAY. You can't image what it sounds like to hear that.

Secretary PANETTA. Pardon me?

Senator MURRAY. It's bureaucratic. I mean, if you're in this system, that's not the word you want to hear.

Secretary PANETTA. Yes, okay.

And, you know, I see it every day. I'm in charge of a very big bureaucracy. And the fact is that sometimes just the bureaucratic nature of large departments prevents it from being agile enough to respond and do what needs to be done.

And so a large part of this is just making sure that people are willing to operate out of the box, and do what needs to be done in order to improve these systems.

What I would offer to you is let Secretary Shinseki and I sit down with you and walk through the steps we're taking to try to see if we can try to shake the system and make it do a better job.

Senator MURRAY. Mr. Secretary, I really appreciate that commitment.

I know you have not been there the entire 5 years, but I will tell you this, we've been told for 5 years that DOD and VA are sitting down on a regular basis addressing this.

Secretary PANETTA. I know. Yes.

Senator MURRAY. And I'm talking to soldiers that are stuck in this disability evaluation system. There are bureaucratic delays. The people that are supposed to be helping them, they're training them because they've been in the system longer than the trainers who are supposed to come in and work with them.

Their families are facing, you know, horrendous challenges as they try and figure out what the future brings, months on end. You know, people at the top are saying this is fundamentally flawed. You ought to hear what the people at the bottom who are in it are saying.

Secretary PANETTA. Yes.

Senator MURRAY. So I totally appreciate your saying that to me today, but sitting down and talking with Secretary Shinseki is something we've been hearing for a long time. We need some recommendations. We need to move forward. We need this to be a top priority at the Pentagon.

As we transition now out of Afghanistan, this is not going to get more simple.

Secretary PANETTA. I agree with you. No, you're absolutely right.

POST-TRAUMATIC STRESS DISORDER AND BEHAVIORAL HEALTH CASES

Senator MURRAY. Add to that, the complexities of now going back and reviewing all of these PTSD and behavioral health cases, you have people who are in the IDs system right now who are saying, what's going to happen to me while you go back and review all these people?

Are we putting more personnel in to deal with this? Or, now am I going to take another back seat as we deal with that? This is complex. It's hard. It's problematic, but it needs every single effort from top to bottom.

Secretary PANETTA. Listen, I share all of your frustrations, and my job is to make sure that we don't come here with more excuses, but we come here with action. I understand.

Senator MURRAY. And I truly appreciate that comment, and I want to work with you. All my efforts are at your disposal. We do a fantastic job of training our men and women to go into the service. We still today have not gotten this right after this war in making sure that they transition back home.

We have families and soldiers and airmen throughout the Service who are really stuck in a process that they shouldn't be stuck in. We've got to get this right, and we got to get it right now, and we need every effort at it.

And I will sit down with you the minute you tell me you are available, but I want more than a meeting.

Secretary PANETTA. Okay. I agree.

ADDITIONAL COMMITTEE QUESTIONS

Senator MURRAY. Okay. All right. I believe, is Senator Shelby on his way?

I understand that Senator Shelby is on his way. We have a second vote. I have to get back for that. If I would just ask you gentlemen patience for him to return so that I can return for the second vote, I would appreciate it.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO SECRETARY LEON E. PANETTA

QUESTIONS SUBMITTED BY SENATOR TOM HARKIN

Question. Mr. Secretary, the Department of Defense (DOD) has become increasingly concerned over the past few years regarding our military's dependence on petroleum-based fuels. These concerns relate to both the ready availability of fuels during times of conflict and to the increasing costs of such fuels.

For example, it's been reported that the Pentagon spent $17.3 billion on petroleum in 2011, a 26-percent increase from the previous year with practically no change in the volume purchased.

It has also been reported that for every $0.25 increase in the price of jet fuel, the DOD must come up with an extra $1 billion annually.

Relative to future supplies and prices, we can all see that global fuel demands will continue to increase steadily as the economies of the BRIC nations—Brazil, Russia, India, and China—and similar nations grow and demand more fuel for transportation and industrialization.

Obviously, some of our leaders in the Pentagon see these future threats as well, and I commend the Department of the Navy for signing a memorandum of understanding (MOU) with the Department of Energy (DOE) and with United States Department of Agriculture (USDA) for the development of commercial biofuels produc-

tion capabilities. I understand that under this MOU, the DOD intends to fund multiple drop-in biofuel production facilities under the Defense Production Act.

Could you please speak to DOD's long-term strategy for assuring future fuels supplies and the role that you believe domestic biofuels can and should play in that? More specifically, could you comment on the role that this joint Navy/DOE/USDA procurement activity plays in DOD's longer term fuels security strategy?

Answer. In DOD's "Operational Energy Strategy," our goal is to ensure our forces have the energy they need to protect the Nation. The "Strategy" rests on three principles:

—reducing demand;
—diversifying supply; and
—building the future force.

Reducing demand, or getting more military output for our energy input, is the top energy security priority for the Department. Ninety percent of the Department's investment in operational energy improvements in fiscal year 2013 will go toward these sorts of energy efficiency and performance gains. Improved energy efficiency not only benefits the Department's bottom line, but more importantly, helps produce forces that are lighter, more mobile or flexible, and have greater range or endurance. Building an energy-efficient future force means that the Department needs to integrate operational energy considerations into the full range of planning and force development activities.

The second principle of diversifying supply is where domestic biofuels and other similar efforts are important. The Department needs to diversify its energy sources in order to have a more reliable and assured supply of energy for military operations. We are going to have ships, planes, and vehicles designed to use liquid fuels for decades to come so we have an interest in the ability of drop-in biofuels to, over the long term, provide the Department with new, sustainable, and reliable sources of the fuel we need to accomplish the defense mission. We are looking for fuels that are compatible with existing equipment and storage infrastructure, exploring where and how biofuels will be available and affordable to our forces, and leveraging the expertise of other Federal agencies where appropriate.

The Army, Navy, Air Force, and Marines have been certifying aircraft, ships, tactical vehicles, and support equipment to use alternative liquid fuels. Such activities represent a relatively small but important investment in drop-in alternative fuels—less than 0.6 percent of the more than $15 billion the Department spent on petroleum fuel last year. This investment ensures that our equipment can operate on a wide range of alternative fuels, which is important to ensuring our military readiness over the long term.

To aid the Military Services in this effort, on July 5, 2012, the Department of Defense Alternative Fuels Policy for Operational Platforms was released. The policy, which was required by the National Defense Authorization Act (NDAA) for fiscal year 2012, states that the Department's primary alternative fuels goal is to ensure operational military readiness, improve battlespace effectiveness, and further flexibility of military operations through the ability to use multiple, reliable fuel sources. It makes clear that all DOD investments in this area will be subject to a rigorous, merit-based evaluation. The policy also lays out clear guidance for our future fuel certification efforts, field demonstrations, and ongoing purchases. Of note, the policy formalizes what is already the practice for all the Services: That DOD will not make bulk purchases of alternative drop-in replacement fuels, outside of certification and demonstration activities, unless they are cost competitive with petroleum products. With this policy, the Department will continue to steward its alternative fuels investments wisely as we ensure the long-term readiness and capability of our joint force.

Another important component of the Department's longer term fuels security strategy is the Defense Production Act Advanced Drop-In Biofuels Production Project, which is focused on creating public-private partnerships to incentivize private-sector investment in cost-competitive biofuel production capability. The U.S. Navy and the Departments of Agriculture and Energy developed the initial strategy for this project, which is now under the oversight and technical review of an interagency team that will ensure the best value for the taxpayer and the Department.

Question. As DOD has worked to strengthen the Afghan carpet industry, for the past 2 years, I have been raising with the Department the need to ensure that DOD funds do not, either directly or indirectly, support child labor in the carpet industry. I've not been wholly satisfied with DOD's efforts in this regard. The contract into which DOD entered to prevent the use of child labor in the carpet industry stopped short of mandating an independent third-party monitoring and certification system. Subsequent to that, the contractor offered a no-cost extension of the contract to do just that, but DOD refused.

Quite frankly, I think the Department needs direction from the top that it should examine all of its efforts in the Afghan rug industry to make sure that it's doing all that it can to ensure U.S. taxpayer dollars are not being used to exploit children in any sector of the economy. Mr. Secretary, we have a legal and moral obligation to require that no child labor be used when U.S. tax dollars are paying for economic development projects. What actions will you take moving forward to ensure that relevant DOD contracts will include safeguards so U.S. funding does not subsidize child labor?

Answer. DOD is committed to promoting stability in Afghanistan responsibly through strategic business and economic activities. DOD takes this issue very seriously and is committed to our treaty obligations under the International Labor Organization Convention No. 182 on child labor and receives policy guidance from the U.S. Department of State as the U.S. Government's lead on these issues. The DOD, through the Task Force for Business and Stability Operations, will continue to work with the Departments of Labor, Commerce, and State on the issue of child labor in Afghanistan should it arise in future projects.

QUESTIONS SUBMITTED BY SENATOR RICHARD J. DURBIN

Question. How is the Department ensuring that critical, Government-owned and -operated facilities in the Nation's organic industrial base, like Rock Island Arsenal, are properly and strategically modernized so that these facilities have the equipment and skillsets they need to respond to wartime needs?

Answer. Section 2476 of title 10, United States Code, sets forth a congressional mandate for minimum capital investments for certain depots of the Department, including the Rock Island Arsenal. Specifically, section 2476 dictates each military department shall invest in each fiscal year in the capital budgets of those depots a total amount at least equal to 6 percent of the average total combined maintenance, repair, and overhaul workload funded at all the depots of that military department for the preceding 3 fiscal years. The Army, for example, has exceeded the 6-percent threshold with an investment in its facilities of approximately $290 million from fiscal year 2009 through fiscal year 2012.

The Army has developed an Organic Industrial Base Strategic Plan that provides a disciplined framework for ensuring that all the Army's arsenals and depots remain viable and relevant in a post-war funded environment. The plan addresses a Capital Investment Strategy that includes investment in new technology, training, and plant equipment at the same rate that the Army modernizes its weapon systems. The plan is in the final stages of approval by Headquarters Department of the Army (HQDA).

Further, the Department is mandated under 10 U.S.C. 2464, to maintain a core depot-level repair capability. The purpose of the core requirement is, among other things, to ensure a ready and controlled source of technical competence and resources needed to respond to military mobilization, contingencies, and other emergencies. The Department applies and enforces the core requirement through an annual and biennial capability and workload review, completed by the Services, and reviewed by the Office of the Secretary of Defense. To efficiently maintain maintenance capabilities, DOD facilities, equipment, and personnel accomplish a broad range of workloads in support of peacetime operations. Most of these workloads involve the maintenance, repair, and overhaul of combat weapons systems and components ensuring a defined skill set and wartime repair capability. Additionally, the preservation of core capability requires ongoing capital investments consistent with section 2476 as well as the introduction of new weapon systems.

Question. The Senate and House versions of the National Defense Authorization Act (NDAA) for fiscal year 2013 each carry authorizations for some of the reforms you announced earlier this year to combat sexual assault in the military. Is the Department planning for the implementation of those authorized authorities, assuming they are signed into law? If so, please describe the Department's implementation timeline.

Answer. The Department is prepared to review and expeditiously implement the provisions of the fiscal year 2013 NDAA once it is in effect. The proposed Leadership, Education, Accountability and Discipline on Sexual Assault Prevention Act of 2012 (LEAD Act) contains six major elements, each requiring a unique timeline and implementation plan. Assuming the bill is passed, we offer an approximate timeline for each element as follows:

—Establish Special Victim's Capability within each of the services comprised of specially trained investigators, judge advocates and victim-witness assistance personnel. Each service have identified and are already training investigators

and judge advocates to establish this capability. Following passage, victim witness liaisons will be identified and trained to complete this capability. Once the fiscal year 2013 NDAA is passed, it will take approximately 6 months to 1 year for all of the services to have a functioning Special Victim's Capability for each service.

—Require that all servicemembers have sexual assault policies explained within 14 days of entrance into active service, educating our newest members right away to understand our culture will not tolerate sexual assault. Once the fiscal year 2013 NDAA is passed, this element will take approximately 3 months for full implementation.

—Require a record of the outcome of disciplinary and administrative proceedings related to sexual assault be centrally located and retained for a period of not less than 20 years. Once the fiscal year 2013 NDAA is passed, it will take approximately 6 months to 1 year to implement this requirement.

—Require Commanders to conduct an annual Organizational Climate assessment, obtaining information about the positive and negative factors that impact unit effectiveness and readiness. Once the fiscal year 2013 NDAA is passed, this element can be implemented within a 6-month time period.

—Provide Reserve and National Guard personnel who have been sexually assaulted while on active duty to request to remain on active duty or return to active duty until line of duty determination is done, allowing servicemembers who file an Unrestricted Report to receive services and/or complete a line of duty investigation. Once the fiscal year 2013 NDAA is passed, this element will take approximately 6 months to 1 year to implement.

—Require greater availability of information on Sexual Assault Prevention and Response resources to include DOD workplaces, dining facilities, healthcare, and residential facilities will have prominently placed Sexual Assault Prevention and Response resources information to assist servicemembers, military dependents, and civilian personnel. Once the fiscal year 2013 NDAA is passed, this element will take approximately 6 months to implement.

Question. Recently, the Department opened up approximately 14,000 battalion-level combat-related positions to female servicemembers. What is the Department's timeframe for examining and possibly reclassifying other combat-related provisions in order to permit women to serve on a broader basis?

Answer. In March of this year, the Department eliminated the co-location restriction that opened more than 13,000 combat support positions to both men and women, as well as opened more than 1,000 positions at the battalion level in direct ground combat units in order to evaluate the performance of women in these positions and inform policy. I have directed the Secretaries of the military departments to advise me on their evaluations of women's performance in these positions, as well as any additional positions that can be opened and assessment of remaining barriers to full implementation of the policy of allowing all servicemembers to serve in any capacity, based on their abilities and qualifications. This assessment will occur no later than November 2012.

VISION RESEARCH

Question. In the fiscal year 2013 budget submission, the President requested $21.374 million for core vision/eye research and all sensor systems.

Would you discuss the importance of this funding?

Answer. Research to improve the prevention, mitigation, treatment, rehabilitation, and restoration of military eye and vision trauma is critically important since most human activity is visually guided. In current conflicts, eye injuries account for approximately 15 percent of all battlefield trauma, and have resulted in approximately 183,000 ambulatory and more than 4,000 hospitalized cases involving eye injury. In addition to injuries that blind or impair vision immediately, hidden injuries such as retinal breaks, iris disinsertion, lens damage, and optic nerve trauma have been found to go undetected at the time of the battlefield trauma and dramatically increase the risk of future vision loss. Even in the absence of direct eye injury, blast exposures, concussions, and traumatic brain injuries (TBI) cause visual and associated vestibular neurosensory dysfunction in 75 percent of exposed individuals. All of these problems negatively affect the ability of servicemembers and veterans to reintegrate in both military and post-service employment and life skills.

The DOD/Veterans Affairs (VA) Vision Center of Excellence has been a leader in the analysis of research gaps in blindness and vision impairment, including TBI-related vision syndrome. Under the aegis of its Vision Research Portfolio (VRP), DOD has developed a comprehensive inventory of needed research in blindness, vision im-

pairment, and TBI-related visual neurosensory dysfunctions caused by military trauma. The range of these research topics spans:

—the discovery of better methods of protecting deployed individuals, improved battlefield treatments that will save the sight of the wounded;

—development of long-term treatments for chronic visual dysfunctions;

—the need for better surveillance tools for as yet undetected problems; and

—developing valid approaches to the restoration of sight.

At present, vision restoration is in its infancy compared to other areas of prosthetics, such as amputations, where dramatic strides are continually being made. We are fortunate that VRP funding announcements are being met by research proposals of the highest quality, which will greatly benefit the care of our servicemembers and veterans. We have an obligation to our servicemembers and veterans to ensure that they have access to our best possible solutions for their readiness, ocular health and visual quality of life. Maintaining and enhancing funding of DOD research targeted to these areas is a critical need.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

UNITED STATES RELATIONSHIP WITH PAKISTAN

Question. Last month, at the full Committee mark-up of the fiscal year 2013 State and Foreign Operations appropriations bill, this Committee cut $33 million in Foreign Military Financing for Pakistan to protest the 33-year prison sentence for Doctor Shakil Afridi, who helped the United States track down Osama bin Laden.

What are your current views on United States foreign assistance to Pakistan and how do you see the United States-Pakistan relationship at this time?

Answer. The United States-Pakistan relationship is fundamental to our vital national security interests. We need to cooperate with Pakistan on defeating al-Qaeda, supporting Pakistani stability, and reaching a lasting peace in Afghanistan. I support assistance to Pakistan that is targeted at achieving our core interests and sustaining our engagement—civilian and military—with the Government of Pakistan. By comparison, cutting off assistance to Pakistan in 1990 led to an era of decreased engagement which still adversely affects our relationship today.

The Department of Defense (DOD) programs—especially Coalition Support Fund reimbursements—will play an important role in re-starting our engagement with Pakistan as we seek a way forward on advancing broader United States national security interests. Passing amendments limiting assistance to Pakistan will jeopardize our ongoing discussions on all avenues of cooperation, including the ground lines of communication (GLOC) negotiations. If we can restart the relationship, the next year would require that we be flexible enough to respond to potential additional strains that may occur, and to take advantage of any improvement in Pakistan's willingness to cooperate on issues that advance United States national interests. Any conditions applied to DOD programs for Pakistan should, therefore, be designed to support these interests. Funding restrictions or unachievable certification requirements for those programs would have direct, negative consequences on our core interests, our strategic posture in Afghanistan, and long-term regional stability.

Question. What do you see happening with the border situation in Pakistan? Are we able to resupply our troops in Afghanistan without using the Pakistani border?

Answer. We—and our North Atlantic Treaty Organization (NATO)/International Security Assistance Forces (ISAF) partners—have been able to support our forces in Afghanistan during the closure of the Pakistan-based GLOC since late November. However, we have done so by relying heavily on northern distribution network (NDN) lines of communication as well as costly, multimodal shipments using rail and air. Maintaining redundant supply routes into Afghanistan, including the Pakistan GLOC, will enable logistics flexibility at a critical time for coalition forces. Working with Pakistan to open the GLOC will reduce the burden on the United States taxpayer, will allow us to transit supplies to forces more quickly, and will be important for United States and coalition retrograde from Afghanistan and equipping of Afghan National Security Forces (ANSF).

Question. When will the administration finally declare the Haqqani Network a Foreign Terrorist Organization (FTO)?

Answer. The authority to make FTO designations rests with the Secretary of State. I understand that Secretary Hillary Clinton is undertaking a review of an FTO designation of the Haqqani Network, and I defer to her on the results of that review.

SOUTH CHINA SEAS

Question. Secretary Clinton has stated that the peaceful resolution of disputes in the South China Sea is in the "national interest of the United States," and that multilateral solutions should be pursued. In response, the People's Liberation Army insisted that China had "indisputable sovereignty" over the sea, though it would allow freedom of navigation.

What is your assessment of China's behavior in the South China Sea?

Answer. My assessment is that China should clarify the nature of its claims in the South China Sea and resolve disputes through diplomatic means consistent with international law without coercion or the threat or use of force. We encourage China to work with Association of Southeast Asian Nations (ASEAN) on developing a binding code of conduct for behavior in the South China Sea and to work toward the peaceful settlement of territorial disputes. It is long-standing U.S. policy that we do not take a position on specific territorial disputes, and we have consistently called upon all parties to clarify their claims in the South China Sea in terms consistent with international law. Finally, it is important that China recognize and respect the full breadth of high seas freedoms in its exclusive economic zone (EEZ), which includes the freedoms of navigation and overflight and other internationally lawful uses of the seas related to these freedoms.

The region and the world are watching the situation in the South China Sea carefully, and forming impressions based on how claimant states manage these disagreements.

Question. Who is driving this assertiveness, the military or civilian leadership?

Answer. We have questions about the level of coordination between the political and military leadership in China, and suspect there are areas of friction between them. However, we believe that recent actions taken in the South China Sea are in accordance with the broader goals of the civilian leadership and do not represent a rift within China's leadership. The People's Liberation Army's (PLA) top decisionmaking body, the Central Military Commission, remains subordinate to civilian leadership. China's consensus driven decisionmaking process continues to prevent one entity from challenging the status quo.

Question. How concerned are you that an incident in the South China Sea, such as the current standoff between China and the Philippines over the Scarborough Shoal, could erupt into a wider conflict that could drag in the United States?

Answer. We are watching the situation in the South China Sea closely, and support a collaborative diplomatic process by all claimants to resolve disputes. The United States opposes the use or threat of force or coercion by any claimant in pursuing its claims. We support ASEAN and China's efforts to negotiate a full code of conduct that:

—is based on the principles of the U.N. Charter, customary international law as reflected in the Law of the Sea Convention, the Treaty of Amity and Cooperation, and the Declaration on Conduct; and

—creates a rules-based framework for managing and regulating the conduct of parties in the South China Sea, including preventing and managing disputes.

To reduce the risk of conflict in the South China Sea, I believe the United States should use its position in several regional organizations, including the East Asia Summit, the ASEAN Regional Forum, and the ASEAN Defense Ministers Meeting Plus, to facilitate initiatives and confidence-building measures that will help claimant states reach an agreement on a binding code of conduct in the South China Sea. Additionally, the United States should continue serving as a positive example of a nation that adheres to recognized international norms of behavior through policy implementation, effective training, and proper accountability. These include the "rules of the road," such as the International Regulations for Preventing Collisions at Sea (COLREGs), the International Convention for the Safety of Life at Sea (SOLAS), and other established international safety and communication procedures, such as the Code for Unalerted Encounters at Sea (CUES). The United States should also encourage all South China Sea claimants to abide by these behavioral norms to ensure greater operational safety and reduce the risk of dangerous incidents at sea.

Question. What lines of communication do we have with China's military in a crisis situation and are they sufficient?

Answer. DOD maintains contact with the PLA through a variety of mechanisms, including China's Defense Attaché Office at its Embassy in Washington and the U.S. Defense Attaché Office at the U.S. Embassy in Beijing. Additionally, in 2007, a Defense Telephone Link (DTL) was established between the United States and China, intended for exchanges between the United States Secretary of Defense and China's Minister of National Defense. Secretary of Defense Gates made the first call

to his counterpart in April 2008. We seek a military-to-military relationship with China that is healthy, stable, reliable, and continuous—these lines of communication, which are sufficient, help us meet that goal.

AFGHANISTAN

Question. The number of U.S. forces will be reduced to 68,000 by September, down from a peak of approximately 100,000 in June 2011. President Obama has said that further reductions will continue "at a steady pace" until the end of 2014 when Afghan forces will assume full responsibility for the security of their country.

What factors will influence the pace of additional reductions?

Answer. The recovery of the final 23,000 surge forces is expected to be completed by September 2012. Following the completion of the surge recovery, fewer than 68,000 U.S. military personnel will remain, as laid out in the President's surge plan. As DOD senior leaders have stated many times, any future decisions on force reductions will be conditions based. This fall, General Allen will prepare his 2012 fighting season analysis, assessment of the Afghan National Security Forces (ANSF) readiness, and will develop and assess options for post-surge force levels.

General Allen's assessment and recommendations will inform, along with the Chairman's military advice, my recommendations to the President. Primary considerations include the capabilities of both the ANSF and the insurgency, the overall security situation across the country at the end of the 2012 fighting season, and the projected 2013 security environment. Security must be considered along with other factors, such as progress in transitioning districts and Afghan governance development. The security transition process will be particularly important, as Afghanistan prepares for the final two tranches of Afghan districts that will enter transition. We must ensure we have the right mix of United States, International Security Assistance Force (ISAF), and ANSF units available to allow the Afghan forces to assume the lead in these last transitioning districts. Finally, General Allen will assess the required composition of U.S. forces on the ground in order to achieve the correct balance of conventional, security force assistance, special operations, and enabling forces for the future security environment.

Question. Are Afghan forces still on track to take the lead in security matters by mid-2013?

Answer. ANSF remain on schedule to assume the lead for security in Afghanistan in 2013 once Tranche 5 districts begin transition. The ANSF continue to grow in capability and size and are increasingly taking the lead in planning and conducting operations. Both the Afghan National Army (ANA) and Afghan National Police are becoming increasingly independent, and the ANA are in the process of establishing its first division-sized special operations forces unit.

Tranche 3 districts will begin transition in July 2012 and at that time more than 75 percent of the Afghan population will live in areas where the ANSF are in the lead for security. We expect the Afghan Government to announce the districts composing Tranche 4 this winter and Tranche 5 in mid-2013. Additionally, security conditions are assessed as stable in locations where Afghan forces have assumed a lead security role. In 2012, enemy-initiated attacks in transitioning districts have fallen year to date overall by approximately 15 percent from 2011 levels.

Question. How confident are you that they will be able to assume and sustain the lead for security matters?

Answer. ANSF remain on schedule to assume and maintain the lead for security matters. The ANSF are on track to assume lead security across Afghanistan as Tranche 5 is implemented in 2013. The International Security Assistance Force (ISAF) will continue to train, advise, and assist the ANSF as transition process continues through the end of 2014. At that Point, the Afghans will assume full responsibility for security in Afghanistan in accordance with the Lisbon transition strategy and timeline.

However, the international community will not end its commitment to Afghanistan in 2014. The North Atlantic Treaty Organization (NATO) Summit in Chicago reaffirmed the international community's enduring commitment to Afghanistan. The United States remains committed to a mission that trains, advises, and assists Afghan forces post-2014, as expressed in the Strategic Partnership Agreement signed in May 2012. The United States and Afghanistan are committed to a series of 6-month reviews to assess the development and structure of the ANSF. These collaborative reviews will ensure that the ANSF size and force structure are suitable and sustainable for the projected security environment.

Question. What is your current assessment of the ability of Afghan forces to assume full responsibility for security matters by the end of 2014?

Answer. ANSF are currently on track to assume full responsibility for security in Afghanistan by the end of 2014, in accordance with the timeline agreed to at the NATO Lisbon Summit, and as reaffirmed at the NATO Chicago Summit. The ANSF are on track to reach their October 2012 goal of 352,000 personnel. The ANSF also continue to grow in capability. Currently, more than 90 percent of all combat operations are partnered between ANSF and ISAF forces, and the ANSF have the lead for more than 50 percent of these operations. Additionally, the ANSF have increasingly been accepting custody of detainees detained by U.S. forces and are taking the lead in the conduct of special operations.

THE UNITED STATES-AFGHANISTAN STRATEGIC PARTNERSHIP AGREEMENT

Question. The U.S.-Afghanistan Strategic Partnership Agreement would allow U.S. forces to remain in Afghanistan after 2014 for training Afghan security forces and targeting al-Qaeda.

How many U.S. troops do you anticipate will remain in Afghanistan after 2014?

Answer. The United States, along with its NATO allies, intends to maintain an enduring presence to support the continued training and development of the Afghan National Security Forces (ANSF), and to engage in counterterrorism efforts aimed at combating al-Qaeda and its affiliates. Future force-level requirements will be determined by taking into account what assets are needed to support those missions, and will be guided by the need to ensure that Afghanistan has the ability to secure itself against internal and external threats.

Towards that end, an Afghanistan-U.S. Bilateral Commission was established under the Strategic Partnership Agreement (SPA) to advance cooperation and monitor progress toward implementing the SPA. A U.S.-Afghanistan Working Group on Defense and Security will conduct regular assessments of the threat level facing Afghanistan, as well as Afghanistan's security and defense requirements. This working group will make recommendations about future cooperation between the United States and Afghanistan on Afghanistan's security and defense requirements. Recommendations will be made to the Bilateral Commission.

The nature and scope of the future presence and operations of U.S. forces are expected to be addressed in a future U.S.-Afghanistan Bilateral Security Agreement.

Question. How long will they be engaged in the missions described in the Agreement?

Answer. The Strategic Partnership Agreement will remain in force through 2024. The United States is committed to seek funds on a yearly basis during that period to support the missions described in the Agreement. The duration and nature of our enduring presence will be determined through an examination of what assets are needed to support the sustainment of ANSF, and U.S. counterterrorism efforts against al-Qaeda and its affiliates.

Towards that end, an Afghanistan-U.S. Bilateral Commission was established under SPA to advance cooperation and monitor progress in the implementation of the SPA. A U.S.-Afghanistan Working Group on Defense and Security will conduct regular assessments of the threat level in Afghanistan as well as Afghanistan's security and defense requirements. The nature and scope of the future presence and operations of U.S. forces is expected to be addressed in a future U.S.-Afghanistan Bilateral Security Agreement.

The SPA was designed to provide a long-term political framework for relations between the United States and Afghanistan that promotes the strengthening of Afghan sovereignty, stability, and prosperity, and that contributes to the shared goal of defeating al-Qaeda and its extremist affiliates. The enduring partnership established by the SPA sends a clear signal to the Afghan people that they are not alone as they take greater responsibility for their country.

Question. What will be the major challenges to concluding a Bilateral Security Arrangement to supersede our Status of Forces Agreement?

Answer. As with other negotiations, we generally do not publicly discuss U.S. negotiating positions, nor those of our negotiating partners. The Bilateral Security Agreement (BSA) is expected to set the parameters for the nature and scope of the future presence and operations of U.S. forces in Afghanistan, and the related obligations of Afghanistan and the United States.

There are a number of elements common to most status of forces agreements (SOFAs). SOFAs typically address the majority of day-to-day issues that may arise regarding the presence of U.S. forces in a host nation. As a result, SOFAs generally include provisions addressing criminal and civil jurisdiction over U.S. forces and DOD civilian personnel, use of agreed facilities and areas, movement of vehicles, tax and customs exemptions, contracting procedures, access to and use of utilities and communications, and entry into and exit from the host nation, among others.

The BSA will also take into account the particular circumstances and requirements of U.S. forces in Afghanistan, such as continued access to and use of Afghan facilities for the purposes of combating al-Qaeda and its affiliates, training the ANSF, and other mutually determined missions to advance shared security interests. The transfer of U.S. detention facilities and the conduct of special operations, currently guided by U.S.-Afghanistan memoranda of understanding, may also be issues that are discussed during the BSA negotiations.

Question. The Agreement requires the administration to seek funding from the Congress for the "training, equipping, advising and sustaining of Afghan National Security Forces, as well as for social and economic assistance."

How much will this cost?

Answer. Preliminary plans for the long-term training, equipping, advising, and sustaining of the ANSF call for an estimated annual budget of $4.1 billion. The plan calls for the ANSF to achieve a surge strength of 352,000 personnel by October 2012, which would be sustained through 2015 before drawing down to a sustainable long-term force by 2017. We have received commitments and pledges from the Afghan Government and the international community to assist in funding the ANSF, and we will continue to pursue international contributions in the future. We will also continue to work closely with the Government of Afghanistan and our allies and partners to evaluate the security conditions on the ground that may alter the assessment of future ANSF structure and the associated budget estimate.

Question. How confident are you that our NATO partners will contribute and the United States will not be left with the whole bill?

Answer. At the 2012 NATO Summit in Chicago, our NATO allies and other international partners reaffirmed their strong commitment to an enduring partnership with Afghanistan that will last beyond the transition of full security responsibility to the Afghan forces by the end of 2014. The Afghan Government pledged to provide at least $500 million a year for the ANSF beginning in 2015 and to increase this amount progressively over time as its economy continues to grow. The international community also recognized Afghanistan's current economic and fiscal constraints and pledged to provide significant additional funding.

Additionally, over the past 6 months, Afghanistan has signed partnership agreements with a number of other countries around the world, many of them NATO allies and ISAF partners, including:

—the United Kingdom;
—France;
—Italy;
—Germany;
—Norway;
—Australia; and
—India.

Afghanistan is also negotiating a long-term partnership agreement with the European Union. We believe this web of long-term partnerships will help support Afghanistan after the security transition, ensuring that the international community remains engaged in support of the Afghan people in the years following the conclusion of ISAF's mission.

The international community continued to show its support at the recent conference on Afghanistan's continued economic and social development after 2014, the Tokyo Conference, agreeing to provide $16 billion in civilian aid over 4 years.

AFGHANISTAN—COUNTERNARCOTICS

Question. The drug trade is a major source of Taliban funding, with the U.N. Office on Drugs and Crime estimating that in 2009, the Taliban earned about $155 million from the drug trade by taxing farmers, shopkeepers, and traffickers in return for security protection. The Helmand Food Zone is generally regarded as a success in reducing poppy cultivation. The administration has indicated support for expanding this program; however, this depends on international funding, local political will, and especially security.

With the 2014 U.S. departure date, what steps is your Department taking to limit poppy cultivation and drug profits to the Taliban following the U.S. withdrawal?

Answer. We continue to build the Afghan capacity to counter the drug trade and reduce drug-related income to the Taliban. United States forces have trained units within the Counternarcotics Police of Afghanistan that are currently capable of conducting counternarcotics (CN) operations with limited enablers from Coalition forces. We have built aviation enablers for the CN effort that will be merged with aviation assets to support the Afghan counterterrorism effort. Training for this unit includes operations that insert CN forces under the cover of darkness.

United States forces in Afghanistan do not directly support poppy eradication efforts other than to provide in extremis support to eradication teams under attack, consistent with North Atlantic Treaty Organization (NATO)/International Security Assistance Forces (ISAF) policy. The U.S. Department of State supports the Afghan Government's "Governor Led Eradication" (GLE) program. While final, verified results are not available for the GLE at this time, the program is on track to more than double last year's result of 3,810 hectares of poppy eradicated.

I believe that the eradication effort must be carefully planned to inflict the most damage on major drug producer's poppy crop and include alternative livelihood efforts to provide poor farmers with an alternative to poppy cultivation. This requires a whole-of-government approach led by the Afghan Government with enabling support from the U.S. Government.

Question. What programs and methods do you see as most effective in curbing Afghan drug production and Taliban involvement in the drug trade given the security situation in Afghanistan and the impending departure of international troops?

Answer. I believe the most effective method in reducing the Afghan illicit drug production, and the Taliban's involvement in the drug trade has been conducting joint military and law enforcement operations against key nexus targets and involving the Afghans in these operations. The counter narco-terrorist effort, however, must engage a whole-of-government approach. All of the tools to engage the drug trade must be coordinated to achieve the greatest effect. The Afghan Government outreach to farmers occurs in the fall when farmers are determining what crops they will plant for the next season. The Afghan Government should strongly push tribal elders and farmers to not plant poppy. Alternative development needs to be available to farmers so they have support for other options over growing poppy. Eradication needs to target wealthy land owners that gain the most profit from poppy production. Corrupt Afghan Government officials involved in the drug trade and those police forces establishing unauthorized road checkpoints and harassing farmers as they try to get their licit produce to market, should be arrested and tried in a court of law without political interference. We need to continue to train and mentor Afghan CN forces so they can take on this responsibility. Security will be key, and the Afghan security forces need to be up for the task.

The U.S. Government will need to continue to support the CN effort in Afghanistan post 2014 including continuing to build the Afghan CN capacity and providing enabling support.

Question. As the Chair of the Senate Caucus on International Narcotics Control, I have concerns that illicit drug organizations will proliferate and increase aggression towards remaining United States and Afghan CN personnel following a military withdrawal.

Given the link between drug trafficking organizations and terrorist organizations, can you advise the future role the Department of Defense (DOD) will have in a "post withdrawal era" in supporting CN efforts in the Afghanistan region?

Answer. Over the past 8 years, DOD has worked closely with other U.S. departments and agencies to build the Afghan CN capacity primarily with specialized units. We seek to expand that capacity to the provincial-level forces for greater effect. We have also built enablers, specifically an aviation capacity, that is currently being merged with Afghan counterterrorism efforts. U.S. Special Operations Forces are expected to continue to operate in Afghanistan beyond 2014 and could support training and mentoring the Afghan CN forces.

DOD has also been building CN capacity within the region, specifically in Central Asia. This support has focused on border security operations in an attempt to interdict drug shipments from Afghanistan into and through Central Asia. DOD's CN efforts in Pakistan have been limited lately, although we have supported the U.S. Drug Enforcement Administration's efforts to build the capacity of Pakistan's Anti-Narcotics Force. I look forward to the potential of providing more support to the Pakistan coastal forces and assisting them with training and equipment in support of drug interdiction operations at sea.

Subject to funding being provided, DOD will continue to support CN efforts in Afghanistan and the region.

TAIWAN AND F–16S

Senator Cornyn agreed to lift his hold on the nomination of Mark Lippert to be the next Assistant Secretary of Defense for Asian and Pacific Security Affairs after he received a letter from the administration indicating that it would give "serious consideration" to a proposal to sell Taiwan 66 new F–16 fighters. Last year, the administration declined to sell the new F–16s to Taiwan and, instead, agreed to a $5.8 billion upgrade of Taiwan's existing fleet of F–16s. Senator Cornyn and others de-

nounced the administration's decision arguing that Taiwan needed the newer F–16s to better match China's air superiority. China strongly opposes the sale of new F–16s to Taiwan.

Question. What does "serious consideration" mean?

Answer. The Taiwan Relations Act provides that ". . . the United States will make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability." The Department of Defense takes this responsibility seriously and endeavors to work closely with the interagency to evaluate Taiwan's needs and provide recommendations to the President on what defense articles and services are appropriate for Taiwan.

Recommendations are based on the projected threat from the mainland and an evaluation of the China-Taiwan relationship—political and military—which is an on-going process.

Question. Has the security situation across the straits changed significantly since the administration agreed to upgrade Taiwan's existing fleet of F–16 A/B models?

Answer. No. As detailed in the 2012 report to Congress on the Military and Security Developments Involving the People's Republic of China (PRC), the People's Liberation Army continues to focus on building the capacity to coerce Taiwan to reunify with the PRC. In light of China's continued development and deployment of advanced weapons systems to the military regions opposite Taiwan, we judge that the military balance continues to shift in the mainland's favor.

Question. I understand that there is not much difference in capabilities between the upgraded F–16 A/B models and the new F–16 C/D models.

What new capabilities would the C/D models provide?

Answer. The U.S. Government-approved F–16 A/B retrofit capabilities are very similar to those featured in new F–16 C/Ds. The F–16 A/B retrofit will enhance avionics, survivability, combat effectiveness, and the cockpit environment of Taiwan's current fleet of F–16s, as well as contribute to the refurbishment of aging structural airframe components. F–16 C/D has a more robust engine and an option for conformal fuel tanks providing additional fuel capacity.

Question. What threats would they respond to?

Answer. The F–16 is a combat aircraft capable of providing air-to-air combat and air-to-surface support. F–16s provide Taiwan the capability to defend the island against air attacks.

Question. What significant action could China take to ease its military posture in the strait in a manner that was substantive enough for you to consider or reconsider the future arms sales to Taiwan?

Answer. The Taiwan Relations Act provides that "the United States will make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability." Evaluation of the China-Taiwan relationship—political and military—is an on-going process; sales of arms and defense services to Taiwan are evaluated in this context.

DOD along with other U.S. departments and agencies provide recommendations to the President on what defense articles and services are appropriate for Taiwan. DOD bases its recommendations on the projected threat from the mainland. This threat is steadily increasing across multiple mission areas.

China's Anti-Secession Law, expansive military, and extensive doctrine and plans to invade Taiwan leave little doubt about China's intentions. China would need to make significant and permanent changes to its military that would reduce the threat to Taiwan. DOD has not seen any indications that would imply that China is currently making the necessary changes that would cause DOD to reconsider future arms sales to Taiwan.

AL-QAEDA THREATS IN AFRICA

Question. For the past few years, al-Qaeda in the Islamic Maghreb (AQIM) has been almost an afterthought, but obviously DOD is actively working to defeat al-Qaeda wherever they find a safehaven.

What threat does AQIM pose in light of the current instability in North Africa?

Answer. AQIM is a regional affiliate of al-Qaeda and the Department takes the threat it poses very seriously. DOD works to build the capacity of front line states, like Mauritania, Niger, and others, to counter the threat posed by the group. The fluid political situation in North Africa and the Sahel—and the limited ability of governments to control their territory—raises the possibility that AQIM could enjoy greater freedom of movement. That freedom of movement might enable the group to more effectively target local, U.S., and other Western interests.

Question. Do you see indications of links among AQIM, al-Shabaab in Somalia, and al-Qaeda in the Arabian Peninsula (AQAP) in Yemen?

Answer. We are always concerned about the possibility that regional terrorist organizations will cooperate and share capabilities. A classified answer to this question is being provided separately

NUCLEAR WEAPONS

Question. The House fiscal year 2013 Defense Authorization bill contains a number of troubling provisions related to nuclear weapons:

—if the President does not spend $88 billion to upgrade our nuclear labs and $125 billion over 10 years to replace aging bombers, submarines, and land-based missiles our reductions to our nuclear stockpile mandated by the New Strategic Arms Reduction Treaty (New START) would be halted;

—it places significant restrictions on reducing or withdrawing tactical nuclear weapons in Europe and mandates a report on re-introducing these weapons in South Korea; and

—it would provide $160 million for a new plutonium facility the National Nuclear Security Administration (NNSA) says it does not need.

If the United States ceased complying with the terms of the New START agreement, how would Russia respond?

Answer. I can only speculate how Russia might respond if, for some reason, the United States were forced to cease complying with the terms of the New START. Russia might choose to delay or halt its own compliance activities. This would leave open the possibility that Russia might act to increase the size of its nuclear forces above the New START Treaty (NST) limits.

Question. What would be the long-term impact on our strategic relationship with Russia?

Answer. The most probable long-term impact of withdrawing from the NST would be a weaker and more unpredictable strategic relationship with Russia because of the increased uncertainty that would come from reduced transparency. NST provides both the United States and Russia with a degree of transparency that helps promote strategic stability. For both the United States and Russia, accurate knowledge of each other's nuclear forces helps to prevent the risks of misunderstanding, mistrust, and worst-case analysis and policymaking.

It is important to note that greater instability in the United States-Russian relationship would have an impact on others, including our allies (who highly prize strategic predictability) and China (which might perceive a need to significantly increase its forces).

Question. What would be the impact on our ability to convince Iran and North Korea to forgo their nuclear programs?

Answer. It is unclear what, if any, impact a hypothetical United States withdrawal from NST would have on Iran and North Korea. Both countries desire to possess weapons of mass destruction not because of U.S. nuclear capability, but because of the conventional superiority of the United States and its allies and partners. However, as we negotiate to encourage both Iran and North Korea to abandon nuclear weapon programs, a hypothetical United States withdrawal from its NST commitments could work against efforts because it would create a negative image of the United States' commitment to its own international obligations.

SEQUESTRATION

Question. Secretary Panetta, I'm going to paraphrase some points you made in a letter you sent to Senator McCain this past November as follows:

—". . . the reduction in defense spending under maximum sequestration would amount to 23 percent if the President exercised his authority to exempt military personnel."

—". . . Under current law, that 23 percent reduction would have to be applied equally to each major investment and construction program and would render most of our ship and construction projects unexecutable—you cannot buy three quarters of a ship or a building."; and

—". . . We would also be forced to separate many of our civilian personnel involuntarily and, because the reduction would be imposed so quickly, we would almost certainly have to furlough civilians in order to meet the target."

Secretary Panetta, has Office of Management and Budget (OMB) provided further clarification on how the cuts would be applied to our accounts and do you still believe if the President does exempt our military personnel that the reductions would still amount to 23 percent, and we would need to furlough civilians?

Answer. As of June 13, 2012, OMB has not provided further clarification. Should the President exempt military personnel, our best estimate at this time is the reductions will amount to around 23 percent. We strongly believe the Congress should act to halt sequestration. We have not announced reductions-in-force or furloughs and will make that decision if and when we have to implement the sequestration reductions.

PRESCRIPTION DRUG ABUSE

Question. The Department of Defense (DOD) has utilized the Pharmacy Data Transaction Service (PDTS) that records information about prescriptions filled worldwide for Defense Department beneficiaries. However, I understand that DOD does not currently share this information with State Prescription Drug Monitoring Programs (PDMP) at Defense Department hospitals and facilities. Sharing of this information would help to prevent an individual from obtaining a prescription from a private hospital then receiving that same prescription at a Defense Department hospital.

When does DOD plan to implement guidelines to allow prescription drug information sharing with state prescription drug monitoring programs?

Answer. PDTS records information about prescriptions filled for DOD beneficiaries through medical treatment facilities (MTFs), TRICARE Retail Network Pharmacies and the mail order pharmacy (MOP) program. PDTS conducts on-line, real-time prospective drug utilization review (clinical screening) against a patient's complete medication history for each new or refilled prescription before it is dispensed to the patient. The clinical screenings identify potential patient safety, quality issues, or drug duplication issues which are immediately resolved to ensure the patient receives safe and quality care.

DOD is currently sharing data with PDMP through the TRICARE Mail Order Pharmacy and Retail Network Pharmacies. However, the MTF pharmacies, in general, have not been sharing information with State PDMPs due to lack of information technology (IT) capability to interface with the 50 different programs and 50 different sets of requirements for accessing the States' systems. The challenge remains that there is not a national standard for PMDPs, and the State programs are at varying levels of maturity, operationally and technologically. Each State controls who will have access and for what purpose. Since the State PMDPs requirements are inconsistent, DOD as a single, Federal entity, cannot conform to 50 different PMDP standards. In addition, information sharing is limited because access to PDMPs is usually limited to providers who are licensed in the State. Since MTF providers who work on Federal facilities are only required to have one State license, and generally not licensed in the State in which the facility is located; therefore, they typically do not have access to the PDMP prescription data.

TRICARE Management Activity (TMA) Pharmaceutical Operations Directorate (POD) is currently assessing various technical approaches and levels of effort (i.e., funding requirements) to determine the best solution for MTF data sharing with State PMDPs. TMA is looking at the best file format and data transfer mechanisms to support this effort and what the costs to DOD will be. TMA and the services are assessing current policies, Federal legislation, and privacy considerations (i.e., Health Insurance Portability and Accountability Act (HIPAA)) to determine the best approach for participation in the various PMDPs by MTF pharmacies. In addition, TMA POD and the contractor that supports PDTS are currently working on an approach to support the State PMDPs and determine if there are any privacy and legal requirements/implications. Once the Government approves the approach, a rough order of magnitude cost estimate will be developed. The TMA POD anticipates determination of the level of effort for supporting PDMPs by October 2012.

EVOLVED EXPENDABLE LAUNCH VEHICLE

Question. Secretary Panetta, I am concerned that the Air Force is entering into an acquisition strategy on the Evolved Expendable Launch Vehicle (EELV) program that will prevent new entrants to compete prior to fiscal year 2018.

Have you looked at the terms and conditions of this proposed contract structure and can you guarantee the Government can walk away without any liability from the contract if new entrants become certified prior to fiscal year 2018?

Answer. The terms and conditions of the proposed contract have been reviewed. The Air Force's plan expects new entrants, as soon as they are certified, to compete for National Security Space launch missions not covered under EELV's Phase I minimum commitment. Thus, there is no need for the Government to "walk away" from its existing contractual commitments.

QUESTION SUBMITTED BY SENATOR HERB KOHL

Question. The administration has announced a new strategy focused on Asia and the Pacific Ocean. Part of this strategy includes deploying the USS *Freedom* to Singapore. The *Freedom* is the first of what we hope will be many littoral combat ships (LCSs) built in Wisconsin.

The Navy has on many occasions described the LCS as one of the backbones of our Nation's future fleet. Do you believe, as I believe, that the LCS is indeed a key part of executing our new defense strategy?

Answer. LCS is a key component of the Navy's current and future force and will fulfill multiple mission requirements of the Defense Strategic Guidance (DSG). LCS will meet warfighting needs in the areas of mine countermeasures, anti-submarine warfare, and anti-swarm defense to counter adversary anti-access/area-denial efforts. Beyond the warfighting demands, these ships will also be called upon to defend the homeland by conducting maritime intercept operations; providing a stabilizing presence by building partner capacity, strengthening alliances and increasing U.S. influence; and conducting stability and counterinsurgency operations through security force assistance and other engagement missions. Owing to their speed, smaller size, and relatively shallow draft, these ships offer partner navies compatible ships with which to operate on a more equivalent basis.

QUESTIONS SUBMITTED BY SENATOR MITCH MCCONNELL

Question. Please list the 15 oldest hospitals that are still in use at domestic U.S. Army installations.

Answer.

Name	Acquisition date
Ireland Army Community Hospital	1957 (Fort Knox).
Irwin Army Community Hospital	1957 (Fort Riley).
Martin Army Community Hospital	1958 (Fort Benning).
General Leonard Wood Army Community Hospital	1965 (Fort LW).
Darnall Army Medical Center	1966 (Fort Hood).
Weed Army Community Hospital	1968 (Fort Irwin).
William Beaumont Army Medical Center	1972 (Fort Bliss).
Moncrief Army Community Hospital	1972 (Fort Jackson).
Eisenhower Army Medical Center	1975 (Fort Gordon).
Keller Army Community Hospital	1977 (West Point).
Blanchfield Army Community Hospital	1982 (Fort Campbell).
Winn Army Community Hospital	1983 (Fort Stewart).
Bayne-Jones Army Community Hospital	1983 (Fort Polk).
Evans Army Community Hospital	1986 (Fort Carson).
Madigan Army Medical Center	1990 (Joint Base Lewis McCord).

Question. Please also provide clarification on the criteria the Army uses for determining the need for replacing hospitals on U.S. military installations. What thresholds need to be met to justify a hospital replacement?

Answer. The TRICARE Management Activity (TMA) uses a Capital Investment Decision Model (CIDM) to support validation of facility requirements, ensure that facility investments are aligned with the Military Health System priorities and strategic goals, and improve inter-service and inter-agency collaboration. CIDM criteria include:

—Mission change needs (e.g., change in scope of clinical services to be provided, increases or additions to programs, implementation of new care delivery models). Externally imposed changes, such as population changes in the Army stationing plan or unit re-stationing plans, are considered when identifying locations that require facility projects.

—Collaborative synergies (e.g., the extent that the facility is a constraint to achieving greater collaboration and integration among the Departments of Defense (DOD), Veterans Affairs (VA), other Federal agencies, or the private sector).

—Location constraints (e.g., remoteness, medically underserved).

—Effectiveness of infrastructure (e.g., physical and functional deficiencies).

—Life, health, or safety issues that cannot be addressed through Sustainment, Restoration and Modernization resources.

The CIDM provides the multi-faceted threshold for facility scoring that is used by a tri-service Capital Investment Review Board (CIRB) to derive an Order of Merit

list (OML). The OML supports the determination of which hospital will be replaced and in what order.

Question. Last, when analyzing a hospital's usage data, does the Army also take into account the number of military patients who would prefer to receive care at a medical facility on-base, but who are unable to do so because services and specialists are not currently available?

Answer. The Army medical planning process is designed to support the mission of the medical facility by focusing on the staff and the space available to support the population and workload demand. A market analysis is conducted to review the availability of healthcare providers and services in the market, as well as the utilization of these services by the beneficiary population. The combination of site/facility and market analysis drives the requirements for facility planning. Market utilization serves as a proxy for health services demand. Beneficiary preference is not explicitly considered as part of this process.

Question. I am told that the Navy has not modernized the Mk 45 large caliber naval gun—designed in the mid-1970s—although it was apparently intended to have an overhaul after 15 years of service.

Can you please explain why the Navy has modernized similarly aged guns on Destroyer ships, but has not overhauled or upgraded Mk 45 guns on Cruiser ships?

Are there any plans to overhaul or upgrade these guns?

More generally, is the Navy concerned about maintenance of large caliber naval gun capability?

Answer. Beginning in 2008, the Navy has been actively overhauling and upgrading the Cruiser Mk 45 guns, via the Cruiser Modernization Program. To date, gun overhauls and upgrades have been made on nine Cruisers. Additional Mk 45 gun overhauls and upgrades are being executed on two Cruisers.

Outside of the planned overhauls in the Cruiser Modernization Program, the Navy continues to overhaul and upgrade Mk 45 guns from decommissioned ships for installation on DDG–51 new construction ships. The Mk 45 guns that remain in service in their as-built configuration will continue to receive regular pier-side maintenance availabilities at 5-year intervals.

The Navy plans to keep the guns in service to the end of the service life of the ships and will continue to maintain the guns through an effective pier-side maintenance program.

Question. Does the Navy have any plans to enhance the capability of the Mk 45 gun system to execute ship to shore missions in the future?

Answer. We are reviewing our options to develop a precision guided munitions program for our 5-inch projectiles. The Center for Naval Analysis is conducting a follow-on study to the Joint Expeditionary Fires Analysis of Alternatives. This study will analyze the contributions of all joint and fleet fires to support Navy science and technology efforts, existing campaign analysis and the development of a long-term Naval Gun transition plan. This study is expected to be complete this fall and will ultimately contribute to an extended range, precision guided munitions program. Our desire is to augment Naval precision fires with viable and cost-wise 5-inch naval gunfire solutions.

Question. Does DOD support the co-production and participation of the U.S. aerospace industry in the Iron Dome defense program? If so, what plans does DOD have to incorporate the U.S. aerospace industry into co-production of this program? Has DOD communicated any such plans to its counterparts at the Israeli Ministry of Defense?

Answer. Yes, DOD supports fully Iron Dome co-production and participation of the U.S. aerospace industries in the Iron Dome defense program. In an Exchange of Letters with the Israeli Ministry of Defense concerning Iron Dome funding, the United States specifically requested Israeli support for exploring co-production opportunities.

The Israel Missile Defense Organization (IMDO) recently engaged with its prime contractor and potential U.S. sub-contractors to develop an acquisition strategy supporting U.S. co-production of Iron Dome interceptor components.

Question. Is there precedent from the Arrow and David's Sling programs for such an arrangement?

Answer. There is precedent for both dual-source component production and for U.S. industry being the sole supplier of missile components to an Israeli prime contractor's production line.

Under the terms of the Arrow System Improvement Program (ASIP) memorandum of understanding, IMDO directed Israeli Aerospace Industries to establish itself as a dual-source supplier with U.S. industry for Arrow-2 booster motors and major subcomponents to increase missile production capacity. U.S. industry completed deliveries of Arrow-2 components in 2010.

The David's Sling Weapon System and Arrow-3 production agreements are still being discussed, but the development programs for both of these systems assume that the Israeli prime contractors will establish subcontract agreements with U.S. suppliers for certain components to be built in the United States, including motors, guidance computers, launch systems, and batteries.

Iron Dome is an Israeli-developed and produced system used solely by the Israeli military. Israeli industry has subcontracted with U.S. firms for some subcomponents. The Missile Defense Agency (MDA) has asked IMDO for a list of those firms and subcomponents as part of our effort to explore co-production opportunities. This effort is ongoing.

Regarding co-production of Iron Dome for U.S. defense purposes (including the Tamir interceptor), there is no U.S. operational requirement for this weapon system. MDA intends to pursue data rights and technical data packages (TDPs) that would enable production of the Iron Dome weapon system should a U.S. operational requirement arise in the future. Additional acquisition steps would need to be taken to execute a co-production program, even if the United States had TDPs and data rights. MDA would have to develop an acquisition strategy, determine a production decisionmaking authority, establish source selection, and budget funds for procurement, operations, and sustainment. These activities are not currently planned due to the lack of a U.S. operational requirement.

Question. Would a second source of U.S. manufactured interceptors and launchers provide greater supply chain readiness in the production of this system and better support for the inventory objectives of our ally, Israel?

Answer. Although a second source of inventory is typically preferred, Israel has not raised improved Iron Dome supply chain readiness and support for inventory objectives as a concern. Moreover, the cost to establish or maintain a second source was not included in Israel's funding profile, and Israeli Ministry of Defense (IMOD) officials have stated that their industry can meet their Iron Dome production needs.

Question. Admiral Gary Roughead provided a plan to sustain the Phalanx Block 1B Close-in Weapon System (CIWS) in a December 2010 letter, stating "a seven-year overhaul cycle provides the most efficient path to maintaining operational availability . . . our CIWS Program Manager assesses that 36 overhauls per year will be needed beginning in FY12."

I am told that the Navy later determined a more affordable 20-year plan would necessitate 20 overhauls per year coupled with 52 reliability, maintainability, and availability (RMA) kits per year, beginning in fiscal year 2013, to maintain the required operational availability.

To date, I am informed that the Navy has not made funding requests sufficient to meet the requirements outlined in either plan above.

What will be the overall impact of this shortfall across the Future Years Defense Program?

Answer. Based on the President's budget for fiscal year 2013 CIWS maintenance funding profile, which established a threshold of 52 Reliability, Maintainability and Availability (RM&A) kits and 20 Class A overhauls, there will be no overall impact across the Future Years Defense Program. In fiscal year 2013, our funding request includes 24 RM&A kits and 8 Class A overhauls. The profile then ramps up to exceed the threshold for RM&A kits in fiscal year 2015 and to exceed the threshold for Class A overhauls in fiscal year 2016.

QUESTIONS SUBMITTED BY SENATOR DANIEL COATS

Question. How does the Department of Defense (DOD) plan on commemorating the 100th anniversary of World War I and the 75th anniversary of World War II?

Answer. Looking ahead to the 75th anniversary commemoration of World War II and the centenary of World War I, DOD anticipates a range of activities to honor the men and women who served in those immense conflicts. As with previous commemorations, we expect to work closely with organizations that share our commitment to these events, including veterans groups, educational institutions, and State and local governments. Because the dates for these observances are still several years away (2016 for World War II and 2017 for American involvement in World War I), plans have not yet taken shape.

Question. A December 2011 Navy Inspector General (IG) report concluded ". . . the history and heritage of the U.S. Navy is in jeopardy." Is the Naval History & Heritage Command (NHHC) the only military history program in DOD that stores its collection of documents, photographs, art works, and artifacts in facilities with broken or nonexistent temperature and humidity controls or is this common

throughout the history programs of the Marine Corps, Air Force, and Army? Is our Navy's history and heritage worth preserving in your view?

Answer. The Air Force Historical Research Agency is the official repository for some 750,000 historical documents. Following the installation of an archival-quality heating, ventilation, and air conditioning system in 2010, its archival material is currently stored in a facility with highly effective, archival-standard temperature and humidity controls. The system also screens particulate matter. In addition, the lights have ultraviolet light screens to limit damage to documents. The Air Force Art Program, which contains more than 10,000 pieces, stores its art in climate controlled conditions as well and requires that items on loan be properly protected while on display. The National Museum of the Air Force, certified by the Association of American Museums, maintains its heritage collection of artifacts and photographs in climate controlled conditions. Although the most valuable of the aircraft collection are indoors, some aircraft because of their large sizes, are displayed outdoors and maintained under clear guidelines for the protection and preservation of these artifacts.

The Army also has a large collection of documents, photographs, art works, and artifacts, but the facilities for such activities are, on the whole, sufficient to preserve them. The U.S. Army Museum Support Center at Fort Belvoir, Virginia, was recently opened as a state-of-the-art facility for conserving and preserving the Army's central artifact collection worth approximately $1 billion and its priceless Army Art Collection comprising more than 12,000 works of original soldier art. The facility was built with an heating, ventilation, and air-conditioning (HVAC) system that maintains the proper humidity and temperature to preserve them in an optimal state. Many of the other artifact collections in the Army museum system, some 107 museums and historical holdings throughout the world, have less effective preservation means at their disposal, but the U.S. Army Center of Military History constantly monitors their status and assists in their preservation to the extent permitted by always scarce resources. No significant collections are currently at risk. As for document and photograph holdings, the Army Heritage and Education Center and its component Military History Institute, which are part of the Army War College at Carlisle Barracks, Pennsylvania, serve as the Army's principle archives for non-official records, photographs, and documents. Those items are housed in a facility with temperature and humidity controlled space specifically designed for such collections.

We believe that our service history and heritage is worth preserving. Our service history is the thread that connects our soldiers to those who have preceded them. It forms the foundation for all of our soldiers. As such, our service history and heritage is eminently worth preserving for future generations of soldiers and Americans to enjoy and become inspired.

As noted, the December 2011 Navy IG report identified significant facilities issues at NHHC, particularly at its headquarters at the Washington Navy Yard. Since November 2011 the command has engaged in removing its most at-risk collections to environmentally adequate locations, and where that is not possible, has worked with the local public works office to perform repairs to provide adequate environmental conditions for particular collections. (CNIC) has provided funding to develop a facilities plan to ultimately house NHHC HQ's collections in fully compliant facilities. [NHHC cannot provide information on Marine Corps, Air Force, and Army facilities.]

The Navy's history and heritage is worth preserving. Information about past naval operations is valuable not only to historians, but to modern-day naval decisionmakers and to our future naval leaders. In addition, naval history provides an important reminder to the American people about the timeless maritime nature of this country and its economy, and therefore of the necessity of a strong Navy to protect it. Historical artifacts provide a direct connection to past events that complements documentary history, and for some audiences is a more effective vehicle for telling the Navy's story. Historical items—archives, artifacts, artwork, photographs, digital media—require careful management if they are to relate the Navy's history to future generations of citizens and scholars. Appropriate facilities are a fundamental necessity for proper stewardship of these important and in some cases irreplaceable resources.

The Marine Corps takes considerable pride in our heritage and is invested in preserving our historical records, photographs, oral histories, and objects related to that heritage. These items inform the training and education of our Marines, and provide material and information that can be applied to new programs, such as weapons and uniforms. Marine Corps heritage is an organizing principal and source of information necessary for scholarly efforts within the formal schools, including the Marine Corps War College. Historical collections also assist in developing written his-

tories, case studies, and student master's theses, all of which are published by Marine Corps University. Further, the pictorial, written, and material history of the Corps is used to support outreach and recruitment efforts necessary to maintain good public relations and a well-staffed force.

In 2006, the Marine Corps Heritage Foundation opened the National Museum of the Marine Corps, a state-of-the-art facility that is the centerpiece of the Marine Corps Heritage Center. This facility houses approximately 10 percent of the total collection. While the majority of the Marine Corps' historical objects, including our records and photographs, are stored in satisfactory conditions at Marine Corps Base Quantico and at other locations, the Marine Corps houses some objects in spaces with inadequate temperature and humidity controls. To the extent possible, items stored in less-than-ideal conditions include more durable objects, such as ground vehicles and aircraft. Works of art are in excellent storage at a rental facility near the Museum.

The Marine Corps has developed a comprehensive long-range plan for the care of its collections. Existing storage buildings have been improved in recent years and will continue to be maintained. Some of these have potential to be further improved to provide long-term solutions; however, there remains a requirement for additional climate-controlled space to house collections and provide work space for conservators. A large museum support facility has been recommended as a potential solution. Marine Corps Base Quantico and the Museum are working proactively on interim solutions that promise improved conditions and accessibility. The Marine Corps Heritage Foundation remains committed to building a second and final phase of the National Museum, which will extend the Marine Corps story from Beirut to Afghanistan and provide a home for some additional artifacts and works of art. The Marine Corps remains committed to preserving our history and heritage that we have invested so much in since 1775.

Question. The competition for the C17 Globemaster's F117 engine sustainment supply chain fails to apply better buying guidelines to gain readily apparent savings. This engine is more than 90 percent common with the commercial PW2000 engine family, yet the United States Air Force (USAF) has neither accepted Federal Aviation Administration (FAA) certifications for common repairs and parts, nor established a source approval request (SAR) process to review and certify alternative sources to enable competition, despite informing the Congress that it has had the F117 maintenance technical data via a General Terms Agreement with the OEM since last December. Consequently, the USAF has essentially disqualified alternative vendors, since the OEM remains the only approved source. The annual savings from competing the F117 supply chain would likely be $200 million per year; yet, the USAF's sustainment strategy would gain no efficiencies from supply chain competition until 2018.

What process is being used to identify and pursue opportunities for efficiencies, such as competition for the F117 supply chain, and how did this program escape oversight for cost accountability by the USAF and OSD?

Answer. In the case of the F117 (C–17) engine, officials of the Office of the Under Secretary of Defense for Acquisition, Technology and Logistics (AT&L) participated in reviews of the proposed costs and negotiation strategy for C–17 sustainment. In the process of doing so, AT&L learned of the Air Force's plan to break out engine sustainment into a separate contract from the Boeing Globemaster III Integrated Sustainment Program in order to reduce costs. While current acquisition plans call for the transition to competition for overhaul and supply chain management of F117 in the 2016 to 2018 timeframe, the Department is exploring opportunities to reduce costs further by accelerating the transition. The Department is working to improve the opportunity for competition and improved cost oversight of C–17 sustainment.

Question. Has OSD evaluated whether a more robust and immediate SAR process could result in greater savings for the Air Force?

Answer. As part of the ongoing Office of the Secretary of Defense review of the acquisition strategy for F117 sustainment, the Department is reviewing the Air Force Source Approval Request process to seek opportunities for greater savings.

Question. Has OSD evaluated the savings associated with accelerating competition for F117 repairs and parts ahead of the Air Force's proposed timeline, which unnecessarily accepts the OEM as the only qualified supply chain source for at least the next 5 years?

Answer. The Department is exploring opportunities to reduce costs by accelerating the transition to a competitive engine overhaul and supply chain management construct.

Question. The Senate version of the fiscal year 2013 National Defense Authorization Act (NDAA) as reported by the Senate Armed Services Committee contains a bipartisan provision requiring you to submit a report detailing the effects of budget

sequestration on DOD by August 15. There is also a similar standalone bill in both the House and Senate that would require similar transparency concerning the scheduled sequestration for both defense and non-defense cuts.

Do you support this reporting requirement in the Defense authorization bill to allow a full understanding where the defense cuts will occur and to what degree?

If the Defense authorization bill has not yet been enacted by August, would you pledge to still submit such a report to the Congress by August?

Answer. The Department has no official comment about this particular legislation pending before the Congress.

Question. Absent the provision in the fiscal year 2013 NDAA bill and the free-standing bills in the House and Senate that would provide important transparency about such cuts, do you currently have this level of detail internally at DOD now that we are less than 6 months away from these cuts being carried out?

Answer. The Department has no official comment about this particular legislation pending before the Congress. While the Office of Management and Budget (OMB) has not yet officially engaged agencies in planning, the OMB staff is conducting the analyses needed to move forward if necessary. Should it reach the point where it appears the Congress does not do its job and the sequester may take effect, OMB, DOD, and the entire administration will be prepared.

QUESTIONS SUBMITTED TO GENERAL MARTIN E. DEMPSEY

QUESTION SUBMITTED BY SENATOR TOM HARKIN

Question. General Dempsey, the Department of Defense (DOD) has become increasingly concerned over the past few years regarding our military's dependence on petroleum-based fuels. These concerns relate to both the ready availability of fuels during times of conflict, and to the increasing costs of such fuels.

For example, it's been reported that the Pentagon spent $17.3 billion on petroleum in 2011, a 26-percent increase from the previous year with practically no change in the volume purchased.

It's also been reported that for every $0.25 increase in the price of jet fuel, the DOD must come up with an extra $1 billion annually.

Relative to future supplies and prices, we can all see that global fuel demands will continue to increase steadily as the economies of the BRIC nations—Brazil, Russia, India, and China—and similar nations grow and demand more fuel for transportation and industrialization.

Obviously, some of our leaders in the Pentagon see these future threats as well, and I commend the Department of the Navy for signing a memorandum of understanding (MOU) with the Department of Energy (DOE) and with United States Department of Agriculture (USDA) for the development of commercial biofuels production capabilities. I understand that under this MOU, the DOD intends to fund multiple drop-in biofuel production facilities under the Defense Production Act.

Could you please speak to DOD's long-term strategy for assuring future fuels supplies and the role that you believe domestic biofuels can and should play in that? More specifically, could you comment on the role that this joint Navy/DOE/USDA procurement activity plays in DOD's longer term fuels security strategy?

Answer. DOD's strategy for operational energy is focused on ensuring our armed forces have the energy resources required to meet 21st century security challenges. Our strategy includes efforts designed to reduce demand, protect, and secure access to energy supplies and to integrate operational energy considerations into the full range of planning and force development activities. Each of our services recognizes the important role energy plays in support of national security and is pursuing initiatives designed to better understand how much energy is being consumed, where, and for what purposes in order to reduce demand and minimize risk to the warfighter.

QUESTION SUBMITTED BY SENATOR HERB KOHL

Question. To help with this transition, we are expanding job training programs for veterans and studying how military skills can be maximized in civilian occupations.

General Dempsey, the programs available to troops transitioning to civilian life are spread out across several different Federal agencies. How is the Department of Defense (DOD) making sure that servicemembers know how to access the programs that are available to them when they leave the military?

Answer. The Department has many efforts to ensure our servicemembers know how to access transition programs. Three such noteworthy efforts are:

The Transition Assistance Program Re-Design.—The new re-designed Transition Assistance Program (TAP) provides an individualized, servicemember specific series of modules that assist the servicemember in preparing for civilian life. It also includes our interagency partner's aid in preparing all servicemembers for a successful transition into our Nations' communities and their civilian life.

The Presidential Task Force.—In August 2011, the President called for the creation of a Task Force led by the DOD and Veterans Administration, with the White House economic and domestic policy teams and other agencies, including Department of Labor to develop proposals to maximize the career readiness of all servicemembers. The vision of moving TAP from an end of career event to the Military Life Cycle was used as a partial response to President Obama's call to improve education and training of military members to make them career ready. On December 27, 2011, the Task Force submitted a report outlining and conceptualizing its 28 recommendations to improve the career readiness of military members. The President accepted the recommendations and encouraged the Task Force and the agencies to carry forward in implementing the recommended programs.

Long-Term Goal.—The Department's long-term aim of the new transition service delivery model is to embed the servicemembers' preparation for transition throughout their military lifecycle—from accession through separation, from service and reintegration, back into civilian life. This will require thoughtful goal setting and planning to apply military experience to longer term career goals in the civilian sector, whether after a single enlistment term or a 20-plus year military career. Servicemembers and military leadership will be engaged in mapping and refining development plans to achieve post-military service goals—a significant culture change.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

AIRSTRIKES IN AFGHANISTAN

Question. General Dempsey, on June 12 in Afghanistan, President Karzai clarified his position on airstrikes stating ". . . an agreement has been reached clearly with NATO that no bombardment of civilian homes is allowed for any reason", that coalition forces could not use airstrikes "even when they are under attack." Is this the correct interpretation of the agreement with Afghanistan? And how does this impact our ability to protect our forces who come under fire?

Answer. As always, Afghan and coalition forces retain the inherent right to use aerial munitions in self-defense if no other options are available. On June 12, 2012, the Commander, International Security Assistance Force and United States Forces-Afghanistan, gave the order to coalition forces that no aerial munitions be delivered against civilian dwellings with the exception of the self-defense provision. This order was in accordance with an understanding made with Afghan President Hamid Karzai. This measure was taken to protect the lives of Afghan civilians.

AMPHIBIOUS WARSHIPS—OPERATIONAL RISK

Question. General Dempsey, as you are putting together your thoughts to address my question on the level of risk being assumed with amphibious lift capability and capacity, it might be helpful to the subcommittee if you touch on operational availability. Again, the Navy and Marine Corps agreed on a fiscally constrained minimum force of 33 amphibious warships to meet a 38 amphibious warship force requirement. Currently, there are 29 ships in the Navy's amphibious fleet, and a common planning factor is that 10 to 15 percent of warships are in overhaul and unavailable at any given time. Just doing the straight math, it is obvious that the number of operationally available ships is well below the requirement acknowledged by the Department of the Navy. What other class of warship is the Department accepting this level of risk? And if any, are those ships in as high demand by the combatant commanders? Secretary Panetta talked to the agility of these ships; I understand that the combatant commanders ask for these ships because they are agile and can address a multitude of missions and situations.

Answer. Each year, the combatant commanders submit force requirements to my staff, which include capabilities that reside in all services. These requirements, in total, routinely exceed the services' capacity to meet them. Within the Navy, this includes not only demand for amphibious platforms, but also aircraft carriers, cruis-

er/destroyers, coastal patrol boats, and frigates. The strategic risk associated with these capacity shortfalls is balanced among the combatant commanders based upon Secretary of Defense policy and guidance, which reflect the National Military Strategy. In general, the military sizes to strategy-based requirements, not on operational availability. It manages availability based on threat.

Specific to the issue of amphibious ship capacity, the Navy remains committed to providing 30 operationally available amphibious ships to meet Naval amphibious ship demand. With some risk, 30 amphibious landing ships can support a two-Marine Expeditionary Brigade (MEB) forcible entry operation. This force accepts risk in the arrival of combat support and combat service support elements of the MEB, but this risk is appropriately balanced with the risk in a wide range of other important warfighting requirements within today's fiscal limitations.

Navy can achieve this operational availability goal by sustaining an inventory of about 32 amphibious ships in the mid to long-term. The 32-ship amphibious force being procured to meet this need will optimally be comprised of 11 LHA/D, 11 LPD 17, and 10 LSD. To support routine forward deployments of Marine Expeditionary Units (MEUs), the amphibious force will be organized into nine, three-ship CONUS based Amphibious Ready Groups (ARGs), and one four-ship ARG based in Japan, with an additional big-deck amphibious ship available to support contingency operations worldwide. Two LSDs will be taken out of commission and placed in reserve status allowing Navy to reconstitute an eleventh ARG as required in the future, or to build up the number of ships in the active inventory, if necessary.

QUESTION SUBMITTED BY SENATOR DANIEL COATS

Question. Why is there no definition of "victory" in Joint Publication (JP) 1–02: Department of Defense Dictionary of Military and Associated Terms?

Answer. JP 1–02 supplements common English-language dictionaries with standard terminology for military and associated use. The term "victory" does not require inclusion in JP 1–02 because it is adequately defined by Merriam-Webster as:

1. The overcoming of an enemy or antagonist.
2. Achievement of mastery or success in a struggle or endeavor against odds or difficulties.

CONCLUSION OF HEARINGS

Senator MURRAY. I would put the subcommittee into recess until Senator Shelby appears.

Secretary PANETTA. We aren't going anyplace.

Senator MURRAY. Good. You want to meet now, Mr. Secretary?

Thank you very much. And with that, the subcommittee is in recess until Senator Shelby arrives. Thank you very much.

[Whereupon, at 12:30 p.m., Wednesday, June 13, the hearings were concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]

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