

RECORD VERSION

STATEMENT BY

THE HONORABLE JOHN M. MCHUGH
SECRETARY OF THE ARMY

AND

GENERAL RAYMOND T. ODIERNO
CHIEF OF STAFF
UNITED STATES ARMY

BEFORE THE

HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON DEFENSE

FIRST SESSION, 114TH CONGRESS

ON THE POSTURE OF THE UNITED STATES ARMY

MARCH 26, 2015

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
COMMITTEE ON APPROPRIATIONS

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EXECUTIVE SUMMARY

Now more than ever, in today's uncertain and dynamic security environment, we must be prepared to meet multiple, wide-ranging requirements across the globe simultaneously while retaining the ability to react to the unknown. The velocity of instability around the world has increased, and the Army is now operating on multiple continents simultaneously in ways unforeseen a year ago. In short, our Army is busy. We are fully engaged and our operational tempo will not subside for the foreseeable future. In the wake of Russia's intervention in Ukraine, the Army deployed forces to Eastern Europe in a demonstration of U.S. commitment and resolve. In West Africa, the Army provided support for the U.S. Agency for International Development's humanitarian mission to stem the tide of the Ebola virus. In response to regional instability in the Middle East, Army forces have recommitted to advise and assist Iraqi government forces and the Kurdish *Peshmerga*. Across the Pacific, thousands of Army forces are supporting operations to strengthen our partnerships and alliances as part of Pacific Pathways in places like Thailand, the Philippines, Malaysia, Australia, Indonesia and the Republic of Korea. We remain committed to protecting the enduring Armistice on the Korean Peninsula. Our Soldiers remain on point in Afghanistan, even as we draw down our forces there. Currently, nine of ten Regular Army and two Army National Guard division headquarters are committed in support of Combatant Commands, with more than 143,000 Soldiers deployed, forward stationed, or committed and 19,000 Reserve Soldiers mobilized.

Last year, we testified that the minimum force necessary to execute the defense strategy was a force floor of 450,000 in the Regular Army, 335,000 in the Army National Guard and 195,000 in the Army Reserve – a total of 980,000 Soldiers. That assessment has not changed and is based on certain planning assumptions regarding the duration, number and size of future missions. When determining these assessed force levels, we also made clear that risks at this level would grow if our underlying assumptions proved inaccurate. Although we still believe we can meet the primary missions of the Defense Strategic Guidance (DSG) today, our ability to do so has become tenuous. There is a growing divide between the Budget Control Act's (BCA) arbitrary funding mechanism –

that has seen the Army budget drop in nominal terms every year since enacted in 2011 – and the emerging geopolitical realities confronting us now across Europe, the Middle East, Africa and the Pacific, along with the growing threats to our homeland. Risk thereby increases to our force, our national security and our Nation. As the Army approaches a Total Army end strength of 980,000 Soldiers by FY18, we must constantly assess the operational tempo and its impacts on the health and viability of the force. We must ensure we have both the capability to respond to unforeseen demands and the capacity to sustain high levels of readiness.

So, as the Army looks to the future and continues to downsize, we have developed a new Army Operating Concept, “Win in a Complex World.” The foundation of the Army Operating Concept is our ability to conduct joint combined arms maneuver. The Army Operating Concept endeavors to build a force operating alongside multiple partners able to create multiple dilemmas for our adversaries, while giving commanders multiple options and synchronizing and integrating effects from multiple domains onto and from land. Recognizing the changing world around us, the Army Operating Concept envisions an Army that is expeditionary, tailorable, scalable and prepared to meet the challenges of the global environment. The Army Operating Concept sets the foundation upon which our leaders can focus our efforts and resources to maintain strategic and operational flexibility to deter and operate in multiple regions simultaneously – in all phases of military operations – to prevent conflict, shape the security environment and win wars now and in the future.

Nevertheless, fiscal challenges brought on by the BCA strain our ability to bring into balance readiness, modernization and end strength. The BCA puts at significant risk the Army’s ability to meet the Army’s obligations within the DSG and fulfill its national security requirements. Even as demand for Army forces is growing, budget cuts are forcing us to reduce end strength to dangerously low levels. We face an “ends” and “means” mismatch between requirements and resources available.

The BCA and sequestration have already had a detrimental impact on readiness and modernization. Budget constraints have significantly impacted every Army modernization program, forcing the delay of critical investments in next generation capabilities, to include training support and power projection capabilities across Army installations. Although the Bipartisan Budget Agreement (BBA) provided fiscal relief to the Army in FY14, in FY15 the Army budget decreased by \$6B. We now face a FY16 defense spending cap insufficient for operating in an unstable global security environment that presents the Army with a number of urgent, complex and challenging missions. The FY16 spending cap – set almost four years ago – has not kept pace with the geopolitical reality unfolding around the world.

We know we must strike a balance between resources and capacity. The Army fully supports fiscal responsibility and has worked diligently and consistently to be a good steward of

taxpayer dollars. In that regard, we have made many tough choices. There are critical cost-saving measures that allow the Army to further reallocate scarce resources to ensure Army forces remain as trained and ready as possible. These include compensation reform, sustainable energy and resource initiatives, a new round of Base Realignment and Closure (BRAC) and the Aviation Restructure Initiative (ARI). We ask Congress to support these initiatives because without the flexibility to manage our budgets to achieve the greatest capability possible, we will be forced to make reductions to manpower, modernization and training that are larger, less efficient and longer-standing in the damage they inflict on the Army.

We also need consistent and predictable funding. The use of Continuing Resolutions wreaks havoc with Army readiness, modernization and end strength. It makes long term planning difficult, especially with the uncertainties that exist if we return to sequestration in FY16. As a result, we are forced to train intermittently and the materiel and equipment we buy costs more and takes longer to acquire. This ongoing budgetary unpredictability is neither militarily nor fiscally responsible. To maintain an appropriate level of readiness, the Army must receive consistent funding for training each year. Unless Congress eases the BCA defense caps, the Army will experience degraded readiness coupled with increased risk, making it more difficult for us to provide for the common defense. Each passing year, the BCA increases risk for sending insufficiently trained and equipped Soldiers into harm's way, and that is not a risk our Nation should accept.

Lastly, our profession is built on trust. In holding true to that trust, our Nation expects our competence, commitment and character to reflect our Army values. To that end, we are working to reduce and, in the future, eliminate sexual assault and sexual harassment, which destroys good order and discipline and is contrary to our core values. We are also increasing opportunities for women and opening positions based on standards free on any gender bias. Finally, our programs like Soldier for Life and the Ready and Resilient Campaign are demonstrating our sacred commitment to care for our Soldiers, our Civilians and their Families who selflessly sacrifice so much. These are actions we have taken because it is the right thing to do.

INTRODUCTION

Last year, we testified before Congress that the minimum end strength the Army requires to execute the 2012 Defense Strategic Guidance is 980,000 Soldiers – 450,000 in the Regular Army, 335,000 in the Army National Guard and 195,000 in the Army Reserve. We described how the Army moved to implement the 2014 Quadrennial Defense Review (QDR) guidance by shaping the force while supporting the fight in Afghanistan and deploying forces to address several unexpected challenges around the world. In contrast to the projections outlined in the defense strategy, the regional security and stability in Europe, Africa, the Middle East and the Pacific have deteriorated over the past 12-24 months in ways we did not anticipate. These growing and emerging threats to the global security environment compel us to rethink our assessment of the drawdown. For the next three years, as we restructure to operate as a smaller force, the Army faces readiness challenges and extensive modernization delays. Under the President's Budget, we will begin to regain balance between end strength, modernization and readiness beyond FY17. Although we still believe we can meet the fundamental requirements of the DSG at 980,000 Regular, Guard and Reserve Soldiers, it is a tenuous balance. The risk to our national security and our force itself continues to increase with rising instability and uncertainty across Europe, the Middle East, Africa and the Pacific, along with a growing threat to the homeland. Any force reductions below 980,000 Soldiers will render our Army unable to meet all elements of the DSG, and we will not be able to meet the multiple challenges to U.S. national interests without incurring an imprudent level of risk to our Nation's security.

INCREASING VELOCITY OF GLOBAL INSTABILITY

The accelerating insecurity and instability across Europe, the Middle East, Africa and the Pacific, coupled with the continued threat to the homeland and our ongoing operations in Afghanistan, remain a significant concern to the Army. The Islamic State in Iraq and the Levant's (ISIL) unforeseen expansion and the rapid disintegration of order in Iraq and Syria have dramatically escalated conflict in the region. Order within Yemen is splintering; the al Qaeda insurgency and Houthi expansion continues there; and the country is quickly approaching a civil war. In North and West Africa, anarchy, extremism and terrorism continue to threaten the interests of the United States, as well as our allies and partners. In Europe, Russia's intervention in Ukraine challenges the resolve of the European Union. Across the Asia-Pacific, China's lack of transparency regarding its military modernization efforts raise concerns with the United States and our allies, and the continuing development of North Korea's nuclear and missile programs contributes to instability. The rate of humanitarian and disaster

relief missions, such as the recent threat of Ebola, heightens the level of uncertainty we face around the world, along with constantly evolving threats to the homeland. With the velocity of instability increasing around the world, continuing unrest in the Middle East, and the threat of terrorism growing rather than receding—witness the recent tragedies in Paris and Nigeria—now is not the time to drastically reduce capability and capacity.

The Army, as part of the Joint Force, operates globally in environments characterized by growing urbanization, the potential for the proliferation of weapons of mass destruction, malicious cyber and information operations, humanitarian crises and the deleterious effects of climate change. Sectarian violence exploited by state and non-state actors, irredentism and terrorist activities are driving conflict around the world. The corrosive effects of drug and human trafficking by transnational criminal organizations undermine state authority and trigger a destabilizing level of violence in places such as Central and South America. These combined factors lead to vulnerable populations and threats that appear across multiple domains, the sum of which will continue to challenge global security and cooperation in ways that are difficult to anticipate.

No single strategic challenger is likely to gain overall superiority over U.S. military capabilities in the near future. Even so, competitors of the U.S. seek to negate our strengths, exploit our vulnerabilities and gain temporary or local superiority in one or more capability areas. It is unlikely any of these challengers will choose traditional force-on-force confrontation with American forces. Instead, potential adversaries are likely to pursue and emphasize indirect and asymmetric techniques. Their strategies may include employing anti-access/area denial capabilities, using surrogates, subverting our allies, using cyber and information operations, staying under our threshold for combat or simply prolonging conflict to test our resolve.

One of the most important global security bulwarks is the U.S. network of security alliances and partners. This valuable asset to U.S. national security and global stability is entering a period of transition. Traditional allies in Europe face significant economic and demographic burdens that exert downward pressure on defense budgets. As a consequence, allies and partners who have joined us in past coalition operations may be less apt to do so in the future. Building the security capacity necessary for regional stability requires sustained and focused engagement. Active engagement with allies, friends and partners is resource-intensive, but will be essential to sustaining global multilateral security. This combination of threats and conditions creates an increasingly dangerous and unpredictable operational environment and underscores the need for a U.S. Army that is agile, responsive and regionally engaged.

DEMAND FOR A GLOBALLY RESPONSIVE AND REGIONALLY ENGAGED ARMY

It is imperative we maintain strategic and operational flexibility to deter and operate in multiple regions simultaneously – in all phases of military operations – to prevent conflicts, shape the security environment and, when necessary, win in support of U.S. policy objectives. The Army is and will continue to be the backbone of the Joint Force, providing fundamental capabilities to each of the Combatant Commanders such as command and control, logistics, intelligence and communications support to set the theater, as well as providing ground combat forces, Special Operations Forces and Joint Task Force headquarters. Demand for Army capabilities and presence continues to increase across Combatant Commands in response to emerging contingencies. The Army has sent rotational forces to Europe, Kuwait and the Republic of Korea, and established JTF Headquarters in Iraq, Afghanistan, Honduras, the Horn of Africa and Jordan. In multiple Areas of Responsibility, the Army is meeting simultaneous requirements based on our ten primary DSG missions. As part of the Joint Force, we support Combatant Commanders and work with interagency partners and our allies to enhance security cooperation, provide foreign humanitarian assistance, build partner capacity and participate in multi-lateral exercises.

We are making the Army more agile, adaptable and expeditionary than ever before. For example, there is an infantry battalion forward-deployed in Djibouti, and units in Kuwait positioned to quickly respond anywhere in the Middle East. Even as we reduce our presence in Afghanistan, the global demand for Brigade Combat Teams (BCTs), the Army's basic warfighting units, is projected to decrease by only one before 2016. Combatant Commanders' demand for Patriot missile battalions and Terminal High Altitude Air Defense (THAAD) batteries exceeds our capacity, significantly limiting options in emerging crises, and exceeding the Army's ability to meet Department of Defense (DoD) deployment-to-dwell rotation goals for these units. In FY16, we expect Combatant Command and Interagency demand for Army forces will increase further in areas such as logistics, intelligence, cyber, space, air and missile defense, signal, aviation, Special Operations Forces and mission command.

Demand for Army division headquarters is already high and we expect this trend to continue. Combatant Commanders rely upon the proven mission-command capabilities of our division headquarters and the essential shaping effects of Army enabler units including Intelligence, Surveillance and Reconnaissance (ISR) platforms. In the last year, we deployed the 1st Infantry Division headquarters to U.S. Central Command in support of the multinational effort to defeat ISIL, and we delivered the 101st Airborne Division (Air Assault) headquarters to synchronize national and international efforts to counter the Ebola virus in West Africa.

Additionally, 1st Armored Division Headquarters conducts operations in Jordan; 2nd Infantry Division protects the Republic of Korea; 3rd Infantry Division advises and assists in Afghanistan; and 4th Infantry Division assures our allies in Europe. All told, elements of nine out of ten Regular Army division headquarters and two Army National Guard division headquarters, including the Global Response Force, are currently deployed or prepared to deploy around the globe supporting commitments to the Pacific Theater and the Republic of Korea; Afghanistan, Jordan, Iraq and Kuwait; Africa; Eastern Europe; and the homeland.

Consequently, we must size and shape the Army for the world in which we live. First, through the Army, and the presence it provides, we will fulfill our collective security obligations, defend our citizens and protect our national interests when the Nation calls upon us. Second, a robust Army provides Combatant Commanders with essential capacity to more fully engage allies and shape the security environment across their areas of responsibility. Finally, appropriate Army force levels reduce the risk of being “too wrong” in our assumptions about the future.

Unlike previous eras and conflicts, today’s fast-paced world simply does not allow us the time to regenerate capabilities after a crisis erupts. Faced with a national crisis, we will fight with the Army we have, but there will be consequences. Generating the Army is a complex endeavor that requires policy decisions, dollars, Soldiers, infrastructure and, most importantly, time. It takes approximately 30 months to generate a fully manned and trained Regular Army BCT once the Army decides to expand the force. Senior command and control headquarters, such as divisions and corps, take even longer to generate and train to be effective given the skill sets and training required of Soldiers manning these formations. Overall, we must acknowledge that today’s highly-technological, All-Volunteer Force is much different than the industrial age armies of the past.

Finally, with flexibility to balance structure, modernization and readiness within budgetary authority, we can best mitigate the risk imposed by budget reductions and end strength reductions to adapt to a rapidly-changing operating environment. Achieving this balance will enhance our ability to redesign the force for the future, experiment with new, innovative operational concepts and rebuild critical collective skills, all while taking care of our Soldiers and their Families in a manner consistent with their service and sacrifice.

Army Operating Concept: Win in a Complex World

Even as the Army confronts the many challenges wrought by sequestration, we continue to seek efficiencies while adapting to the complexities of an evolving and unstable security environment. It is imperative that our Army adapts to the future joint operating environment, one

that consists of diverse enemies that employ traditional, irregular and hybrid strategies which threaten U.S. security and vital interests. In October of last year, we introduced the new Army Operating Concept, “Win in a Complex World.” The foundation of this concept is our ability to conduct joint combined arms maneuver. It endeavors to build a force operating alongside multiple partners able to create multiple dilemmas for our adversaries, while giving commanders multiple options and synchronizing and integrating effects from multiple domains onto and from land. Recognizing the changing world around us, the Army Operating Concept envisions an Army that is expeditionary, tailorable, scalable and prepared to meet the challenges of the global environment. The Army Operating Concept reinforces our five strategic priorities:

1. Develop adaptive Army leaders for a complex world;
2. Build a globally responsive and regionally engaged Army;
3. Provide a ready and modern Army;
4. Strengthen our commitment to our Army profession; and
5. Sustain the premier All-Volunteer Army.

The Army Operating Concept also describes the Army's contribution to globally integrated operations. Army forces provide foundational capabilities required by the Combat Commanders to synchronize and integrate effects across land and from land into the air, maritime, space and cyberspace domains. The Army Operating Concept ensures that we are prepared to lead Joint, interorganizational and multinational teams in complex security environments.

Through a dedicated “Campaign of Learning” under Force 2025 Maneuvers, we will assess new capabilities, design and doctrine. This enables future innovation of our expeditionary capabilities and enhanced agility. We are assessing key capabilities such as manned-unmanned teaming, operational energy and expeditionary command posts. We are focusing our innovation efforts in this Campaign of Learning to ensure we address the 20 Army Warfighting Challenges. The Army Warfighting Challenges are the enduring first-order problems, and solving them will improve combat effectiveness. These challenges range from shaping the Security Environment, to countering Weapons of Mass Destruction, to conducting Space and Cyber Operations, to Integrating and Delivering Fires to Exercising Mission Command. The Army Operating Concept represents a long-term, cost-effective way to enhance readiness, improve interoperability and modernize the force. It is also a cost-effective way to assess and demonstrate Joint and multinational interoperability and readiness. We must continue to learn and apply what we learn as we rethink how the Army operates to “Win in a Complex World.”

President's Budget Request

This year, the President's Budget requests \$126.5B for the Army base budget. This budget request is about \$5.4B above what the Congress enacted in FY15. The President's Budget requests \$6B more than an expected sequester-level budget. This additional \$6B will be invested in readiness and procurement:

- \$3.4B for training, sustainment and installation programs directly supporting combat readiness; and,
- \$2.6B for Research and Development, and Acquisition accounts in order to equip Soldiers across the Regular, Guard and Reserve forces, sustain critical parts of the industrial base and invest in innovation supporting the Army Operating Concept.

These increases are critical to achieving sustainable readiness needed to meet the demands of today's complex environment, while preserving manpower needed to prevent hollowness in our formations.

As Congress reviews our budget for this year, we ask that you compare our funding levels to what we asked for and executed in FY13 and FY14, rather than to the near-sequestration level funding enacted in FY15. With the support of Congress, the Army executed \$125B in FY14 to begin rebuilding readiness lost in FY13 due to sequestration. The FY15-enacted level of \$121B is challenging commanders across the Army to sustain readiness while reorganizing formations to operate as smaller forces. In FY15, we are significantly reducing key installation and family services, individual training events and modernization to such an extent as to jeopardize future readiness and quality of life. The Army's budget request for FY16 continues to focus on building near term readiness through predictability and continuity in funding levels.

One critical assumption in the President's Budget request is that Congress will enact necessary compensation and force restructuring. We fully support modest reforms to pay raises, health care and other benefits that have been proposed. Without these reforms, savings assumptions we have included in our planning will not be realized, placing increasing pressure on further end strength reductions and reducing funding needed to sustain readiness. The President is proposing over \$25B in compensation reforms including slowing the growth of Basic Allowance for Housing, changing TRICARE, reducing the commissary subsidy and slowing the growth in basic pay. Should Congress fail to enact these reforms, the effects of budget shortfalls in programs and services throughout the force will wreak havoc on our formations. We will have to make decisions at every Army installation that will impact the quality

of life, morale and readiness of our Soldiers. Without appropriate compensation reform, the Army would need an additional \$10.4B across the program years to meet our basic requirements. To the extent Congress does not approve the extra topline or the reforms, we would have to find another \$2-3B per year in reductions, thereby further diminishing the size and capability of our fighting force. None of these reforms are easy, but all are necessary.

One of our most important reforms is the Aviation Restructuring Initiative (ARI), which we continued in FY15. Our current aviation structure is unaffordable, so the Army's plan avoids \$12B in costs and saves an additional \$1B annually if we fully implement ARI. We simply cannot afford to maintain our current aviation structure and sustain modernization while providing trained and ready aviation units across all three components. Our comprehensive approach through ARI will ultimately allow us to eliminate obsolete airframes, sustain a modernized fleet, and reduce sustainment costs.

Through ARI, we will eliminate nearly 700 aircraft and three Combat Aviation Brigades from the Active Component, while only reducing 111 airframes from the Reserve Component. ARI eliminates and reorganizes structure, while increasing capabilities in order to minimize risk to meeting operational requirements within the capacity of remaining aviation units across all components. If the Army does not execute ARI, we will incur additional costs associated with buying additional aircraft and structure at the expense of modernizing current and future aviation systems in the total force.

Although we disagree with the need for a Commission on the Future of the Army, as directed in the National Defense Authorization Act, we will fully support the Commission as it examines and assesses the force structure and force mix decisions the Army has proposed for Active and Reserve Components.

Impacts of Sequestration

In support of the President's FY15 budget request, which reflected the outcomes of the Secretary of Defense's 2013 Strategic Choices and Management Review (SCMR) and the 2014 QDR, we emphasized that the updated defense strategy, combined with reduced Army force levels, had increased the risk level to "significant," and would become manageable only after the Army achieved balance between end strength, readiness and modernization. At force levels driven by affordability under full sequestration, the Army cannot fully implement its role in the defense strategy. Sequestration would require the Army to further reduce our Total Army end strength to at least 920,000, or 60,000 below the 980,000 currently reflected in the President's Budget request.

Global demands for the Army are increasing, but end strength, readiness and modernization cuts greatly reduce our ability to respond at a time when the instability is accelerating worldwide. As a result, we are faced with an ends and means disparity between what is required of us and what we are resourced to accomplish. This has real impacts for our national security. Long-term fiscal predictability will allow the Army to balance force structure, end strength, modernization and readiness, while providing the Nation a trained and ready force prepared to win in a complex world. Without this investment, we will see immediate degradations in recruiting, manning, training, equipping and sustaining Army readiness during a time of great uncertainty and growing worldwide instability.

Although we are already expecting a decline in the overall readiness of our forces in FY15, it pales in comparison to the decrease of readiness under expected sequester levels in FY16. Sequestration measures will not only dissipate the modest gains we achieved, but will leave the Army in a hollow and precarious state. The impact of sequestration on the Army's FY16 funding levels would cause an abrupt and immediate degradation of training, readiness and modernization. Relief from full sequester-levels in FY14 provided some predictability and allowed for partial recovery from FY13's low readiness levels. However, the Army demonstrated a need for funding above the enacted \$121B topline in FY15, as savings from drawing down end strength are manifesting as rapidly as possible. Current funding levels afforded just over a third of our BCTs the training necessary to conduct decisive action. This year, we face significant challenges to sustain even that level of readiness in our dynamic operating environment.

If sequestration remains unchanged, the consequences for our Army will be dramatic. Another round of cuts will render our force unable to meet all elements of the DSG without creating additional risk to our soldiers. Reductions in end strength brought on by sequestration will limit our ability to provide strategic options to the President and pose unacceptable risk by placing into question our capacity to execute even one prolonged, multi-phased major contingency operation. We will experience significant degradations in readiness and modernization, which will extend adverse impacts well into the next decade, exacerbating the time the Army requires to regain full readiness. The Nation cannot afford the impacts of sequestration. Our national security is at stake.

Achieving End Strength Reductions

By the end of FY15, we will have reduced the Regular Army by over 80,000 Soldiers, 8,000 in the Army National Guard and 7,000 in the Army Reserve. Commensurate with these reductions, the Army will achieve an end strength by the end of FY15 of 490,000 Regular Army,

350,000 Army National Guard and 202,000 Army Reserve. Consistent with available budget resources, the 2014 Quadrennial Defense Review and the DSG, the Army will continue to reduce its end strength in FY16 as follows: the Regular Army will shrink by 15,000 (3.1%) to 475,000; the Army National Guard will shrink by 8,000 (2.3%) to 342,000; and the Army Reserve will shrink by 4,000 (2%) to 198,000.

To achieve required end strength reductions, we will need to separate Soldiers who have served their nation honorably. Cumulatively, we will have reduced our Regular Army end strength from a wartime high of 570,000 to 475,000 by the end of 2016 (17% reduction), while our Army National Guard will have reduced its end strength from a wartime high of 358,000 to 342,000 (4.5% reduction) and the Army Reserve will have reduced its end strength from a wartime high of 205,000 to 198,000 (3.4% reduction). These reductions put the Army on a glide path to meet the targeted force of 980,000 in FY18. For all components of the Army, this end strength is smaller than the pre-2001 force structure.

Although we are making reductions in the overall end strength of the Army National Guard and U.S. Army Reserve, we have continued to invest in higher Full Time Support levels, including Active Guard and Reserve, Military Technicians and Civilians. This budget supports 82,720 Full Time Support positions in FY16 as compared to 68,000 in FY01. This level of Full Time Support constitutes a 20% increase since 2001.

In the Army Civilian workforce, we have reduced Department of the Army Civilians from the wartime high levels of 285,000 and will continue to reduce appropriately over the coming years. While necessary, these reductions in the Civilian workforce have and will continue to adversely impact capabilities such as medical treatment, training, depot and range maintenance, installation emergency services, physical security and select intelligence functions. In all of the reductions across the Total Army, we are taking prudent measures to ensure we balance requirements and capacity.

To achieve planned end strength reductions, the Army expects to use various types of separation authorities across all elements of the Total Force. The FY12 and FY13 National Defense Authorization Acts provided several authorities to help the Army shape the force over the drawdown period, along with the flexibility to apply them to meet specific grade and skill requirements. Under normal loss rates, we would not be able to reach our end strength goal during the FY15-FY17 period. There is no single force-shaping method among the choices of accession, retention and separation that allows the Army to achieve its end strength goals; inevitably, we will have to involuntarily separate quality Soldiers. Closely managing accession

levels, selectively promoting and following more stringent retention standards will help shape the force over time.

Although the Army expects to lose combat-seasoned Soldiers and leaders, throughout this process, our focus will be on retaining individuals with the greatest potential for future service in the right grades and skills. As Soldiers depart the Regular Army, we are committed to assisting them and their Families as they reintegrate into civilian communities. Leaders across the Army are engaged in "Soldier for Life," a continuum of service concept that facilitates transition to civilian employment, educational opportunities and service in the Reserve Components.

ENSURING A READY ARMY

During this period of drawdown, the Army is reorganizing, realigning and restructuring forces. The Brigade Combat Team reorganization enhances brigade combat power by adding a third maneuver battalion to 38 BCTs by the end of FY15 and reducing the total number of BCTs to 60 (32 Regular Army and 28 Army National Guard) in the Total Force.

Since May 2014, we have been developing a sustainable force generation and readiness model to account for the new, volatile, strategic operating environment; the need to remain regionally-engaged and budgetary and force sizing realities. The Sustainable Readiness Model will provide force generation policies and processes that optimize the readiness of the force and balance the Army's steady state missions, contingency response capability and available resources. We cannot predict the specific events that will cause the next demand for Army forces, but history suggests it will come sooner than we expect. All components of the Army must remain sized and postured as essential members of the Joint Force to protect the Nation and its interests.

Even with funding relief from sequestration in FY14, in FY15 we returned to near-sequestration level funding, resulting in just a third of our BCTs trained in their core mission capabilities in decisive action. The President's Budget request increases readiness funding above FY15 levels, which is critical to sustaining and improving readiness of the force. In FY14, the Army completed 19 rotations at the Combat Training Centers (CTCs), including six rotations for deploying BCTs and 13 decisive action training rotations (12 Regular Army and one Army National Guard). FY15 funding levels challenge Army commanders to sustain continuity in readiness across the force; however, we remain committed to CTC rotations to build leader and unit readiness. FY15 plans fund 19 CTC rotations, with 15 Regular Army and two Army National Guard decisive action rotations, with FY16 continuing this level of CTC exercises. We are improving Training Support Systems to enable more realistic home station training, increase

collective training proficiency and enhance operational readiness for contingencies across the globe; however, funding constraints in FY15 impede our ability to maximize home station training goals. The President's Budget request for FY16 allows the Army to increase training readiness to battalion-level across the Active Component force and to platoon-level in the Reserves. Lower funding levels will not allow us to achieve this balanced readiness.

Although the Army attempts to mitigate the impacts on training readiness, we must continue to implement the Contingency Force model of FY15 in order to maintain readiness for the 24 of 60 BCTs that will receive sufficient funding to conduct training at CTCs and home station. Funding shortages will limit the remaining 36 BCTs to minimum Individual/Crew/Squad resourcing levels through sufficient Training Support Systems (TSS). In short, sequestration forces the Army to ration readiness. Regardless of funding levels, we are committed to keeping CTCs a priority.

Our aim is to provide tough, realistic multi-echelon home station training using a mix of live, virtual and constructive methods that efficiently and effectively build Soldier, leader and unit competency over time, contributing to the effectiveness of the current and future forces. Training will integrate the unique capabilities of the Light, Medium and Heavy forces, as well as the capabilities of Conventional and Special Operations Forces. Furthermore, we are optimizing the use of existing training capacity and leveraging other opportunities such as CTCs, exercises and operational deployments to maximize the training benefits of fixed overhead and operational costs. Training centers such as Joint Multinational Readiness Center will increase our interoperability with Allies. Our goal is to increase readiness from 33% to 70% of our Regular Army BCTs, allowing the Army to balance Combatant Command force requirements while maintaining surge capability – but we need consistent resources to get there. We are also increasing funding for our individual and institutional training. Funding increases focus on leader development, entry-level training and flight training. This allows the Army to develop its future leaders, prepare its Soldiers to operate in today's dynamic combat environment and provide trained and ready Soldiers to meet Combatant Commanders' requirements.

The Army continues to make progress in integrating the unique capabilities of each of its components to support the needs of the Combatant Commanders. As part of the Army's Total Force Policy, the U.S. Army Forces Command is leading the way by partnering every Guard and Reserve division and brigade with a Regular Army peer unit. The Army is also piloting a program to assign Guard and Reserve personnel directly to each Regular Army corps and division headquarters. For example, the Reserve Component rapidly provided support

capabilities in support of Operation United Assistance in Liberia to augment and replace elements of the initial Active Component response.

As we transition from combat operations in Afghanistan, our Army is focused on our ability to rapidly deploy forces around the world in order to meet the needs of our Combatant Commanders. To do this, we enhanced prepositioned equipment sets and created activity sets to support operations in Europe, the Pacific and around the world. Activity sets are prepositioned sets of equipment that enable U.S. regionally-aligned forces and multinational partners in Europe to train and operate. We have also reinvigorated our Emergency Deployment Readiness Exercise program and enhanced the en route mission command capability of our Global Response Force. The President's Budget request provides sufficient capability to respond in each Geographical Combatant Command's area of responsibility.

The Army continues to be a good steward of the resources appropriated for replacement, recapitalization and repair of materiel returning from operations conducted in Afghanistan. In 2014, the Army efficiently synchronized equipment retrograde out of theater. Redeployment and retrograde operations remain on schedule; however, the Army continues to forecast a need for reset funding for three years after redeployment of the last piece of equipment from theater. A steady, responsible drawdown of personnel and equipment demonstrates good stewardship of resources while facilitating transition to the post-2014 Resolute Support Mission in Afghanistan. In addition, we identified almost \$2B of potential requirement reductions in Contractor Logistics and Training Support, and took advantage of our wartime reset program to reduce Depot Maintenance by over \$1.3B over five years. These changes allowed the Army to increase the capability of its prepositioned stocks program without an increase in the associated costs.

The proliferation of information and communications technologies increases the momentum of human interaction, creating a constantly shifting geopolitical landscape. An Army that is globally engaged and regionally aligned requires access at the point of need, robust network capacity and capability that is tailorable and scalable. The Army's strategy is to effectively leverage joint networks, transition to cloud-based solutions and services, reduce the culture of controlling network resources and divest legacy systems to make way for resources to build network modernization. Over time, this will significantly boost information technology operational efficiency, improve mission effectiveness and posture the Army to more quickly adapt and innovate.

The Army continually seeks incremental improvements to its institutional organizations, processes and business systems in order to provide ready forces in the most fiscally

responsible way for the Nation. The Army is expanding its efforts to control the cost of business operations by reducing the size of headquarters units, which we view as a fiscal imperative. Progressive fielding of Enterprise Resource Planning systems is enhancing accountability, changing business processes and enabling the retirement of legacy systems that will ultimately reduce our overall costs. Our workforce is adapting to new systems and processes inherent in increased internal controls and enterprise connectivity across business domains. Army leaders are actively engaged in change management and committed to meeting audit readiness goals and the September 2017 audit assertion of our financial statements. We continue to challenge the status quo, enabling the institutional Army to perform its activities smarter, faster and at reduced cost to provide more resources for readiness.

ENSURING A MODERN ARMY

Modernization

Decreases to the Army budget over the past several years have had significant impacts on Army modernization and threaten our ability to retain overmatch through the next decade. Since 2011, the Army has ended 20 programs, delayed 125 and restructured 124. Between 2011 and 2015, Research and Development and Acquisition accounts plunged 35% from \$31B to \$20B. Procurement alone dropped from \$21.3B to \$13.9B. We estimate sequestration will affect over 80 Army programs. Major impacts include delays in equipping to support expeditionary forces, delays in combat vehicle and aviation modernization, increases in sustainment costs to fix older equipment and increases in capability gaps.

Our intent is to modernize and equip Soldiers with effective, affordable and sustainable equipment that is ready and tailorable to support the full range of Combatant Command requirements. The President's Budget request would provide over \$2B to address the growing gaps in our modernization accounts. Even with this additional funding, modernization remains more than \$3B short of the historical average as a percentage of the Army's budget.

The Army will continue to protect Science and Technology (S&T) investments critical to identifying, developing and demonstrating technology options that inform and enable affordable capabilities for the Soldier. S&T efforts will foster innovation, maturation and demonstration of technology-enabled capabilities, maximizing the potential of emergent game-changing landpower technologies. Key investments include Joint Multi-Role Helicopter, the foundation for the Army's Future Vertical Lift capability; combat vehicle prototyping; assured Position, Navigation and Timing and enhancing cyber operations and network protections. We continue to explore the possibilities of cyber, high-energy laser, materials, human performance and quantum science technologies for a variety of applications.

The centerpiece of the Army's Modernization Strategy continues to be the Soldier and the squad. The Army's objective is to rapidly integrate technologies and applications that empower, protect and unburden the Soldier and our formations, thus providing the Soldier with the right equipment, at the right time, to accomplish the assigned mission. The Army will support this priority by investing in technologies that provide the Soldier and squad with advanced war fighting capabilities such as enhanced weapon effects, next generation optics and night vision devices, advanced body armor and individual protective equipment, unmanned aerial systems, ground based robots and Soldier power systems.

Improvements to mission command will facilitate the decision-making of leaders and Soldiers across all tactical echelons for Unified Land Operations in support of the Joint Force and allies. The Army will develop and field a robust, integrated tactical mission command network linking command posts, and extending out to the tactical edge and across platforms. We will build enhanced mission command capabilities and platform integration by fielding software applications for the Common Operating Environment, while working to converge operations and intelligence networks. Based on the current and projected demands for ISR, the Army adjusted the Gray Eagle unmanned aerial system program's fielding schedule to make more assets available to strategic and operational commanders this year. The Army also expanded the Aerial Intelligence Brigade with an additional 18 Gray Eagles for a total of 36 aircraft, and an increase from 48 to 165 soldiers per company.

With respect to combat platforms, and those desired to enable greater protected mobility, the Army's objective is to consider the most stressing contingency operations and make its fleets more capable. In addition to the Apache AH-64E and Blackhawk UH-60M investments, which support the Army's Aviation Restructure Initiative, the Army will continue development of the Armored Multi-Purpose Vehicle to replace the obsolete M113 family of vehicles and begin to produce the Joint Light Tactical family of vehicles. The Army will also continue to make improvements to the survivability, lethality, mobility and protection of the Abrams tank, Bradley Infantry Fighting Vehicle and Paladin self-propelled howitzer fleets. While resource constraints will force the Army to delay new system development and investment in the next generation of capabilities, we will execute incremental upgrades to increase capabilities and modernize existing systems.

Few choices remain if modernization accounts continue to bear the brunt of sequestration. Most programs are already at minimum economic sustaining levels, and further reductions will rapidly increase the number of cancellations. Those programs remaining will have higher unit costs and extended acquisition schedules. Sequestration will create severe

reductions in buying power and further delays filling capability gaps, forcing the Army to tier modernization – creating a situation of “haves and have nots” in the force. Rapid regeneration to fill modernization gaps and the ability to ensure interoperable, networked formations will come at a premium in cost and time. Most complex systems in production now take 24-36 months to deliver once Congress appropriates funding, while new starts or re-starts take even longer. To address the steep reductions in modernization accounts, the Army emphasizes early affordability reviews, establishing cost caps (funding and procurement objectives), synchronizing multiple processes and divesting older equipment quickly.

Organic and Commercial Industrial Base

The Army’s Industrial Base consists of Government-owned (organic) and commercial industrial capability and capacity that must be readily available to manufacture and repair items during both peacetime and national emergencies. We are concerned that we will not be able to retain an Army Industrial Base that provides unique capabilities, sustains the capacity for reversibility and meets the manufacturing and repair materiel demands of the Joint Force. In the Commercial Industrial Base, prime suppliers have increased their role as integrators, and delegated key innovation and development roles to a vast and complex network of sub-tier suppliers. Sub-tier suppliers have responded with their own complex network of suppliers, some of which are small, highly skilled and defense dependent firms – these small and specialized firms serve as the warning indicator that gauges the health of the overall industrial base. In FY14, the Army identified those commercial sector industrial capabilities vital to our national defense and sustainment of a credible and capable smaller force. We must continue to protect these capabilities.

Cyber

Network dominance and defense is an integral part of our national security, and the Army is focused on proactively providing increased capability to the Joint Force. With the evolving cyber environment, the Army has been proactively adapting to cyber threats and vulnerabilities by transforming processes, organizations and operating practices. As the Army restructures LandWarNet to support operations worldwide, it is imperative we rapidly innovate and fund network and cyber infrastructure, services, security and capabilities.

A number of institutional transformations are in place or ongoing to build and sustain the Army’s future cyberspace force requirements. To be more agile and responsive, while improving unity of command and synchronization of cyberspace operations, we have consolidated Army Cyber Command (ARCYBER), 2nd Army and the Joint Force Headquarters-Cyber under one commander. The Army has established the Cyber Center of Excellence at

Fort Gordon, GA, and will serve as our focal point to drive change across the Army. The proponent lead for cyberspace operations shifted from ARCYBER to the Cyber Center of Excellence under the U.S. Army's Training and Doctrine Command (TRADOC). Additionally, we established an Army Cyber Institute at West Point to collaborate with government partners, industry and other higher education institutions to develop cyber solutions. The creation of a cyber network defender enlisted specialty and the Cyber Branch within the officer corps was an effort to help focus and manage the Army's cyber talent.

In terms of new and emerging initiatives, ARCYBER and the acquisition community are pursuing ways to bring capabilities, including big data analytics, to Army operations in order to improve our cyber defense capability. We play a vital role in cyber operations across the DoD and the Joint Force by providing Cyber Protection Teams and Cyber Support Teams. Recent DoD decisions have resulted in the pursuit of a defense-wide global implementation of network modernization, including the Joint Regional Security Stacks, to enhance the security of our networks. We continually conduct assessments to better understand cyber vulnerabilities in our combat platforms and communications systems. We must make prudent investments in our cyber infrastructure, including facilities, networks and equipment to ensure a capable force. The Army is currently reviewing cyber training range capabilities and capacities to better assess future requirements. All these efforts will generate resourcing requirements, which will have to compete against other equally urgent priorities within the Army.

Installations, Water and Energy

Since 2012, as the Army implemented several rounds of budget reductions, our installation programs have seen dramatically reduced services and sustainment. Although we have survived for two years at these reduced funding levels by deferring critical facility maintenance and cutting back on services, should the increases proposed by the President not materialize, we will seriously impair our facilities and have to permanently reduce important programs and services. Even with these increased funds, facilities maintenance is funded at only 79% in FY16, which translates to higher future repair and renovation costs.

As stated in previous testimony, we need another round of Base Realignment and Closures (BRAC). We simply have too much surplus infrastructure and will have even more as we downsize. We are already in the process of separating nearly 152,000 Soldiers, and sequestration would force us to separate another 60,000 – for a total reduction of 212,000. In addition, we have reduced over 50,000 Civilians from these same installations. Without a BRAC and the realized cost savings, the only alternative is to make additional cuts in training, manpower and modernization to make up for shortages in installation funding. These are not

cuts we can afford to make. To date, we have been able to mitigate the adverse impact by focusing reductions on Europe and eliminating facilities not associated with U.S. installations. Through analysis and evaluation, we continue to examine other ways to reduce infrastructure within our authorities around the world. We are now reducing personnel at U.S. installations and we expect excess facility capacity will be about 18% Army-wide when we reach the end strength ramp of 490,000 for the Regular Army in FY15.

To improve the resilience and efficiency of our remaining infrastructure today and in future years, the Army will continue its efforts to increase energy efficiency, expand the use of on-site renewable energy, reduce water consumption and reduce waste generation. This year, we will issue an Energy and Sustainability Strategy that focuses on building resiliency. Implementation of this strategy will facilitate continuity of operations and improve the Army's energy, water and sustainability posture. These actions will also enhance the Army's ability to mitigate and adapt to the deleterious effects of climate change.

SOLDIERS AND CIVILIANS COMMITTED TO OUR ARMY AND PROFESSION

We must never forget our Soldiers will bear the burden of our decisions with their lives and health. As Army professionals, we must do everything possible to maintain the trust of our Soldiers, Civilians and Families who selflessly sacrifice so much. Today, they trust that we properly prepare them with the right tools and resources necessary to accomplish the missions that take them into harm's way. To ensure the Army maintains the trust of the American people we serve, the Army is evaluating ways to further develop our military and civilian professionals, and ensure an uncompromising culture of accountability exists at every level of command. As the Army prepares for the environment that lies ahead, we must anticipate the unique ethical and moral challenges the future may present, and remain committed to developing Army Professionals of Competence, Commitment and Character.

The Army Ethic defines the moral principles that guide us in the conduct of our missions, performance of duty and all aspects of life. Our ethic is reflected in law, Army Values, creeds, oaths, ethos and shared beliefs embedded within Army culture. It inspires and motivates all of us to make right decisions and to take right actions at all times. The Army Ethic is the heart of our shared professional identity, our sense of who we are, our purpose in life and why and how we serve the American people. To violate the Army Ethic is to break our sacred bond of trust with each other and with those whom we serve. Army Professionals must fulfill distinctive roles as honorable servants, military experts and stewards of our profession.

Adaptive Army Leaders for a Complex World

The Army Operating Concept will require evolutionary change as we deal with the growing complexity of the operational environment, and this change begins by changing mindsets. The Army's competitive advantage, today and into the future, will always be our Soldiers and Civilians. Our top priority is to develop agile and adaptive leaders at the tactical, operational and strategic levels. Today and into the future, the Army must provide well-led and highly trained Soldiers organized into tailorable and scalable organizations that provide our Nation's leaders an array of options, both lethal and nonlethal, across the entire range of missions. The Army Leader Development Strategy calls for the development of leaders through a career-long synthesis of training, education and experiences acquired through opportunities in institutional, operational, broadening and self-development learning formats, supported by peer and developmental relationships. Leader development and optimized Soldier performance are directly linked to the Army's ability to operate in the future. We must develop multidimensional, adaptive and innovative leaders who thrive in decentralized, dynamic and interconnected environments.

Leader development is the deliberate, continuous and progressive process – built on a foundation of trust and founded in Army values – that grows Soldiers and Civilians into competent, committed professional leaders of character. As an institution transitioning from extended combat rotations, we must regain our expertise as trainers and improve the support and delivery of realistic training. Home station and centralized training must leverage both current and emergent technologies and integrate the latest capabilities, such as cyber; hybrid threats and Joint, interorganizational and multinational organizations.

Today's combat environment requires dynamic leaders and Soldiers. To ensure all Soldiers are adequately prepared, entry-level Soldier training focuses on fostering individual resiliency, battlefield skills, Army values and developing the credentials to succeed in the Army and excel afterward. The NCO development model is a deliberate, analytical and data-driven process that constantly evaluates and adjusts to ensure all leaders have the right tools to lead and mentor others in today's and tomorrow's dynamic worlds. This model is collectively known as NCO 2020, which looks at training from the operational, institutional and self-development domains to ensure a career of lifelong learning and of harnessing experience and proficiency at all levels. This includes a revamping of the NCO education system and a renewed emphasis on individual and collective task training to help mitigate the effects of a reduction in Combat Training Center rotations.

Today, the Army is expanding broadening opportunities for its NCOs, Warrant Officers and Officers with programs like Training with Industry, Strategic Broadening Seminars and the Congressional Fellowship Program. Broadening and educational experiences for senior field grade through general officers is also an area that must not be overlooked. Developing well-rounded senior leaders who are capable of effectively communicating the needs and capabilities of the profession to Civilian leaders within the larger context of national concerns is critical to the Nation.

It is imperative that our leaders and organizations are capable of thriving in Joint interorganizational and multinational teams, and that they seamlessly integrate multi-domain effects from air, sea, space, cyber or land. This places a premium on innovation—on leveraging current and emerging concepts and technologies both today and going forward. Encouraging innovation and empowering all leaders with the skills required to win in a complex world, manage complex institutional processes and influence strategic decision making within a broader operating environment is paramount to the Army's future.

More than 250,000 people working in nearly 500 unique job series – about 20% of the Total Army Force – comprise the Army Civilian corps. Given the size, complexity, impact and importance of the Civilian cohort to the Army, we established the Army Civilian Workforce Transformation (CWT). CWT is the Army's strategic campaign to transform the Army's Civilian cohort for the future and develop a more adaptable, capable and technically proficient Army Civilian who is well grounded as a leader.

Soldier 2020 and Increased Opportunities for Women

In 2012, the Army initiated a deliberate Service-wide effort—Soldier 2020—to ensure our units are filled with the best qualified Soldiers. This effort includes opening previously closed positions and occupational specialties to women, while maintaining our combat effectiveness. The Soldier 2020 initiative seeks to remove as many barriers as possible and allow talented people—regardless of gender—to serve in any position in which they are capable of performing to standard.

Over the past 27 months, we have opened six previously closed Military Occupational Specialties and over 55,000 positions across all Army components to women. This includes opening 1,562 positions in United States Army Special Operations Command, including the 160th Special Operations Aviation Regiment. The Army is validating gender-neutral physical standards and completing a gender integration study, work that will inform decisions on opening the 14 remaining Military Occupational Specialties currently closed to women. Once the study is completed, we will make a recommendation to the Secretary of Defense on opening as many

as 166,000 positions across the Active and Reserve Components to our women in uniform. As part of the Soldier 2020 initiative, the Army Ranger School assessment program will begin this spring to assess female Soldiers and Officers into Army Ranger School. The Army continues to proceed in an incremental and scientific-based approach to integrating women into previously closed units, positions and occupations while preserving unit readiness, cohesion, discipline and morale. The Army will complete all actions to meet Office of the Secretary of Defense requirements prior to January 1, 2016.

Sexual Harassment / Assault Response and Prevention (SHARP) Program

From the Secretary and Chief of Staff of the Army down to our newest Soldiers, we continue to attack the complex challenges of Sexual Assault. While we have made progress, much work remains. Sexual assault is a crime that violates the core values on which the Army functions, and sexual harassment shatters good order and discipline. Sexual harassment and sexual assault must be stamped out, and doing so remains a top priority throughout the Army. Commanders, the Chain of Command, and the Uniform Code of Military Justice provide the vital tools needed to prosecute offenders and hold all Soldiers and leaders appropriately responsible.

Across the Army, we are committed to maintaining momentum in Army SHARP and making further advances along our five lines of efforts: Prevention, Investigation, Accountability, Advocacy and Assessment. In the last year, our efforts along the Prevention Line of Effort resulted in actions such as consolidating SHARP training under TRADOC and Initial Entry Training and Professional Military Education to increase the quality and accessibility of our prevention tools. Our Investigation Line of Effort showed advances in Special Victim capabilities and Trial Counsel Assistance Programs. The Accountability Line of Effort had successes through our Special Victim Investigation and Prosecution capability and through tools such as Command Climate Surveys and Commander 360 degree assessments. Our Advocacy Line of Effort resulted in initial indicators of progress in establishing SHARP resource centers in over 12 installations. We continue to see interim progress along our Assessment Line of Effort as noted in the President's report and we continue to closely monitor the established metrics to measure compliance.

In sum, we have seen some progress as evident in the recent statistics outlined in the 2014 "Department of Defense Report to the President of the United States on Sexual Assault Prevention and Response" that indicate a decrease in unwanted sexual contact in FY14 compared to FY12. Within the Army, survey-estimated rates of unwanted sexual contact for the past year decreased significantly for active duty women (4.6%), compared to FY12 (7.1%). In addition, reporting data demonstrates more victims are coming forward to report sexual

harassment and sexual assault. In FY14, sexual assault reporting in the Army increased by 12% over the previous year. We view this as a vote of confidence and a sign of increased trust in our leaders, in our response services and in changing Army culture. The decline in prevalence of unwanted sexual contact, combined with the increase in reports received, suggests the Army's efforts to prevent sexual assault and build victim confidence in our response system are making progress. Nevertheless, we must continue to work on fostering a climate where individuals are not afraid of retaliation or stigma for reporting a crime by ensuring individuals, units, organizations and specifically commanders and leaders understand their responsibilities. Retaliation takes many forms and originates from many sources – leaders, family, friends and, most pervasively, peer to peer. Retaliation in its simplest form is bullying. It is intimidation that deters people from acting. It enables offenders, threatens survivors, pushes bystanders to shy from action, and breeds a culture of complacency. Retaliation has no place in the Army and we must stamp it out.

Sexual Assault Response Coordinators and Sexual Assault Prevention and Response Victim Advocates are now credentialed through the DoD Sexual Assault Advocate Certification Program, and the Army's SHARP Academy is expanding their knowledge, skills and abilities. Based on national experts' guidance, the Army's Sexual Assault Medical Forensic Examiner's course now surpasses Department of Justice requirements and establishes a best practice for all DoD to follow.

The chain of command is at the center of any solution to combat sexual assault and harassment, and we must ensure it remains fully engaged, involved and vigilant. Toward this end, we enhanced the Officer and Enlisted Evaluation Reporting Systems to assess how officers and NCOs are meeting their commitments – holding them accountable through mandatory comments on how those leaders are acting to foster a climate of dignity and respect and their adherence to our SHARP program. With commanders at the center of our efforts, we will continue to decrease the prevalence of sexual assault through prevention and encourage greater reporting of the crime. We expect to see reporting numbers to continue to rise. As our efforts to enforce discipline, prosecute offenders and eliminate criminal behavior mature, we expect the number of sexual assaults occurring within the Army to eventually decrease. There is no place for sexual harassment or sexual assault in our Army or our society.

The problems of sexual assault and sexual harassment will only be solved when every Soldier, Civilian and Family Member stands up and unequivocally acts to stamp it out. Together, we have an obligation to do all we can to safeguard America's sons and daughters, as well as maintain trust between Soldiers, Civilians, Families and the Nation. Army leaders, at

every level of the chain of command, are doing this through prevention, investigation, accountability, advocacy and assessments.

MAINTAINING THE PREMIER ALL VOLUNTEER ARMY

As we shape the force of the future, we must enhance force readiness, while taking care of the men and women who serve. This means, while providing Combatant Commanders with versatile and trained forces, we also have an obligation to support our Soldiers, Families and Civilians while they serve in the Army, and as they transition back to civilian life. Those who make up the Total Army – Soldiers, Families and Civilians; Regular Army, Army National Guard and Army Reserve – represent its strength. “Total Army Strong” expresses our enduring commitment to Soldiers, Families and Civilians, and to sustain a system of programs and services to mitigate the unique demands of military life, foster life skills, strengthen resilience and promote a strong and ready Army. “Total Army Strong” provides commanders flexibility to prioritize and adjust programs and services, regardless of geographic location.

We recognize that attracting and retaining highly-qualified individuals in all three components is critical to readiness. However, the stronger economy, including lower unemployment, poses challenges to recruiting and retention in FY16. Due to obesity, medical conditions and other reasons, less than one-third of otherwise-eligible Americans would even qualify for military service. Though we face recruiting challenges in FY16, we will man our formations with highly-qualified and diverse Soldiers by continuing and strengthening those recruitment and retention programs that best enhance and sustain the All-Volunteer Army.

Ready and Resilient Campaign

We must support and appropriately resource the Army's Ready and Resilient Campaign. This campaign provides holistic, evidence-based tools, training and resources to our commands and leaders who care for our Soldiers, Civilians and Family members so they can strengthen their resilience and achieve and sustain personal readiness. The Army's Ready and Resilient capabilities improve the physical, emotional and psychological resilience of the entire force, attack the foundation of acts of indiscipline and prevent negative behaviors from escalating to damaging events such as suicide or sexual assault. We must ensure the overall readiness and resilience of the Total Army Family through optimal sleep, activity and nutrition – the Performance Triad. The Performance Triad strengthens individual and unit readiness through a comprehensive approach that promotes leadership and behavior change strategies to improve personal and unit readiness and resilience, as well as physical, emotional, and cognitive dominance through optimized sleep, physical activity, and nutrition. The Performance Triad

empowers leaders to coach and mentor health readiness using technology to actuate behaviors that support lasting cultural change as a mandate of the Army profession.

Soldier for Life

Soldier for Life is not just a program; it is a change in mindset. One way we encourage this frame of mind is through senior leader and installation engagements, as well as changes in training curriculum. We want Soldiers to understand and believe from the time they come into the Army and for the rest of their lives, that they deserve our utmost care and attention throughout the Soldier lifecycle – “Once a Soldier, always a Soldier...a Soldier for Life!” As Soldiers return to civilian life, they will continue to influence young people to join the Army and, along with retired Soldiers, will connect communities across the Nation with its Army.

As we reduce the Army’s end strength, we owe it to our Soldiers and their Families to facilitate their transition to civilian life. The Army supports continuum of service initiatives to help in this effort by communicating the benefits of continued service in the Reserve Components. Additionally, the “Soldier for Life” Program connects Army, governmental and community efforts to facilitate the successful reintegration of our Soldiers and Families back into communities across the Nation through networks in employment, education and health. Our pre- and post-retirement services ensure those who served become and remain leaders in their community. For example, we have developed strong relationships with government, non-government and private sector entities to include direct collaboration with the Departments of Veterans Affairs, Labor, and the Chamber of Commerce to bring employment summits to installations worldwide.

CLOSING

We face a period of critical decisions that will impact the Army’s capability and capacity for the next decade. It is important that we make the right decisions now. The operational and fiscal environments are straining the Army as we attempt to balance end strength, readiness and modernization to meet current demands while building the foundations of a force that can meet future challenges. The velocity of instability continues to increase worldwide, whether of ISIL and terrorism in Iraq, Syria and Yemen; anarchy and extremism in North Africa; Russian belligerence; provocation by North Korea; or complex humanitarian assistance requirements and the unpredictable nature of disaster relief missions. But despite all of this, we continue to reduce our military capabilities, degrade readiness and erode trust with the specter of sequestration. We ask the help of Congress to eliminate sequestration and provide our Soldiers with greater predictability in these uncertain times. We must not reduce the Army below

980,000 Soldiers and leave the Army unprepared to meet Defense Strategic Guidance or respond to some unforeseen event.

Our strategic partnership with Congress is absolutely critical to the Army's success. Simply put, our Soldiers and Civilians could not do what they do each day without your support. Our Army needs Congressional support now more than ever. The decisions we make this year and next on our fiscal policy, and related end strength, readiness and modernization will directly impact the security of the United States and the world for decades to come. Today, we have the most capable and professional Army in the world. Our Soldiers have gained invaluable experience and expertise; built relationships among interagency partners, allies and each other and developed an intimate understanding of the world we live in. As we reduce the size of our Army, each Soldier leaving the ranks takes with him or her invaluable experiences and a deep understanding that has come at great cost and is impossible to replace in short order.

We look forward to working with Congress to ensure the Army is capable of fulfilling its many missions, while continuing to be good stewards of the taxpayers' money. Despite ongoing fiscal uncertainties, we are pleased to report professionalism and morale within the Army remains strong. Whether advising and assisting in Afghanistan and Iraq, supporting allies in Europe and the Republic of Korea, serving in the homeland or engaging our partners around the world, the indomitable spirit of our greatest assets, our Soldiers – our Nation's Trusted Professionals – stands ready: Ready to safeguard our Nation's liberty, deter aggression and protect our national interests at home and abroad. With your assistance, we will continue to resource the best-trained, best-equipped and best-led fighting force in the world: the U.S. Army.