

HOUSE ARMED SERVICES COMMITTEE

STATEMENT OF
GENERAL MARTIN E. DEMPSEY, USA
CHAIRMAN
JOINT CHIEFS OF STAFF
BEFORE THE HOUSE ARMED SERVICES COMMITTEE
IMPACTS OF A CONTINUING RESOLUTION AND SEQUESTRATION ON
DEFENSE
13 FEBRUARY 2013

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Chairman McKeon, Ranking Member Smith, distinguished members of the Committee, thank you for this opportunity to address the impacts of the current budget uncertainty on our force.

To be brief, military readiness is in jeopardy due to the convergence of unprecedented budget factors. We need help from our elected leaders to avoid hollowing out the force and compromising our Nation's security. Specifically, we need passage of a regular 2013 Defense Appropriation, and we need sequestration to be canceled.

The prospect for sequestration in fiscal year 2013 and commensurate reductions in spending caps from fiscal year 2014 to 2021 comes while we are under a Continuing Resolution, while we are just beginning to absorb the \$487 billion reduction mandated by the 2011 Budget Control Act, and while we are still fighting and resourcing operations around the globe. Potential reductions of this magnitude require us to carefully and deliberately evaluate trade-offs in force structure, modernization, readiness, and compensation – we can only do this with budget certainty, flexibility, and time.

You will hear today from the Joint Chiefs regarding the immediate budget implications specific to each of the Services. Many of these consequences may seem extreme, but they are very real. In fact, what they are sharing with you is just the beginning. If sequestration and outyear cap reductions are allowed to occur – requiring us to reduce spending by an additional \$500 billion for a cumulative reduction of \$1 trillion over the next 10 years for the Joint Force – it will severely limit our ability to implement our defense strategy; it will put the nation at greater risk of coercion; and it will break faith with the men and women who serve this nation in uniform.

Approximately one third of these cuts would come from our force structure. The other two-thirds of the reductions would occur in our

modernization, compensation, and readiness accounts. We will have much less of everything and therefore be able to provide fewer options to our nation's leaders.

Our current security challenges are more formidable and complex than those we faced in downturns following war in Korea, Vietnam, and the Cold War. There is no foreseeable "peace dividend" on our horizon. The security environment is increasingly competitive and dangerous. End strength caps in the 2013 National Defense Authorization Act restrict our ability to manage our force, and therefore inhibit our ability to reduce spending as quickly and as responsibly as in past draw downs. Unlike past downturns that followed periods of significant modernization, much of our equipment is older or aging. And, health care costs are approaching unsustainable levels.

Taken together and in context, these factors will make it much harder for us to preserve readiness after more than a decade of fighting in Iraq and Afghanistan. We must reset and refit, and in many cases replace, our war-torn equipment. And, we must retrain our personnel on a broader range of military skills that atrophied, while also developing new skills and capabilities that are essential to our ability to address emerging threats.

We have and will continue to be part of the Nation's economic recovery. We are committed to being responsible stewards of taxpayer dollars. We are working to build a Joint Force for 2020 that is affordable while maintaining our decisive advantages.

To do this, we need your help. First, we need budget certainty. That is, we need the antithesis of sequestration – namely, a steady, predictable funding stream. We can manage the transition – the military embraces change. One of Joint Force 2020's underlying assumptions is that we will need to get smaller but stay strong. And, I am convinced that we can restore the versatility of our force at an affordable cost.

Secondly, we need the time to deliberately evaluate trade-offs in force structure, modernization, compensation and readiness. Two rounds of sequestration are scheduled in March totaling \$46 billion in fiscal year 2013 reductions - the force cannot absorb these cuts without some long-term damage.

Finally, we need flexibility to allocate our resources to our highest priorities. When we are not allowed by legislation to touch individual pieces of the budget, readiness accounts inevitably pay the price. Everything needs to be on the table. This should include military and civilian force reductions, basing, the balance of the active and reserve components including the National Guard, and military pay and compensation. Adequate flexibility will also require support for follow-on reprogramming authority.

We cannot afford to further postpone a solution to this crisis. Failing to act is a choice in itself, one that will eventually require a progressive contraction of security commitments around the world, the abandonment of allies, the breaking of promises, and a less proactive approach to protecting our interests.

During posture hearings last year, I testified before this Committee that if we fail to step off properly on the budget, we will reduce our options and increase our risk. Our military power will be less credible because it is less sustainable. Now, we are only days away from making that risk a reality. We can do better. Our Nation, service-members, and their families deserve better -- and an uncertain and turbulent world that relies on American leadership requires it. Thank you.