

RECORD VERSION

STATEMENT BY

**GENERAL DANIEL ALLYN
VICE CHIEF OF STAFF UNITED STATES ARMY**

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INTRODUCTION

Chairman Wittman, Ranking Member Bordallo, distinguished Members of the Subcommittee, thank you for the opportunity to testify on the readiness of your United States Army. On behalf of our Secretary, the Honorable John McHugh, and our Chief of Staff, General Raymond Odierno, I would also like to thank you for your support and demonstrated commitment to our Soldiers, Army Civilians, Families, and Veterans.

We live in a dangerous world and the Leadership of the United States Army is committed to ensuring our Army is ready. 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 focus for our 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. In Europe, Russia's intervention in Ukraine violates international law and threatens to undermine the post-World War II security architecture. Across the Asia-Pacific, China's lack of transparency regarding its military modernization efforts raises 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 complex-humanitarian requirements and the unpredictable nature of disaster relief missions heighten 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 and the threat of terrorism growing rather than receding, now is not the time to drastically reduce capability and capacity that would occur under prolonged sequestration level-funding.

As the Chief of Staff of the Army stated in his testimony, there is a growing divide between the emerging geopolitical realities and the Budget Control Act's (BCA) arbitrary funding mechanism. The Army budget has decreased in nominal terms every year since 2011. Yet today, the Army is as globally engaged as ever, with more than 140,000 Soldiers deployed, forward stationed, and committed worldwide. We are training alongside our allies and partners to help them develop professional and capable armies. At home, we are supporting civil authorities while defending our critical networks against cyber attacks. Yet prolonged funding at BCA levels prevents us from

appropriately balancing readiness, modernization and end strength, and threatens to make the Army a hollow force. Under sequestration-level funding, the Army will be unable to meet its current target for regaining full-spectrum readiness by FY23.

Our Nation requires a trained and ready Army prepared to rapidly deploy, fight, sustain itself and win decisively against complex state and non-state threats in diverse, austere environments, rugged terrain and urban megacities. Readiness is measured at both the service and unit level. Service readiness incorporates installations and the critical ability of the Army to provide requisite capabilities in support of the Joint Force in sufficient capacity to execute the missions required by combatant commands. Unit readiness is the combination of personnel, materiel and supplies, equipment and training, that, when properly balanced, enables immediate and effective application of military power.

To ensure readiness now and in the future, the Army needs Congress to provide adequate, consistent and predictable funding. The Army supports the President's Budget as meeting the required funding and needed reforms to fulfill our responsibilities defined in the Defense Strategic Guidance. One critical assumption in the President's Budget request is that Congress will enact critical cost saving measures we have proposed. These include compensation reform, sustainable energy and resource initiatives, a new round of Base Realignments 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 even steeper reductions to manpower, modernization, and training across the Total Army.

Current State of Readiness

Thirteen years of sustained counterinsurgency-focused operations have degraded the Army's ability to conduct operations across the entire spectrum of war. In FY11, the Army began a multi-year transition to rebuild core readiness and build capability to conduct Decisive Action for Unified Land Operations. The speed and scale of the funding reductions mandated under sequestration in FY13 curtailed this transition plan by forcing the Army to absorb the majority of the cuts within the operations and

training accounts. This resulted in tiered readiness of units as opposed to broad gains across the force.

Last year the Chief of Staff of the Army testified that only two of our Brigade Combat Teams, the Army's basic warfighting unit, were fully ready for decisive action operations. Since then, we have trained 13 BCTs to that standard (other CTC rotations were mission-specific for deploying units) thanks to funding provided in the 2013 Bipartisan Budget Agreement (BBA). However, of those 13 BCTs, we have consumed the readiness of nine to support on-going operations. At prolonged sequestration-level funding, the Army will be unable to train units quickly enough to outpace, or even meet demand.

With the support of Congress, the Army executed \$126.2 billion for base budget purposes in FY14 to begin rebuilding readiness lost during sequestration in FY13. Though known and predictable, the FY15-enacted level of \$121 billion is \$5.1 billion less than FY14, and is challenging Commanders across the Army to sustain our hard-earned readiness. To operate under this budget, we are significantly reducing key installation services, individual training events, and modernization to such an extent as to jeopardize future readiness and quality of life. For example, Logistics Readiness Centers were underfunded by \$350 million in FY15, which covers funding for dining facilities, contract operations at ammo supply points, central issue facilities, maintenance, laundry and dry cleaning operations. In addition to the effect on Soldier quality of life, these cuts force Commanders to divert Soldiers from training to perform logistics tasks.

The President's Budget request for FY16 increases readiness funding above FY15 levels, which is critical to sustain and improve the readiness of the force. While the reduced FY15 budget will reduce overall training, we remain committed to CTC rotations to develop leaders and build unit readiness. FY15 plans fund 19 CTC rotations: two for deploying BCTs and 17 decisive action rotations (15 Active Army and two Army National Guard). FY16 will continue 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. We accepted risk in home station training to conserve resources for units to continue to conduct training at the CTCs. This resulted in units arriving at the CTCs not yet “fully ready” for these complex training scenarios, and therefore unable to derive the full benefit of the training.

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. The remaining 36 BCTs will train only to Individual/Crew/Squad resourcing levels. 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.

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 competence over time. Training will integrate the unique capabilities of the Light, Medium and Heavy forces, as well as the capabilities of Conventional and Special Operations Forces. Training centers including the Joint Multinational Readiness Center in Germany will increase our interoperability with Allies. Our goal is to achieve a high level of readiness for 70% of our Active Component BCTs compared to the current 33%, 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. The unpredictable nature of human conflict requires leaders ready to lead in close combat and to understand the operational and strategic environment, including its socio-economic, cultural and religious underpinnings. Junior leaders will frequently confront ethical dilemmas, with resultant decisions that have strategic impacts. Our leaders must demonstrate the competence and professional values necessary to achieve operational and strategic mission success.

However, sequestration in FY16 would mortgage the functional skills and training of individual Soldiers. Sequestration will force the Army to further reduce Specialized

Skill Training by over 85,000 seats (65% drop) and fund only the most critical courses. This will reduce readiness as Soldiers will lose proficiency on their individual tasks. These reductions include 900 fewer graduate flight school seats, resulting in unfilled and unqualified pilot positions throughout the force. We would continue to emphasize leader development by protecting Professional Military Education, minimizing cuts to about 10 percent.

The Army continues to make progress at 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 Guard and Reserve divisions and brigades with Active Army peer units. The Army is also piloting a program to assign Guard and Reserve personnel directly to Active Army corps and division headquarters. For example, the Reserve Component rapidly provided support capabilities to Operation United Assistance in Liberia to augment and replace elements of the initial Active Component response. We fight as a Total Army, and each component has a unique role. We must also draw down as a Total Army—Active, Guard, and Reserve—in order to maintain the correct balance between capacity and readiness.

As we transition from combat operations in Afghanistan, our Army is focused on the 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 arrays 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 returning from operations 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. In addition, we identified almost \$2 billion of potential requirement reductions in Contractor Logistics and Training Support. These and other changes allowed the Army to increase the capability of its prepositioned stocks program without an increase in associated costs.

Finally, 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 Active Army and 28 Army National Guard) in the Total Force. This effort decreases the number of headquarters units and personnel without negatively affecting the number of operational battalions.

Since May 2014, we have been developing a sustainable force generation and readiness model to account for the new, volatile, strategic operating environment and the need to remain regionally-engaged under budgetary and force-sizing realities. The Sustainable Readiness Model (SRM) 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 surge in demand for Army forces, but history suggests it will come sooner than we expect. The SRM will better enable the future smaller force to sustain readiness at optimal levels over time.

One critical assumption in the President's Budget request is that Congress will enact necessary compensation reform and force structure initiatives. We fully support the 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.

Future Readiness: The Army Operating Concept

While we are most concerned about the BCT's short-term effects on readiness, we are keenly focused on the long-term readiness of the Total Force to meet future demands. As such, we developed a new Army Operating Concept (AOC), "Win in a Complex World." The AOC provides an intellectual framework for learning and for

applying what we learn to future force development under Force 2025 and Beyond. 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 capable of operating alongside *multiple* partners, able to create *multiple* dilemmas for our adversaries, while giving our Senior Leaders *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.

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. Through a dedicated “Campaign of Learning” under Force 2025 Maneuvers, we will assess new capabilities, force designs, and doctrine to ensure the readiness of our future force. We are focusing our innovation efforts in this Campaign of Learning to address the 20 Army Warfighting Challenges identified in the Army Operating Concept. The Army Warfighting Challenges are enduring first-order problems, and solving them will improve combat effectiveness. They 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.

Installation Readiness

In order to partially mitigate the severe impacts of sequestration-level funding on training readiness, the Army will be forced to take significant risk with installation readiness. Installation maintenance has been underfunded since 2011 which impacts efficiency and readiness. Sequestration in FY 16 would cut essential funds for military construction, sustainment, restoration and modernization on our posts, camps and

stations. The President's FY16 budget funds 79% of the OSD Facility Sustainment Model requirement. Under sequestration the Army would only be able to fund 62% of needed repairs, limiting repairs to those needed for life, health, and safety. Restoration and modernization accounts would be underfunded as well. Without relief from sequestration 20% of the Army's infrastructure will remain in substandard condition and approximately 100,000 maintenance orders will be deferred each month. Recovery from unfilled maintenance requests will take at least 2-3 years if fully funded and ultimately will affect morale, retention, and readiness.

A return to sequestration-level funding will result in a \$1 billion decrease to base operations support, requiring installations to eliminate jobs and scale back or cancel service contracts that employ people in local communities. We will have to increase further our reliance on Soldiers to support basic installation functions in order to provide a safe training environment and adequate quality of life. These include access control point manning by MTOE units, manning ammo and fuel handling points, and conducting essential range maintenance. These requirements pull Soldiers away from important training and ultimately detract from readiness. We will also reduce contract funding for a number of quality-of-life services such as custodial services, waste collection, and grounds maintenance.

It is important to highlight the need for another round of Base Realignment and Closure (BRAC). We simply have too much surplus infrastructure and will have even more as we continue to downsize. We are already in the process of separating nearly 152,000 Soldiers from the Total Army by FY18, and sequestration would force us to separate another 60,000 by FY20— 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. We have reduced all that we can from our overseas bases, and are now reducing personnel at U.S. installations. We expect excess facility capacity will be about 18% Army-wide by late FY15.

Industrial Base

The Industrial Base consists of Government-owned (organic) and commercial industry and is designed to be readily available to manufacture and repair items during both peacetime and national emergencies. The current financial uncertainty of sequestration, combined with the cuts in Army force structure, is driving workload down. Over 4,500 employees within the organic industrial base (OIB) have already lost their jobs due to budget uncertainty and declining workloads since FY13, and the Army has deferred \$323 million of depot maintenance from FY13 into FY15. The highly skilled industrial base workforce serves an enduring mission, and provides critical capabilities in support of our national defense today, while also preparing for the threats of tomorrow. Sequestration will result in insufficient resources to complete critical depot maintenance and will continue to degrade the industrial base's ability to sustain the life-cycle readiness of war-fighting equipment while also maintaining the capability to surge to meet the demands of future contingency operations.

Should sequestration-level funding return in FY16, furloughs, overtime restrictions and hiring freezes will again negatively impact the OIB productivity, workforce availability and capability. In order to mitigate the loss of critical skill sets and ensure the OIB is ready for the next contingency, the Army requires consistent and predictable funding. We also need to carryover workload to keep production lines functioning between fiscal years.

The Army is taking several actions to reshape the OIB to support the Army of 2025 and beyond, to include assessing OIB capabilities and capacities and effectively aligning them to planned workloads. We are not sustaining aging systems that are planned for divesture within the next five years, and we are continuing reset and sustainment of our modernized platforms. This strategy will enable the Army to sustain and modernize our most capable fleets, while accomplishing our Title 10 requirements to sustain the core depot and critical manufacturing capabilities necessary to fight and win the Nation's wars.

Aviation Restructure Initiative

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 will avoid \$12 billion in costs and saves an additional \$1 billion 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 from the Active Component, while removing only 111 airframes in the Reserve Component. A byproduct of ARI is the reduction in the number of Active Duty Combat Aviation Brigades from 13 to 10. 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 aircraft and structure at the expense of modernizing current and future aviation systems in the Total Force.

The Army notes the establishment by Congress of a National Commission on the Future of the Army and ARI specifically, and is fully committed to working with the Commission as it fulfills its charter.

Army Cyber

Network dominance and defense is an integral part of our national security, and the Army is focused on providing increased capability to the Joint Force. Investment in cyber capability and readiness is a top priority, and we are working to improve requirements and resourcing processes to ensure that they are agile enough to rapidly translate innovative concepts into realized capabilities. Army readiness includes cyber readiness.

We are aggressively manning, training and equipping cyber mission teams and established a new cyber branch to help recruit, train and retain cyber Soldiers. The Army has grown from zero Cyber teams in FY13 to 24 Army Cyber Mission Teams

today at Initial Operating Capability (IOC). By the end of FY16, we will have 41 Cyber Mission Teams. The Army has established the Cyber Center of Excellence at Fort Gordon, GA, to serve as our focal point to drive change across the Army. This is a Total Force effort—Active, National Guard, and Reserve—and through our Reserve Components we will leverage the professional expertise within the civilian population to build greater capacity, expertise, and flexibility across DOD, federal, state, and private sector activities. We recently established a full-time Army National Guard Cyber Protection Team (CPT) that is training to conduct network defense. We will create three more Army National Guard CPTs in FY16.

We must make prudent investments in our cyber infrastructure, including facilities, networks and equipment to ensure a capable force. Network modernization is critical to the success of Army operations across all domains, and the Army is fully integrated into the build-out of the Joint Information Environment (JIE). JIE efforts will enhance the defensibility of our networks while providing global access for the joint force. However, sequestration-level funding in FY16 will reduce network funding by almost \$400 million and defer critical scheduled IT infrastructure upgrades at three major installations, reducing the Army's warfighting capability and its ability to protect itself against cyber attacks.

Essential Investments: People and Equipment

Soldiers, Families and Army Civilians

Army Professionalism and the resilience of those who serve – Soldiers, their Families and Army Civilians – are directly linked to the Readiness of our Force. That is why we must develop and sustain a system of capabilities and services that are designed to mitigate the unique challenges of military life, foster life skills, strengthen resilience, and promote a strong and ready Army. As Army leaders, we continue to express our enduring commitment to those who serve, recognizing that attracting and retaining highly-qualified individuals in all three components is critical to readiness. Two of our key efforts, the Army's Ready and Resilient Campaign (R2C) and Soldier for Life, exist to ensure we are taking care of our most precious resource: our people, throughout Army life and beyond.

Ready and Resilient Campaign

We will make every effort to protect our most important Soldier and Family programs, but budget cuts are ultimately affecting every facet of the Army. To ensure we maintain our focus on our most invaluable resource: our people, we continue to develop a Ready and Resilient Army. A Ready and Resilient Army is composed of resilient individuals, adaptive leaders and cohesive teams that are committed to the Army professional ethic and capable of accomplishing a range of operations in environments of uncertainty and persistent danger. We are developing a comprehensive system that empowers Army Commanders and Leaders to improve Leader engagement and early Leader intervention. We are taking a more holistic look at negative behaviors and their correlation in order to better target training, tools and resources with more emphasis placed on resilience and prevention skills to reduce incidents of escalated negative behavioral outcomes.

We continue to provide resilience and performance enhancement training to Soldiers, Families and Army Civilians through Comprehensive Soldier and Family Fitness. To date, we have trained more than 26,000 Master Resilience Trainers Army-wide who are taking these skills back to their formations. We have established an online assessment and self-development platform where Soldiers, their Families and Army Civilians can, in their own time, confidentially take action to improve their overall health and resilience.

We are also emphasizing the importance of sleep, physical activity, and nutrition. The Performance Triad is a comprehensive plan to improve readiness and increase resilience through health initiatives and leadership engagement. Sleep, activity and nutrition are key actions that influence overall health.

Personal Readiness is critical to mission readiness. Those who serve must have the physical, psychological, social, emotional and spiritual preparedness to achieve and sustain optimal performance in supporting the Army mission.

Soldier for Life

Soldier for Life (SFL) is a program that drives a change in mindset. We encourage the SFL mindset through senior leader and installation engagements, and focused training curriculum. We want individuals to understand from their entry day in

the Army that they will receive the tools to succeed throughout their service lifecycle – “Once a Soldier, always a Soldier...a Soldier for Life!” As they return to civilian life, Soldiers 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.

Sexual Harassment / Assault Response and Prevention (SHARP) Program

Trust between Soldiers, between Soldiers and Leaders, between Soldiers, their Families and the Army, and between the Army and the American people is fundamental to readiness. Sexual assault and sexual harassment undermine that trust.

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 for over

12 installations. We continue to see interim progress along our Assessment Line of Effort as noted in the 2014 “Department of Defense Report to the President of the United States on Sexual Assault Prevention and Response.”

Recent statistics outlined in the 2014 “DoD Report to the President” 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. Nevertheless, we must continue striving to foster 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 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.

The chain of command must be at the center of any effort to combat sexual assault and harassment, and we must ensure leaders remain fully engaged, involved and vigilant. 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.

Sexual assault and sexual harassment will be eliminated 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, and 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.

Modernization

It is impossible to discuss readiness without highlighting modernization, as systems and equipment play a key role in future force readiness. Equipment modernization must address emerging threats in an increasingly sophisticated technological environment. The Army must maintain its ability to contend with such diverse threats as cyber attacks, electronic warfare, unmanned systems, chemical and biological agents, and air and missile threats. Decreases to the Army budget over the past several years significantly impacted Army modernization. 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 \$31 billion to \$20 billion. Procurement alone dropped from \$21.3 billion to \$13.9 billion. We estimate that sequestration-level funding will affect over 80 Army programs. Major impacts include delays in equipping to support expeditionary forces, delays in combat vehicle and aviation modernization, unaffordable increases in sustainment costs to repair older equipment and increases in capability gaps.

The centerpiece of the Army's Modernization Strategy continues to be the Soldier and the squad. The Army will also develop and field a robust, integrated tactical mission command network linking command posts, and extending out to the tactical edge and across platforms. 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 President's Budget request would provide over \$2 billion to begin to address the growing gaps in our modernization accounts. Even with this additional funding, modernization will require several years to recover from the effects of recent budget reductions and regain balance in the Force. As such, the Army emphasizes early affordability reviews, establishing cost caps (funding and procurement objectives), synchronizing multiple processes and divesting older equipment.

End Strength

Readiness includes possessing the capacity to execute the missions required by the Defense Strategic Guidance and the Combatant Commanders. The minimum end strength the Army requires to fully execute the 2012 Defense Strategic Guidance is 980,000 Soldiers – 450,000 in the Active Army, 335,000 in the Army National Guard and 195,000 in the Army Reserve. All three components will be smaller than pre-2001 force. If prolonged sequestration-level funding occurs, we will need to reduce end strength even further—to 420,000 in the AC by FY20, and 315,000 in the National Guard and 185,000 in the Army Reserve, both by FY19. At these levels we assess the Army would be unable to fulfill all the elements of the Defense Strategic Guidance.

Although the Army expects to lose combat-seasoned Soldiers and leaders, our focus through these processes will be on retaining those individuals with the greatest potential for future service in the right grades and with the right skills.

Recap: Effects of Sequestration

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 and would severely limit the Army's investment to equip Soldiers to meet the warfighting requirements of tomorrow. Under sequestration-level funding readiness will be reduced to a level the Army will be unable to recover from until well past the current target of FY23. Only 24 of 60 Brigade Combat Teams will receive sufficient funding to conduct required readiness training. An estimated 85,000 seats will be lost in specialized skills training, and there will be a \$1 billion decrease to base operations support, eliminating jobs, contracts, causing barracks and furnishings to further deteriorate. While we will protect funding for the Combat Training Centers (CTCs), funding for home station training will be severely reduced which will undermine many units' readiness and inhibit those scheduled for a CTC from adequate preparation.

We are expecting a decline in the overall readiness of our forces because of reduced funding in FY15, and sequestration in FY16 will dissipate the gains we

achieved from the Bipartisan Budget Agreement in FY14 and leave the Army in a precarious state. Because we cannot draw down end strength in a rapid manner, operations and training funding would absorb the majority of the budget cuts resulting from sequestration, leaving the Army hollow—lacking training and modern equipment and vulnerable if needed in a crisis. Ultimately, sequestration will put Soldiers' lives at risk.

Closing

As the velocity of instability increases so does the demand for a ready and modern Army, adequately sized and trained to prevent, shape, and win. We ask Congress to repeal the harmful cuts arbitrarily imposed under sequestration-level funding and provide Soldiers with greater predictability in these uncertain times.

We are committed to working closely with Congress to ensure that we are good stewards of our Nation's resources. There are critical cost-saving measures that allow the Army to further reallocate scarce resources to ensure we remain ready and resilient. 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 also ask Congress to support a Total Army solution to end strength reductions. Cuts must come from the Total Force – Active, National Guard, and Reserve—to maintain the balance among all components to best execute the Army's strategic mission. 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 even larger reductions to manpower, modernization, and training.

The United States Army plays a foundational role in the Joint Force and is indispensable as we work to reassure our allies, deter our enemies, and when necessary, win our Nation's wars. The strength of the All Volunteer Force is our Soldiers, Civilians and their Families, and we must ensure they always stand Ready. History has taught us that the price of improperly managing the readiness of our force will ultimately fall on the backs of our fighting Soldiers. With your assistance, we will continue to resource the best-trained, best-equipped and best-led fighting force in the

world. We thank Congress for their steadfast and generous support of the outstanding men and women of the United States Army, our Army Civilians, Families, and Veterans.