

RECORD VERSION

STATEMENT BY

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**ON IMPACT OF CONTINUING RESOLUTIONS ON THE DEPARTMENT OF DEFENSE
AND SERVICES**

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COMMITTEE ON APPROPRIATIONS**

Chair McCollum, Ranking Member Calvert, and distinguished Members of the Subcommittee, thank you for inviting me to discuss the current Continuing Resolution (CR), and the impacts of a potential future year-long CR on the Army. While the Services have historically provided Congress with the impacts of CRs when they occur, this year has the potential to be different with the growing prospect of a prolonged or even a full year-long CR. As a result, I am compelled to describe the adverse effects such a measure would have on Army Soldiers, Readiness, and Modernization.

Let me begin with background and context. Since fiscal year (FY) 2010, the Department of Defense (DoD) has started all but one fiscal year under a CR, with the shortest CR period lasting approximately three months, and the longest lasting seven months. The Army has adapted its business practices to maneuver through this fiscal uncertainty and the effects of a short-duration CR, but these modified practices were always done under the assumption that an appropriation would eventually be passed at some time in the fiscal year. Historically, this has been a safe assumption, but as we can see from the need for this hearing, this year may prove to be different, and what has become normal Army practice to help alleviate short-term effects will not adequately address the impacts of a full-year CR to our organization and people from the lost time, lost funding and lost opportunities.

The total impact to the Army under a year-long CR scenario could be as high as \$12.9 billion. This number is a combination of the total of misaligned funds at \$9.2 billion, as well as up to \$3.7 billion spread across military pay, research & acquisition, and military construction/family housing programs. This includes up to \$1.1 billion of military pay challenges across the Active and Reserve components, \$2.6 billion in impacts across 147 programs and projects, to include signature modernization efforts and priorities, and military construction and family housing projects worldwide.

Taken individually, the impacts of a full-year CR might possibly be mitigated. But, when you combine the delays in procurement and prototype advancement on top of the disruption in timelines for construction and development of critical Army and Joint technologies, there is a compounding effect which will likely disrupt the Army's ability to

sustain readiness and achieve its modernization goals. Making matters worse are the requirements to modify training as a result of the CR while continuing to respond to emerging, unfinanced missions such as COVID-19 and support of the National Capitol, all while navigating challenges to military pay and benefits. Taken together, these factors create a cumulative impact that will be difficult to overcome.

The challenge of a year-long CR would jeopardize the Army's ability to meet emerging national and defense policy imperatives. Secretary Austin is currently orienting the DoD toward achieving integrated deterrence. One aspect of integration is employing the contributions of all the Services, as well as other government departments outside of the DoD, to achieve a deterrent effect greater than the sum of its parts. The Joint Force cannot yet achieve the desired level of integration, but we are diligently working toward this goal with the Army's modernization priorities and experimentation efforts such as the Army's Project Convergence.

To build systemic advantage in relation to our competitors requires the DoD to not just develop new capabilities but also to integrate them into the operational force faster than our strategic competitors. Yet integrated deterrence is not only an imperative for the future. As recent events demonstrate, the Army, as part of the Joint Force, must continue to actively campaign to maintain deterrence in the present. In practical terms, this entails maintaining adequate presence to promote stable environments in priority regions and readiness to ensure credible response capability to deter aggression.

In today's dynamic strategic environment, the Army must have the ability to realign funding as conditions change to maintain ready ground forces. Thus, in both the near- and long-term, integrated deterrence requires timely, adequate, predictable, and sustained funding. Our strategic competitors are watching us closely, measuring whether our resourcing allows us to both respond in the present as well as to keep pace well into the future.

Taking all these factors into account, the true cost to the Army of CRs is the combination of military pay impacts, delayed programs and construction projects (to include impacts to

organic industrial base modernization), constrained production rate increases, dollar amount shortfalls, and the vital aspect of lost time.

In order to provide a competitive and ready Army, timely, adequate, predictable, and sustained funding is of paramount importance. Appropriating an FY 2022 Budget is essential to make prudent investment decisions, comply with congressional intent for industrial modernization, and provide the flexibility necessary to man, train, and equip the Army in support of its critical role in defending the Nation.

In sum, a year-long CR would cause severe impacts to the Army's ability to take care of our Soldiers and their families, to be ready to respond to emerging operational requirements, and to make necessary funding alignments and adjustments needed to support readiness and to modernize our Army. The Army strongly urges Congress to pass all of the FY 2022 Appropriation bills (i.e.—FY 2022 Defense and Military Construction Appropriation bills) and avoid the complex, undesirable, and unnecessary impacts of a full-year CR.

Again, I thank you for allowing me the opportunity to testify before you today and I look forward to answering any questions that you may have.