STATEMENT OF

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ON

THE EFFECT OF SEQUESTRATION AND CONTINUING RESOLUTIONS ON MODERNIZATION AND READINESS

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Lieutenant General Thomas is a Naval Aviator and has served in several FA-18 squadrons. He commanded VMFA-323 during Operation IRAQI FREEDOM while embarked aboard USS CONSTELLATION (CV-64). He also commanded Marine Aviation Weapons and Tactics Squadron One (MAWTS-1), and he served as the Commanding General, 2d Marine Aircraft Wing (Forward) in Afghanistan from February to December 2013.

He has served as the Assistant Wing Commander for the 2d Marine Aircraft Wing, Assistant Deputy Commandant for Aviation, and the Marine Corps Deputy Director of Operations.

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Lieutenant General Thomas is a graduate of the Weapons and Tactics Instructor Course, the Navy Fighter Weapons School, Air Command and Staff College, and the National War College. He holds a M.S. in National Security Strategy from National Defense University.

Introduction

Chairman Turner, Ranking Member Tsongas, and distinguished members of the subcommittee, thank you for the opportunity to testify on the effect of Sequestration and Continuing Resolutions on Marine Corps modernization and readiness. Congress and the American people have high expectations for the Marine Corps as our nation's naval expeditionary force in readiness. Marines serve forward to shape events, engage with partners, manage instability, project influence, respond to crises, and deter potential adversaries. As a force, we must remain ready to fight and win across the range of military operations and in all five domains - maritime, land, air, cyber, and space. Our role as America's 9-1-1 force informs how we man, train, and equip our force. It also drives how we prioritize and allocate the resources we are provided by Congress. A balanced Marine Corps is a force that has a sustainable operational tempo and is able to train with the right equipment for all assigned missions. The result of this balance is optimally trained and equipped forces that deploy when required, with the right quantity of forces, on the required timeline with a ready reserve of non-deployed forces that can surge to meet large scale contingencies and operational plans. While today's force is capable and our forward deployed forces are ready to fight, we are fiscally stretched to maintain readiness across the breadth of the force in the near term, and to modernize for future readiness against the threats we will face.

Understanding the Threat Environment

In 2017, Marines continue to be in high demand from all our combatant commanders around the world. They're forward deployed, engaged on land and sea, and ready for crisis response in Africa, Europe, the Middle East, and the Pacific. As a result, we must constantly balance between our operational readiness and our institutional readiness, between capability and capacity, between current operations and future operations, between steady state and surge readiness, as well as between low end and high end operations and training. All of this must be done as we face increasing threats. In our challenging fiscal environment, we're struggling to maintain this balance.

As we engage in the current fight and maintain our forward presence in order to respond to crises, our enemies and potential adversaries have not stood idle. They have developed new capabilities which now equal, or in some cases exceed, our own. These potential adversaries are, for example, capable of creating combined arms dilemmas using information, cyber, deception, unmanned ISR and long range precision fires in highly advanced and lethal ways.

The evolving operational environment is characterized by complex terrain, technology proliferation, information warfare, the battle of electro-magnetic signatures, and a contested maritime domain. The evolution and expansion of the information domain, advanced robotics, and improved weapons technologies are causing threats to emerge with increased speed and lethality. The actions of ever more aggressive and capable peer competitors are demonstrating

advanced multi-domain (ground, air, sea, space and cyber) capabilities across the range of military operations (ROMO). Anti-access anti denial capabilities are proliferating, becoming cheaper, more lethal and harder to target. Future adversaries with masked signatures will fight in distributed fashion in densely populated urban littorals. U.S. satellite-based capabilities may be degraded or denied. Cyber threats will target the digital networks that are essential to the way we currently fight. And adversaries will leverage advanced commercial off-the-shelf technologies to out-cycle our acquisition process. Information warfare will exploit global communications and social media, and we'll face all of these challenges potentially in an era of fiscal uncertainty.

Fighting and Winning in the Future Operating Environment

Recognizing this new era in which the Marine Corps must not only modernize, but also change in order to deter competitors and, if necessary, fight and win against such foes, we developed the Marine Corps Operating Concept (MOC) which describes in broad terms how the Marine Corps will operate, fight, and win in the future operating environment. This is shaping our actions as we design and develop the capabilities and capacity of the future force. To this end, we conducted a bottom-up review of the force necessary to deter, and if necessary, defeat 21st century threats. This review, entitled Marine Corps Force 2025, identified critical gaps in capability and capacity that must be addressed in order to build a Marine Corps with the 5th Generation infantry and aviation elements that can fight and win in this environment.

This unstable and increasingly dangerous world situation is further complicated by the constrained resource environment from which we must continue current operations, maintain our warfighting readiness, and modernize the force. We continue to make tough choices and balance our available resources to meet current operational commitments and, at the same time, to try to achieve tomorrow's readiness. However, as our attention is spread across the globe in a security environment where the only certainty is uncertainty, we must make decisions about our strategy and structure that will determine our nation's military capability in the future. In a 21st century characterized by rapid change, it is imperative that we keep pace with change, for history has not been kind to militaries that fail to evolve.

Rebuilding America's Naval Expeditionary Force in Readiness for the 21st Century

Rebuilding a balanced Marine Corps will require both near term actions that can be implemented beginning now in Fiscal Years 2017 (FY17) and 2018 (FY18) and longer term efforts that must be built into future budgets. To begin to address these challenges requires appropriate resources applied to modernization, manpower and readiness in a prudent and executable manner to pay for existing modernization requirements, address existing readiness challenges and shortfalls in infrastructure, aviation and ground platforms, and resource the new structure, materiel and training requirements that together generate capability. Additionally, in order to have the

capacity to meet operational demands and ensure our force is capable of fighting and winning in complex environments, such as contested urban littorals, it will be necessary to build a larger, more experienced and better trained force. It will also be necessary to increase our inventory of Marines with special skills, such as intelligence, electronic warfare, and cyber. Rebuilding the Marine Corps for the 21st century will ultimately require the necessary manpower and with resources guided by strategy, the Marine Corps will be able to develop the capacity and vital warfighting capabilities that will allow us to pursue five critical tasks necessary to build a 5th Generation Marine Corps: evolve the Marine Air-Ground Task Force to be able to fight across all warfighting domains, enhance our ability to maneuver, integrate the Naval Force to fight at and from the sea, operate with resilience in a contested network environment, and exploit the competence of the individual Marine.

The Effect of Continuing Resolutions and Sequestration

The current fiscal environment increasingly stretches our force. This is not healthy for your Marine Corps or for the security of our Nation as we tackle problems with current readiness at the expense of future readiness. The Marine Corps manages uncertainty and risk through planning. Unstable fiscal environments prevent the deliberately planned, sustained effort needed to recover current readiness of our legacy equipment in the near term, and to modernize in the longer term. The FY17 budget has yet to be approved. Decisions in the FY17 budget will affect the FY18 program and our Future Years Defense Program. Budget Control Act (BCA) caps will continue to impact these plans. The Bipartisan Budget Acts (BBA) of 2013 and 2015 provided some relief from the automatic, across the board cuts of Sequestration, but that relief was partial and has done little to provide the fiscal certainty needed to plan for the future and make long term investments. The Marine Corps has testified over the last several years to the increased risk and damaging impact of BCA top-line caps and constraints on military readiness, modernization, and the welfare of our Marines and their families. We must work to avoid a budget-driven strategy and return to a strategy-driven budget, informed by the strategic requirements of the current and future operating environments. Unless we do so, the range of options we have to address current and future threats will further erode.

We have become all too accustomed to operating under continuing resolutions (CR) each year, and while we have learned to expect and manage under short-term CRs, longer duration CRs dramatically increase risk to an already strained fiscal environment and disrupts predictability and our ability to properly plan and execute a budget and a five-year program. A full year continuing resolution for FY17 would deny us the opportunity to execute our budgeted FY17 plan. This would delay important new starts of such programs as CH-53K, Unmanned Aircraft System (UAS) Sensor Payloads, and Cyber Operations Technology Development supporting Marine Corps Cyber Mission Forces. It would delay production increases in programs such as Joint Light Tactical Vehicles (JLTV), RQ-21 Unmanned Aircraft Systems, and Common

Aviation Command and Control Systems (CAC2S). It would limit planned investment funding increases to critical programs such as Networking on the Move (NOTM), Ground/Air Task Oriented Radar (G/ATOR), Aircraft Survivability Equipment Systems, and the Amphibious Assault Vehicle (AAV) Survivability Upgrades. It would create unnecessary pressure on increased funding needed for military personnel to provide for the pay raise and higher end strength goal mandated in the FY17 National Defense Authorization Act (NDAA). And it would create additional pressure on Operation and Maintenance accounts, further exacerbating current readiness challenges and causing the Marine Corps to re-evaluate planned training and exercises in the Operating Forces, take risk in maintenance at all levels, and further reduce Facilities Sustainment, Restoration and Modernization.

To achieve institutional readiness, sustain operational requirements, and be prepared for crisis and contingency response now and in the future, we must maintain the right balance of capability and capacity for our Marine Corps across our modernization, manpower and current readiness efforts. We are currently working to achieve balance but evaluating how best to allocate resources required to rebalance. The lack of a more stable and predictable fiscal planning horizon needed to support increased end strength, equipment recapitalization and modernization, amphibious ship capability and capacity, and the modern infrastructure required to rebuild and sustain the balanced readiness of the force continues to be a challenge. The fiscal instability of the current fiscal year and BCA caps continue to disrupt our planning and directly challenge our current and future readiness.

Modernization – The Foundation of Our Future Readiness

Modernization is central to building the Marine Corps of the 21st century. It includes the replacement of legacy obsolete weapons systems with new ones, such as the Joint Strike Fighter (JSF), CH-53K, JLTV, G/ATOR, and Amphibious Combat Vehicle (ACV), key components of our strategy to keep pace with expected future threats and our planned concepts of operation. It includes changes to the structure of our Tables of Equipment (T/E) as we continue to incorporate the lessons learned on the modern battlefield into equipment sets that balance affordability with the need for a networked, mobile, and expeditionary force. And it includes the insertion of technological advances into current capabilities, including such efforts as developing active protection systems, long-range precision fires and counter-UAS capabilities. Over the past decade and a half, funding constraints and operational demand increases have forced us to take risk in our future readiness in order to preserve current readiness, deferring critical future aviation and ground programs. Continued sustainment of legacy systems cost more and more to repair and maintain, while not providing the capabilities we know are needed for the future operating environment. Investing in and accelerating our modernization programs directly correlate to improved readiness by achieving efficiencies and providing needed capabilities sooner.

We need to accelerate investments in our command and control (C2) capabilities needed to build a 5th Generation Marine Corps that will dominate the information domain. This requires transforming Marine Air Ground Task Force (MAGTF) C2 capabilities through a unified network environment that is ready, responsive and resilient, including integrating Navy and Marine Corps systems for naval amphibious forces to effectively command and control forces both afloat and ashore. Enhanced C2 and digitally interoperable protected networks are modern capabilities that will facilitate improved battlefield awareness to and from small, dispersed tactical units. Such systems as CAC2S, G/ATOR, and NOTM provide a significantly increased capability associated with maneuver across the battlespace. As warfare evolves into a battle of signatures and detection, these capabilities are vital to maximize the effectiveness of our forces.

We need to accelerate investments in our aviation systems to modernize our aviation combat element. Operational tempo has increased the utilization and stretched the sustainability of our aviation assets. For several years, our aviation units have been unable to adequately meet our aircrew training requirements, primarily due to Ready Basic Aircraft (RBA) shortfalls, where nearly 80% of the units lack the minimum number of aircraft for training and we are significantly short of those needed to meet wartime requirements. The Marine Corps is challenged to replace aging aviation platforms that have reached the end of their service lives or suffered accelerated wear in harsh operating environments, thus reducing service life and resulting in the loss of critical warfighting capabilities. Our aviation modernization plan is a phased multi-year approach to modernization that encompasses aircraft transitions, readiness, aircraft inventory shortfalls, manpower challenges, safety and fiscal requirements. Our modern expeditionary force will require fixed wing aircraft capable of flexible basing ashore or at sea in support of our Marine units. A top priority is the 5th Generation Joint Strike Fighter (JSF), which will not only replace three aging platforms, but provides transformational warfighting capabilities for the future. Other priorities for aviation include investing in persistent multi-role intelligence, surveillance, and reconnaissance (ISR); supporting capabilities such as electronic attack and vertical lift; robust strike weapons programs; creating manned-unmanned teaming capabilities; and targeted modernization of the force for relevance and sustainability. The CH-53K Heavy Lift Replacement remains critical to maintaining the battlefield mobility our force requires, nearly tripling the lift capacity of the aircraft it is replacing. And our MV-22 Ospreys expand the operational reach of Marines supporting Joint Force requirements. The acceleration of these key modernization programs and others will directly improve our readiness and allow us to retire aircraft that have reached or exceeded their intended life.

We need to accelerate investments in our ground systems to modernize our ground combat element. Our ground units continue to suffer equipment readiness shortfalls. Prioritizing and sourcing equipment requirements to deployed and deploying units have degraded availability to our non-deployed forces, creating training gaps. The availability is exacerbated by the

increasing age of our legacy equipment and reduced funding levels that have slowed modernization efforts to minimum production rates. Our Ground Combat Tactical Vehicle (GCTV) modernization strategy is to sequentially modernize priority capabilities, reduce equipment inventories wherever possible and judiciously sustain remaining equipment, yet the fiscal environment has prevented us from accelerating procurement of critical ground systems. A core capability of our expeditionary forces is the ability to project forces ashore from amphibious platforms and to maneuver once ashore. Our 40-year old Amphibious Assault Vehicle (AAV) fleet needs to be replaced as soon as possible. We remain committed to developing and fielding an Amphibious Combat Vehicle (ACV) that meets this critical need. The procurement of Joint Light Tactical Vehicles (JLTV) as planned will incrementally replace our High Mobility Multipurpose Wheeled Vehicles (HMMWV) that we began operating over 30 years ago and that are still in use today, but this needs to be accelerated. And, because of reduced toplines, there is currently no replacement program for our 34-year old Light Armored Vehicle (LAV) fleet. We have a life extension program but we need to develop and invest in a next generation replacement for this system. The Marine Corps needs to recapitalize and modernize these key ground capabilities and others to ensure success against increasingly capable current and future threats.

We need to increase amphibious ship and surface connector capability and capacity. A critical component in building, training, and maintaining an expeditionary forward presence is the availability and readiness of amphibious ships. Current amphibious shipbuilding plans, as well as surface ship-to-shore connectors programmed to replace the Landing Craft Air Cushioned and Landing Craft Utility platforms, are vital to the Nation's ability to provide continuous naval expeditionary presence and project power across the globe whenever and wherever needed. The Nation's amphibious warship requirement remains at 38, and we are currently at 31, with increases in the amphibious warship inventory to 34 by FY22. Maintenance shortfalls have significantly exacerbated this shortfall. The decreased quantity and availability of amphibious warships, the preferred method of deploying and employing Marine Corps capabilities, have resulted in establishing land-based Special Purpose Marine Air Ground Task Forces (SPMAGTF) to compensate so the Marine Corps can meet operational commitments and ensure timely response to crises. Where an Amphibious Ready Group/Marine Expeditionary Unit (ARG/MEU) may have been the response force of choice in the past, these SPMAGTF have been called on to conduct operations in support of Geographic Combatant Commands. Although SPMAGTF have met a limited requirement for the Joint Force, they lack the full combat power, capacity and strategic and operational agility that results when MAGTF are embarked aboard amphibious ships. Increased amphibious ship capacity and modernization, along with the associated surface connectors to transport Marines from ship-to-shore, are critical investments in allowing us to respond with our full capabilities in the current and future operating environments.

We need to invest in our infrastructure, a key enabler to our readiness. Investment in real property, facilities maintenance, and base infrastructure to support the missions and readiness of our operating forces and other tenant commands are critical to providing the capacity and capability needed to build, train, and launch combat ready forces. Funding for our facilities sustainment, restoration, and modernization, as well as military construction, has been limited to support the readiness of our deployed and deploying forces. Aging facilities and constrained sustainment funding has resulted in a gradual degradation of our infrastructure and created a bow wave of increased long-term costs to return these assets to proper condition. Absent future investment, the sustainment and recapitalization of existing capacities and capabilities will be insufficient to adequately provide the required facilities associated with new and emerging operational requirements necessary to sustain and train our Marine Corps now and in the future.

Conclusion

On behalf of the Marines and Sailors who provide this Nation with its naval expeditionary force in readiness, I thank Congress for your constant interest in and recognition of our challenges. We have readiness recovery and future modernization plans to address our requirements. However, without additional and consistent funding, we cannot rebuild and recapitalize our readiness. The Marine Corps is the Nation's crisis response force that is "most ready when the Nation is least ready," but there is a cost to maintaining this capability and to building the capabilities required for the future operating environment. With that cost, our Nation gains the ability to respond to unexpected crises, from humanitarian assistance and disaster relief efforts, to non-combatant evacuation operations, to major combat operations. This same force can be reinforced quickly to contribute to assured access anywhere in the world in the event of a major contingency. It can be dialed up or dialed down like a rheostat to be relevant across the range of military operations. No other force possesses the flexibility to provide these capabilities. The most important actions Congress can take now is to immediately repeal the Budget Control Act and provide a defense appropriation that ensures sufficient funding to train, man and equip the FY17 NDAA authorized force. The Marine Corps must begin to rebalance and modernize for the future. Resourcing Marine Corps Force 2025 will enable future readiness and create a 5th Generation multi-domain force with overmatch that can deter and if necessary, defeat a highly capable near-peer adversary. With your help, we can begin the deliberate journey to overcome these challenges and rebuild your Marine Corps for the 21st century.