



April 5, 2017

# Damage to the Military from a Continuing Resolution

Committee on Armed Services, United States House of Representatives,  
One Hundred Fifteenth Congress, First Session

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**DEPARTMENT OF THE AIR FORCE  
PRESENTATION TO THE COMMITTEE  
ON  
ARMED SERVICES  
UNITED STATES CONGRESS**

**SUBJECT: IMPACTS OF A YEAR-LONG CONTINUING RESOLUTION**

**STATEMENT OF: GENERAL DAVID L. GOLDFEIN  
CHIEF OF STAFF OF THE AIR FORCE**

**APRIL 5, 2017**

**NOT FOR PUBLICATION UNTIL RELEASED  
BY THE COMMITTEE ON ARMED SERVICES  
UNITED STATES CONGRESS**

## **INTRODUCTION**

To prevent sequestration-like effects and severe impacts to our Airmen and readiness, we need Congressional action to pass the Fiscal Year 2017 Defense Appropriations Bill, as specified in the amended FY 2017 budget request.

Your United States Air Force has been breaking barriers since 1947 and our Total Force Airmen are prepared to fight and win today. We secure peace throughout the full spectrum of hostilities with a decisive warfighting advantage in, through, and from air, space, and cyberspace. The unmatched **Global Vigilance, Global Reach,** and **Global Power** we provide for the Nation and our allies has never been more indispensable, and the demand for Air Force capabilities continues to grow. Rest assured, as long as our Joint Force is in the fight, the Air Force will continue to provide our nation's leaders and combatant commanders with air, space, and cyber options to deliver decisive action anytime, anywhere.

However, after 26 years of sustained global combat operations, a growing mission set coupled with a 38% reduction in end strength since 1991, and over half a decade of volatile and unpredictable budgets, we can no longer effectively balance capability, capacity, and readiness within constraints. The military funding constraints and resulting budgetary turbulence stemming from the Budget Control Act of 2011 (BCA), when combined with an unrelenting succession of eight Continuing Resolutions (CR), have critically challenged our ability to sustain warfighting capacity, improve readiness, modernize our force, and invest in research and development to maintain decisive advantages over near-peer competitors. The competitive edge we've long maintained over these actors is rapidly closing and, in some cases, has closed. Thus,

we need immediate Congressional action to pass the Fiscal Year 2017 Defense Appropriations Bill.

### **NEGATIVE IMPACTS TO OUR AIRMEN**

A year-long CR would have an adverse impact on our people and readiness recovery. We would have to cut over \$2.8B in base and Overseas Contingency Operations (OCO) funding in the remaining five months of the Fiscal Year, forcing actions similar to those taken in 2013 during Sequestration. Further, we would be forced to use significant portions of DOD's limited general and special transfer authority to move funding between appropriations to cover must-pay bills (e.g., military pay), and even with the transfer authority, we cannot avoid impacts to personnel and readiness.

This CR:

- Halts efforts to grow active duty personnel end-strength as directed in the FY 2017 National Defense Authorization Act (NDAA), preventing us from meeting our top readiness priority. It also inhibits manpower growth in new or expanding mission areas including Remotely-Piloted Aircraft (RPA), cyberspace operations, intelligence, surveillance, and reconnaissance (ISR), and nuclear command, control, and communications (NC3).
- Prevents the Air Force from continuing to close critical career field gaps, undercuts our ability to close aircraft maintenance manning shortfalls, and thwarts our efforts to remedy our pilot shortage crisis.
- Defers bonus payments across numerous critical career fields, devastating critical programs we must have in place to retain Airmen with indispensable skillsets. Our taxpayers invest approximately \$11M to produce each fifth-generation fighter pilot,

and our active-duty fighter pilot shortage is expected to exceed 1,000 by the end of Fiscal Year 2017. The Aviation Retention Bonus is critical to our efforts to address this crisis. Most important, deferring bonuses breaks faith with our Airmen, who make great sacrifices every day to defend our nation.

- Delays operational, unit, and training permanent-change-of-station moves until Fiscal Year 2018, halting all moves internal to the Continental U.S., creating a severe training backlog, and leaving positions vacant across the Air Force. This severely degrades the quality of life for our Airmen and their families in the process of moving, as schools, jobs, child care, and other plans are disrupted.
- Significantly reduces Air Reserve Component (ARC)-filled OCO taskings, causing significant degradation in Air Force support of current global operations.
- Precludes filling civilian vacancies outside of mission-critical areas, which would directly increase workload demands on remaining personnel.

#### **NEGATIVE IMPACTS TO OUR OPERATIONS & MAINTENANCE (O&M)**

Significantly impacting our O&M readiness accounts, a year-long CR:

- Creates a \$2.4B (Base and OCO) shortfall in the O&M portfolio that will need to be sourced at the expense of readiness requirements.
- Eviscerates our Flying Hour Program (FHP), grounds non-deploying squadrons, and degrades qualifications and proficiencies of remaining aircrew. This exacerbates the Air Force's ability to meet pilot production throughout and reduces readiness in Combat Air Forces units for the foreseeable future.
- Forces a \$1B cut to our Weapon System Sustainment (WSS) accounts, preventing us from maintaining predictable and sufficient funding for our sustainment actions—

limiting aircraft availability, beyond those grounded for lack of FHP, needed for wartime and full-spectrum training.

- The Air Force would need to reconsider participation in 3<sup>rd</sup> and 4<sup>th</sup> quarter live-fly exercises. Distributed exercises could be supported but would continue at a lower level of participation. While the Air Force cannot “cancel” any Combatant Command exercise, the Air Force could reduce participation in such exercises, which would impact training in support of combat capabilities.
- Halts all restoration and modernization projects, effectively cancelling 301 projects at 78 installations across the Air Force, including 51 directly related to maintaining Air Force readiness levels. It also limits facility projects to only those actions addressing life, health, and safety.

### **NEGATIVE IMPACTS TO OUR MODERNIZATION EFFORTS**

A year-long CR would impact more than 60 Air Force acquisition new starts in aircraft, space, missile, and ammunition procurement while simultaneously curtailing our Research, Development, Test, and Evaluation efforts. This CR:

- Negatively impacts programs intended to sustain strategic platforms, forcing shortfalls in five critical programs.
- Limits munitions production to Fiscal Year 2016 rates, which do not meet current usage and inventory requirements. Additionally, inventory levels for flares, cartridges, and training munitions are already very low, impacting our aviators’ ability to counter real-world enemy fire while reducing live fire training scenarios—both essential for success on the battlefield.
- Forces delays in critical acquisition new starts, including MQ-9 upgrades, Joint

Interagency Combined Space Operations Center, and C-130 Avionics Modernization Program Increment 2.

- Delays fielding of the new COMPASS CALL Prime Mission Equipment platform, putting the Air Force's ability to meet Combatant Command requirements for vital COMPASS CALL at risk. This weapon system is essential for disrupting enemy command and control communications in support of U.S. and Coalition tactical air, surface, and special operations forces.
- Restricts our ability to award the Long Range Standoff Weapon and Ground Based Strategic Deterrent technology-maturation and risk-reduction contracts on time, jeopardizing the Initial Operational Capability dates, and requiring service life extension of the aging Air Launched Cruise Missile system.
- Inhibits our ability to meet the Evolved Expendable Launch Vehicle (EELV) program's mission critical requirements. This CR would impact launch capability, force the Air Force to delay award of a competitive EELV procurement currently in source selection, and delay the launch of a critical national security space capability.
- Limits the Air Force's ability to support on-going MMIII flight tests, potentially impacting our most-responsive leg of the nation's nuclear triad. This will create a year-long gap in ICBM Force Development Evaluations (FDE), which are needed to collect the data for the weapon system's effectiveness report to show the MMIII weapon system is reliable and accurate. Also, the data collected during the FDEs are used by Department of Energy for continued certification to the President in the Report on the Stockpile Assessment.
- Significantly impacts our Combat Training Ranges supporting warfighter development

of new tactics, techniques, and procedures in a relevant, realistic combat environment, which is critical to 4th and 5th generation air dominance.

- Stops work on the Global Positioning System (GPS) Next Generation Operational Controls System program, delaying scheduled acceptance and preventing availability to support the planned GPS III Satellite Vehicle 1 launch in March 2018. Launch of the first GPS III satellite is critical to maintain operational availability of the GPS constellation.
- Delays Initial Operational Capability of the Protected Tactical Enterprise Service to 4th Quarter Fiscal Year 2023, directly impacting the Navy's ability to utilize the Wideband Anti-jam Modem System.
- Restricts F-35A Dual Capable Aircraft funding in FY17, delaying compatibility and safety design certification tasks critical to maintaining nuclear certification timelines and jeopardizing our ability to provide this key capability in support of our allies in the future.

## **CONCLUSION**

We need Congressional action to pass the FY17 Defense Appropriations Bill (at the amended FY 2017 budget request funding levels), repeal the Budget Control Act, and provide us with budget stability. These actions will allow us to train and equip our Airmen to meet current threats to our nation as well as develop a ready force to defeat future adversaries. Our fellow Americans expect us to deliver overwhelming air, space, and cyber dominance for the nation, and we need your support to provide this blanket of freedom and security.

**RECORD VERSION**

**STATEMENT BY**

**GENERAL MARK A. MILLEY  
CHIEF OF STAFF UNITED STATES ARMY**

**BEFORE THE**

**COMMITTEE ON ARMED SERVICES  
UNITED STATES HOUSE OF REPRESENTATIVES**

**FIRST SESSION, 115<sup>TH</sup> CONGRESS**

**ON**

**CONSEQUENCES TO THE MILITARY OF A CONTINUING RESOLUTION**

**APRIL 5, 2017**

**NOT FOR PUBLICATION UNTIL RELEASED BY THE  
COMMITTEE ON ARMED SERVICES**

## **INTRODUCTION**

Today, our Army remains globally engaged to help secure our nation's interests in the face of a wide range of challenges. We continue to build partner capacity in Iraq as we destroy ISIS. We are training, advising, and assisting the Afghan National Defense Security Forces. In Europe, we are actively deterring Russian aggression and reassuring allies. In the Pacific Rim, we are sustaining regional stability and deterring aggression on the Korean peninsula. We are engaging our partners in Africa, and throughout North and South America, improving stability and security. Our Army is protecting important national security objectives in every region of the world, and plays a key role in every major contingency plan. In fact, almost 50% of Combatant Commander annual demand is met by Army capabilities and over 60% of Combatant Commander emergent demand is filled with Army capabilities. Today, over 80% of U.S. military forces in Iraq, Syria, and Afghanistan are U.S. Army soldiers. Ground Forces remain the most globally committed U.S. military force with over 180,000 U.S. Army Soldiers – Active, Army National Guard, and Army Reserve – committed to COCOM missions in over 140 countries worldwide. Meeting these demands requires your Army to be trained, ready and modernized. Moreover, investments made by Russia, China, and other challengers have exposed areas where we no longer retain the overmatch our nation has come to expect.

Conducting current operations, sustaining current readiness, and making progress towards a more modern, capable, and lethal future Army requires predictable and consistent funding at levels commensurate with the current and contingency operating plans. The lack of Fiscal Year 2017 appropriations resulting in a year-long continuing resolution, and no supplemental increase in funding for the remainder of FY 17, would result in significant negative impacts to current and future readiness and a reversal of progress towards reducing an already high military risk. Additionally, a return to arbitrary budget caps set by the Budget Control Act (BCA) in Fiscal Year 2018 will reverse gains we have made to improve readiness, risking a hollow Army lacking sufficient funding to man, train, equip, house, and modernize the force. We simply cannot sustain readiness or build the Army our Nation needs in the future if we continue

to rely on continuing resolutions and return to BCA caps in FY 18 instead of full-year defense appropriations bills.

In the last two years we have made steady progress in our core warfighting skills across multiple types of units, but we have much work to do to achieve full spectrum readiness necessary to meet the demands of our national military strategy and the Defense Planning Guidance. In short, we need to sustain the capability to fight and win against potential near-peer adversaries. Advances by our adversaries are real and the cumulative effect of persistent and destructive budget instability is increasing risk not only to the Army but to the Nation and could result in unnecessary U.S. military casualties on a future battlefield. Readiness to prevent or if necessary to fight and win wars is very expensive but the cost of preparation is always far less than the cost and pain of regret.

### **FISCAL YEAR 2017**

Readiness is the Army's number one priority. Our current readiness funding requirement as submitted in the amended FY 17 President's Budget is \$3 billion above the Fiscal Year 2016 operations and maintenance enacted funding levels.

Our planning efforts for the FY 17 Request for Additional Appropriations centered on filling critical gaps in readiness, armor, air defense, artillery, aviation, and training resource gaps. We projected this funding would result in a doubling of Brigade Combat Teams (BCT) – from three to six – at the highest levels of readiness. If forced to operate under a year-long CR, this will not happen, and Army current readiness and efforts to close critical capability gaps would be severely impacted.

Funding under a CR will result in a dramatic decrease of all training, except aviation training, starts in May of this year and by 15 July will include a shutdown of critical homestation collective training for five Army BCTs preparing to deploy to Combat Training Centers (CTC), as well as the possible cancellation of one BCT CTC rotation. Concurrently, all efforts to increase Army end strength to 1,018K, an increase of 28,000 Soldiers across all components – as authorized in the FY 17 National Defense Authorization Act – will also cease. The cumulative effect of training shortfalls

combined with personnel constraints will result in an Army less ready to meet the current requirements of combatant commanders and limit our ability to assure allies and deter adversaries now and in the future.

Procurement efforts currently on hold will remain on hold, preventing the Army from immediately addressing known shortfalls and gaps in combat systems and munitions, electronic warfare and cyber programs, air and missile defense capabilities, long range fires, protection, and mobility programs, and other modernization efforts critical to maintaining, and in some cases, re-gaining overmatch.

Planned FY 17 production rate increases for current funding lines will cause operational delays in procurement and research across the Army and to specific initiatives, such as the European Reassurance Initiative – critical to deterrence in Europe. The programs most affected include ammunition, air and missile defense capabilities, and protection and mobility programs.

The resulting net effect of a year-long CR means a further degradation of Army readiness in both the current and future fiscal years, and no progress toward reducing the risk in modernization. In short, a year-long CR and a return to BCA funding risks deploying forces that are not fully ready for combat. We must never allow that to happen.

## **FY 2018**

The return of funding caps under the Budget Control Act will reverse efforts to restore prior end strength cuts and improve Army readiness, and will cause the Army to further mortgage future readiness especially in our modernization accounts. Army force structure – our capacity, or size – will almost certainly contract to free the resources necessary to ensure near-term operational readiness to meet the demands of combatant commanders and fulfill war plan requirements. This significantly risks a return to a hollow Army. Mandated end strength without commensurate funding will mean only a select few units will be ready for combat. Turbulence associated with decreasing force structure caused by deactivating units will further hurt the readiness of remaining units. Training will continue to slow, as units will lack the funds, spare parts

for combat systems, and personnel to conduct critical combat training. Modernizing already deficient key infrastructure and facilities essential for training, mobilizing, and deploying forces will also be severely impacted.

The current battlefield is already very lethal, and the future battlefield will likely prove far more lethal than anything we have recently experienced. Continuing resolutions – paired with a return to BCA funding caps – will force the Army to defer and cancel modernization efforts across both our air and ground fleets that address immediate capability gaps and build our future Army. The continued recapitalization and modernization of forty to fifty year old equipment in the face of overmatch and increasing challenges from our adversaries places our Army at increasing risk on the future battlefield against near peer threats. Our adversaries have studied us and are rapidly leveraging available technology while the Army has yet to fully recover from the effects of sequestration in 2013. Time is not our ally. A return to the BCA caps would hamstring the Army's ability to build and maintain readiness at appropriate levels required by the Defense Planning Guidance and result in a multi-decade negative impact on our future Army due to a lack of modernization.

## **CONCLUSION**

Sustaining the high levels of performance our Army has demonstrated in the face of increasing challenges requires consistent, long term, balanced, and predictable funding. Without it, the Army must fully fund current readiness at the expense of all else, including future readiness, facilities modernization, maintenance, and building the future Army. A year-long Continuing Resolution and a return to BCA funding caps will result in a U.S. Army that is out-ranged, out-gunned and outdated against potential adversaries.

We request the support of Congress to predictably fund the Army at balanced and sufficient levels to meet current demands and build a more capable, modern, ready force that is prepared to meet future contingencies.

Not public until released by the  
House Armed Services Committee

**STATEMENT OF**  
**GENERAL ROBERT B. NELLER**  
**COMMANDANT OF THE MARINE CORPS**  
**BEFORE THE**  
**HOUSE ARMED SERVICES COMMITTEE**  
**ON**  
**CONTINUING RESOLUTION CONSEQUENCES**  
**05 APRIL 2017**

Not public until released by the  
House Armed Services Committee

General Robert B. Neller, USMC  
Commandant of the Marine Corps

General Robert B. Neller assumed the duties of Commandant of the Marine Corps on September 24th, 2015. A native of East Lansing, Michigan, he graduated from the University of Virginia and was commissioned in May 1975. He previously served as the Commander, Marine Forces Command from June 2014 to September 2015.

General Neller has served as an infantry officer at all levels. He commanded the Marine Security Force Company Panama during Operations JUST CAUSE and PROMOTE LIBERTY, 3d Light Armored Infantry Battalion during Operation RESTORE HOPE in Somalia, 6th Marine Regiment, 3d Marine Division and Marine Forces Central Command.

His Joint assignments include service in the Policy Division of Supreme Headquarters Allied Powers Europe (SHAPE) in Casteau, Belgium, and as the Director of Operations (J3) of the Joint Staff in Washington, D.C.

He has also served as Executive Officer, 7th Marine Regiment, G-3, 2d Marine Division, G-3, II Marine Expeditionary Force, Assistant Division Commander for the 1st and 2d Marine Divisions, and Deputy Commanding General, I Marine Expeditionary Force (Forward) during Operation IRAQI FREEDOM 05-07.

General Neller is a graduate of the Advanced Armor Officer Course, the Marine Corps Command and Staff College, the NATO Defense College and the Armed Forces Staff College. He holds a M.A. in Human Resource Management from Pepperdine University.

## **Introduction**

Your Marine Corps stands ready to answer the call in any clime and place as our Nation's Naval Expeditionary Force-in-Readiness. That said, our current operational tempo remains exceptionally high. We continue to adapt and innovate across our five focus areas of people, readiness, training, naval integration, and modernization in the context of the current continuing resolution (CR) and resulting resource challenges. We are building a "5th Generation Marine Corps" able to counter the evolving threats of this century (China, Russia, Iran, North Korea, and violent extremism). This requires us to change the composition of the force, while we continue to execute our material readiness recovery plans, and concurrently modernize our equipment.

The Marine Corps has and will remain good stewards of the resources we are provided; we are affordable. Case in point; for 7% of the Department of Defense budget the Marine Corps provides 21% of the active infantry battalions, 15% of the fighter/attack aircraft and 19% of the artillery battalions. However, operating under CRs for some portion of the past eight fiscal years, to include government shutdowns, has impacted readiness. Operating under a full-year continuing resolution through the remainder of FY17 will seriously degrade readiness across our force affecting our people, readiness, and modernization efforts. Additionally, without the ability to reprogram funds while under a full year CR, the Marine Corps is unable to address unplanned urgent needs and other operational requirements such as tools to counter adversary Unmanned Aerial Systems in theater. In specific terms, a full year CR and no additional funding may result in the following: the termination of flight operations in July, delayed construction of one amphibious ship, a halt to many modernization gains, cancelled or reduced participation in service-level, joint and combined exercises, many necessary to prepare units for deployment

such as Integrated Training Exercise (ITX), and reductions in available aviation munitions to include delays to necessary modification of laser Maverick missiles, procurement of Hellfire missiles, and recovery of Laser Joint Direct Attack Munitions (JDAM) stocks. Marines are deployed around the globe and need adequate resources to meet our commitments and at the same time prepare and adapt to meet the challenges of our evolving foes.

## **People**

The center of gravity of the Marine Corps is its people. Trust amongst Marines is critical to readiness. The Marine Corps has reason to look inward in light of the “Marines United” revelations to ensure our culture reflects our core values of honor, courage, and commitment, to improve the manner in which we value and treat all Marines, and emerge a better Corps. At the same time, the American people trust us with precious resources. We must and will remain good stewards with what we are provided, however, central to meeting and upholding our commitment is dependable and predictable funding such that we are fully ready to accomplish the mission.

The FY17 National Defense Authorization Act approved an end strength of 185,000 Marines. Under a full year CR we would not be able to grow to that end strength. The Marine Corps operating forces are currently averaging, in the aggregate, less than a 1:2 deployment to dwell ratio. This tempo is not sustainable as it does not provide options to train to our full mission sets and puts unreasonable strain on our Marines and families. A combination of a deliberate and measured end strength increase coupled with prudent operational employment of the force is the only path to a sustainable 1:3 deployment to dwell ratio. The CR does not afford this option.

A full year CR will impact the Reserve Component (RC) the most as it will result in a 44 million dollar, or 6.2 percent decrease from the amended FY17 budget request in the Reserve Personnel, Marine Corps (RPMC) account. This decrease will directly impact the Marine Corps Reserve's FY17 ability to fulfill commitments to Combatant Commanders (CCDRs) to provide forces in support of regional security cooperation, crisis response, crisis prevention activities, and support to combat operations. Our Special Purpose Marine Air Ground Task Force – Southern Command is largely comprised of Marines from the RC – this deployment will suffer, potentially straining relationships in that region. Furthermore, the fourth quarter would see almost a 50 percent reduction in drill and annual training. The Marine Corps multi-year Training and Readiness Plan includes the integration of Reserve units, detachments, and individuals into Service, Joint, and Multilateral level exercises; therefore, the 44-million-dollar reduction will have substantial impacts on FY17 unit formations that have been planned for over a year. If not funded, the reduction will immediately create a force management dilemma that will increase an already high operational tempo across the total force.

## **Readiness**

Readiness is central to who we are as Marines. We are the force “most ready when our nation is least ready,” which is incompatible with tiered readiness in theory or practice. Forward deployed forces in every geographic combatant command are trained and ready; Marines in Iraq, Afghanistan and Syria, the over 21,000 in the Pacific, and those embarked on naval ships with our three deployed Marine Expeditionary Units are ready. Marines don't get ready when the crisis occurs. We must prepare those next to deploy and maintain a ready bench to respond to crisis or contingency, with minimal notice. While forward deployed forces and those about to

deploy will remain ready, the instability of the current fiscal environment, compounded by current shortfalls in our Operation and Maintenance (O&M) accounts, impact our ability to maintain a “ready bench.” A full year CR would see and even larger O&M deficit and exacerbate the problem further.

For example, Marine Aviation is in the midst of a focused readiness recovery effort. We have developed an extensive plan to recover or improve readiness across every Type/Model/Series in the current legacy inventory, all while we continue to procure new aircraft. We are realizing steady improvements in aviation readiness, but the plan requires sustained funding, parts and supply support, flight operations, and time. Under a full year CR, flight operations within the continental U.S. will cease in July and hard fought gains made in Marine Corps aviation readiness will stall or be reversed. Finally, a full year CR will further delay the modification of nearly 200 laser Maverick missiles, procurement of 100 Hellfire missiles, and delay the planned recovery of Laser Joint Direct Attack Munitions (JDAM) shortfalls. These delays affect our ability to replenish warfighting assets, impact our current operational capabilities to support current contingency operations, limit our next to deploy units’ ability to train, and cost us more in the long-run.

A full year CR will reduce the scope and scale of exercises which will impact unit level deployments for training, service level pre-deployment training such as ITX, and large, multi-lateral exercises such as BOLD ALLIGATOR ’17 and COLD RESPONSE ’18. This will not only reduce readiness, it will impact hard won, but never guaranteed relationships with foreign partners and allies.

Our ground equipment readiness is approximately 90 percent availability and 94 percent serviceability, allowing the Marine Corps to conduct mission requirements. That said, under a

full year CR we can expect to see delayed maintenance, shortages of parts, dramatically extended work hours as Marines try to sustain the increased workload of unserviceable equipment. Furthermore, long-term underfunding of aging facilities and sustainment requirements has resulted in the degradation of our infrastructure and increased long-term costs to return these assets to proper condition. Funding for our facilities sustainment, recapitalization, and modernization (FSRM) has been sacrificed to support the readiness of our deployed and deploying forces in recent budget cycles. A full year CR will impact an already bad situation resulting in a 10 to 15 percent reduction to facilities sustainment levels and/or elimination of currently programmed demolition, restoration, and modernization projects, including recovery from the tornado damage recently sustained at Marine Corps Logistics Base Albany, Georgia. Infrastructure sustainment is a key enabler to our current 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.

## **Modernization**

Modernization is future readiness; however, under a full-year CR recapitalization and modernization efforts will be disrupted. Budget cuts since the Department of the Navy top line peaked in FY08 coupled with fiscal uncertainty, forced us to utilize limited resources to ensure the readiness of deployed forces and sacrifice end strength, home station readiness, infrastructure sustainment, quality of life programs, and delay critical modernization. We need to modernize rapidly, to replace “old iron” with new, reliable, sustainable, and affordable equipment across the

Marine Air-Ground Task Force (MAGTF). We must remain relevant and develop as a “5th Generation Marine Corps” able to operate across all domains.

FY17 CR based prohibitions on program new starts and quantity increases, as well as limitations on investment funding at line item levels, will prevent planned funding and production rate increases for multiple ground and aviation programs. Under a full-year CR specific FY17 new starts, quantity increases, and line item funding increases will be affected. New starts affected by a full year CR include: Cyber Operations Technology Development supporting Marine Corps Cyber Mission Forces, CH-53K low rate initial production (LRIP), Unmanned Aircraft Systems (UAS) Sensor Payloads, and Joint Air-to-Ground Missile (JAGM). Under a full year CR our acquisition of key systems is at risk and would drive necessary reductions to include: Joint Light Tactical Vehicles (74 vehicles), Common Aviation Command and Control System (CAC2S) (10 systems), RQ-21 UAS (1 full system: ground infrastructure plus 5 air vehicles), F35B (1 aircraft), and CH-53K (2 aircraft). Slowing CAC2S is detrimental to our aviation combat element as it is a much needed command and control (C2) upgrade necessary to further exploit the information domain. Additionally, many programs require funding increases included in our amended FY17 budget request to support capabilities to meet the needs of an ever changing future operating environment. Systems that require additional funding include: Network on the Move (NOTM), Ground / Air Task Oriented Radar (GATOR), and Precision Extended Range Munition (PERM). A full year CR prevents a funding increase for NOTM – another C2 system necessary to increase ground maneuver capabilities. New starts, quantity increases, and requested line item funding increases are all essential tools to ensure our Marines are operating with the most technologically advanced equipment necessary, building future readiness for our Corps, and are prohibited when operating under a CR.

## **Conclusion**

The Marine Corps will continue to meet current operational requirements; however, without support for our budget requests and consistent funding we cannot achieve and sustain acceptable levels of readiness. To truly operate, recover, recapitalize, and rebuild the readiness our nation needs, the Marine Corps requires the resources and stability provided by the FY17 budget, plus the additional resources identified by the Secretary of Defense in the FY17 Request for Additional Appropriations. Funding the Marine Corps via a CR continues to stress the force, stunt necessary capability and capacity growth, and reverse hard earned gains made by our readiness recovery efforts. The American people expect and deserve nothing less than a Marine Corps that is ready and capable of deterring and defeating future threats, and the Marines Sailors, Civilian Marines and our families need the resources to successfully meet this challenge.

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BY THE HOUSE COMMITTEE ON ARMED  
SERVICES

STATEMENT OF

ADMIRAL JOHN M. RICHARDSON

U.S. NAVY

CHIEF OF NAVAL OPERATIONS

BEFORE THE

HOUSE COMMITTEE ON

ARMED SERVICES

ON

CONSEQUENCES TO THE MILITARY OF A CONTINUING RESOLUTION

APRIL 5, 2017

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HOUSE COMMITTEE ON ARMED SERVICES

Mr. Chairman, Ranking Member Smith, distinguished members of the Committee, thank you for the opportunity to appear before you today to discuss the impact on Navy readiness of extending the current continuing resolution (CR) for a full year.

I see readiness in the context of a competition that is real and intensifying, in which our maritime superiority is approaching razor thin margins. It is clear that Russia and China are working hard and fast to strengthen their position, influence their neighbors, and shift the world order in their favor. There are persistent headlines about Iran's actions to challenge security and commerce in their region, including by providing lethal assistance to forces nearby. North Korea's reckless and provocative missile tests and rocket launches inform its advance toward the goal of a nuclear weapon that can threaten the United States, raising tensions and creating uncertainty. And terrorist groups adapt and persist, continuing to inspire attacks in the west. All of this activity is occurring at an ever-quicken pace, and is increasingly complex.

As these threats evolve, the Navy maintains our relentless focus on protecting America from attack and promoting our interests around the world. We achieve this by

- Being powerful enough to deter conflict, but if deterrence fails, ready for prompt, sustained, and decisive combat operations at and from the sea;
- Operating forward, beyond the horizon and away from our shores, and prepared to fight close to home if required;
- Operating with our allies and partners. The scope and scale of today's challenges places a growing imperative on the assistance of our friends around the world -- assistance that can range from fighting with us in combined operations to intelligence sharing, from overflight rights to permission to operate from their ports. We can fight alone if we must, but together we are much stronger than the sum of our individual parts; and
- Coordinating and synchronizing across naval component commands around the globe, as part of the joint force.

As we have discussed before, ensuring the Navy's ability to perform our mission, now and in the future, is becoming a greater and greater challenge. We have not had sufficient resources to maintain the fleet at current levels of operational tempo, to modernize it to adequately address evolving threats, and to invest in new capabilities to maintain an edge into the future. Our competitors are gaining on us, and our advantage is shrinking.

I have previously described the combined effects of the continuously high pace of operations, the uncertainty of when our budgets will actually be approved, and constrained funding levels as a "triple whammy." All three elements of that dynamic persist, and the detrimental effects are being felt more and more acutely.

Our sailors, civilians, and families continue to bear the brunt of these realities, as many of you have seen in your visits to the fleet. Ensuring the full preparation of our deploying forces means we are unable to give our bench the training they deserve to achieve optimal levels of

expertise, the spare parts to keep their equipment functioning, work or office spaces that support their missions, or even the courtesy of more than one to two months' advance notice before we uproot them and send their families to new and distant locations. And once our sailors set out to sea, operational demands emerge that too frequently mean our teams return home later than planned.

These realities have consequences. Despite their many choices, our sailors willingly took an oath of office to support and defend our Constitution, knowing that this would involve danger and sacrifice. We must face the truth that those sacrifices are being exacerbated by the conditions that we are imposing upon them. It is taking a real toll on our teams and their families, adding stress that detracts from our focus on staying ahead of those that challenge us.

Fixing our readiness is not just about sufficient funding to buy what we need. Just as important, we must change how we do business so that we can act more quickly. In competition, time matters - the best Navy that arrives too late will lose. We are *competing in time*, but our processes are byzantine and lack urgency. This reduces our chances to be the first to field a new capability or develop a new concept. I am doing what I can to address this problem, and am grateful for the new authorities that you have provided to me. But funding instability and uncertainty add delays, delays that are becoming increasingly costly as we fall further and further behind the pace of available technology.

We are now six months into the fiscal year, and face the prospect of another CR. The negative impacts of a CR will continue to be felt long after this fiscal year ends in September. First, we will need to identify areas to cut over \$500 million to shift to much-deserved pay raises, housing allowances, and other cost of living adjustments for our sailors. Second, within our shipbuilding accounts, an extended CR will require us to realign \$4.4 billion in order to move ahead with planned ship purchases, adding more delay and churn for our already-besieged shipyards. The time to make these adjustments means that new ships will deliver late, and in turn that current ships will need to operate longer, at great effort and expense. Third, CR limitations will set us further back in the years to come, as we will lack the authorities to invest in new things that we had planned to help us to remain ahead of our competitors' advances.

Under a CR:

- We will not purchase numerous new ships and advanced missiles;
- We will not start developing new ways to address a growing undersea warfare threat or create new and advanced cyber tools;
- And we will not increase production rates or buy parts for new aircraft carriers, early warning aircraft, armed helicopters, advanced missiles, undersea sensors and arrays, missile decoys, or radar enhancements.

Finally, if or when we ultimately do get funding, under a CR we will get less for our dollar. We will not have authority to enter into new multi-year contracts that allow us to

negotiate lower unit costs. We will pay higher prices for short-length services contracts. And we will have to spend more on overhead to write and review those agreements.

While the House-passed FY2017 Appropriations bill resolves many of these problems and is much better than an extension of the CR, the Navy will still need an additional \$2.1 billion to address immediate readiness shortfalls. Without it, three ships scheduled to deploy to Europe and the Middle East will stay home, our pilots will not fly and their jets will sit on the ramp needing maintenance, we may lose skilled sailors because we cannot fund their bonuses, our stocks of critical munitions will remain too low, and we will not be able to fix known cyber vulnerabilities. Our ability to deter potential adversaries will be undercut, and our allies and partners will become less certain of our capabilities, which will further intensify the competition.

Beyond the \$2.1 billion, the Navy's portion of the Request for Additional Appropriations also includes funding for things that, while they do not improve readiness in this fiscal year, still help to deliver combat power more quickly. Accelerating the number of available aircraft and spare parts for our squadrons, launching a new and more capable destroyer, and increasing the depth of our missile and ammunition magazines would help us dig out and stay out of the readiness hole that we are in more quickly --, a hole that gets deeper as we continue to steam and fly in support of ongoing operations.

Ultimately, my request to you is simple. Your Navy is out on the seas. Its sailors are being harassed by submarines and strike fighters, and even fired upon, as they protect the U.S. and its interests. We've been at war, operating hard, for 15 years. As we have been doing that, the rest of the world has not stood still - the competition is on, and it is heating up. Now, more than ever, time matters. I have a hard time believing that I am sitting before you now to discuss the potential that we might take steps to make those sailors' mission still more difficult, to give our adversaries more advantage, to make our people's lives more stressful -- not only now but in the years to come. I am hopeful that we can together find a way to reverse this trend and turn our attention to staying ahead of our competitors today and in the years to come.