

RECORD VERSION

STATEMENT BY

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## **INTRODUCTION**

Chairman Forbes, Ranking Member Bordallo, distinguished Members of the Subcommittee, on behalf of our Secretary, the Honorable John McHugh, our Chief of Staff, General Martin Dempsey, and the more than one million Soldiers who serve in the Army National Guard, U.S. Army Reserve, as well as those serving in our Active Component, I thank you for this opportunity to appear before you to discuss the state of readiness of the United States Army.

I want to thank you for your steadfast support and demonstrated commitment to our men and women in uniform. I have testified before this subcommittee many times during my tenure as Vice Chief of Staff of the Army, and I always appreciate the genuine concern the Members routinely show to matters as they pertain to our Soldiers, Army Civilians, Family Members and the overall readiness of our Force. It is largely through your support that we have the resources and manpower required to sustain us in the current fight, while simultaneously preparing and training Soldiers and resetting/replacing equipment for the next fight. We are deeply grateful and appreciative of your continued, strong support.

You called me and the other service Vices here today to provide you an assessment of the current readiness of our respective services in the context of increasingly constrained budgets and changes to force structure. Let me assure you upfront, your Army remains the most capable and decisive land force in the world. It is better trained and equipped, and our young leaders are better prepared than at any

other time in history. However, as you well know, America's Army has been operating at a tremendous pace for nearly ten years. Demand for forces stressed our supply during most of this period and today our Soldiers and their families are under a great amount of stress and strain. Our Army is out of balance. Current demand continues to challenge our ability to generate forces; and, although small improvements in readiness of forces in the "Train/Ready" phase of our Army Forces Generation (ARFORGEN) model have been visible over the past year, these gains are tentative and a direct result of three factors: previous funding, stabilized demand, and a marginal increase in the average length of Soldiers' DWELL at home station.

### **PRIMARY CHALLENGES**

We have three primary challenges with respect to readiness of the Force. First, we must ensure that next-to-deploy units have the resources and training required to accomplish the mission. Due to the sustained demand on available forces over the past decade, the Army has had to build trained and ready units closer and closer to the deployment date. This increases the risk to COCOM commanders.

Our second readiness challenge ties to our first challenge: to further build strategic depth by increasing operational flexibility for units in the "Train/Ready" phase. As demand declines and home station DWELL increases, these units will have sufficient time to recover/recuperate, be properly resourced and conduct training for operations across the full spectrum of conflict.

Our third readiness challenge relates to the overall health and well-being of the Force – most importantly, Soldiers and Family Members; but, also referring to the state of readiness of our vehicles and equipment. Nearly ten years of conflict have taken a significant toll on our people in terms of physical and mental injuries and illness, education, stress on the Family, and employer support. These wars have also taken a toll on our equipment. Continued funding is critical to ensuring the necessary Reset of our vehicles and equipment; as well as to ensure we are able to procure the right systems that are both affordable and sustainable for the next 20 years.

### **PREPARING AN ARMY FOR AN UNCERTAIN FUTURE**

We recognize in this era of persistent engagement the need to properly rebalance our Force to ensure long-term readiness. In recent years, we made significant progress towards this endeavor, with the continued support of Congress and this committee in particular. In fact, we expect to meet our goal to rebalance the Force by the end of FY12. We have done this through successful implementation of a four-year plan centered on our key imperatives: to continue to sustain the current Force; prepare forces for success in both today's and tomorrow's conflicts; Reset returning units; and transform our Army, adapting as required to meet the demands of the future.

For the latter half of the last century, the United States Army faced a relatively certain future characterized by straightforward strategic and operational environments; obvious enemies; clearly identifiable threats to vital national interests; and adequate resources required to man and equip the Force. Under these circumstances, a tiered

readiness approach characterized by “haves” and “have-nots” and an equipping strategy that made large procurement commitments based on long-range goals made sense. Today’s uncertain, dynamic strategic and operational environment, coupled with current political and fiscal realities, and the rapid pace of technology development have made these outdated strategies no longer supportable.

America’s Army now faces, and will continue to face for the foreseeable future, a broad array of complex challenges as the Nation approaches the start of the second decade of a long-term struggle against a global extremist network. Looking ahead, we must ensure we have a fully manned, trained, equipped *and modernized Force* prepared and ready to meet the complex challenges of the future. We must balance all four of these requirements to achieve a versatile mix of tailorable and networked organizations, operating on a rotational cycle, able to provide a sustained flow of trained and ready forces, at a tempo that is predictable and sustainable for our all-volunteer Force.

While we pursue the right balance, Army leadership remains mindful of the fact that our nation is dealing with significant fiscal and economic pressures. Those pressures have a direct impact on the strength of our national defense. We understand we owe it to the American public to make the most of every dollar entrusted to us for the defense of our Nation. I assure the Members of this subcommittee, I and the Army’s other senior leaders take this responsibility very seriously. We recognize we cannot expect to operate the way we have over the past decade. We cannot expect the same

level of funding and flexibility to continue indefinitely. As we drawdown forces in Iraq and eventually in Afghanistan, we must determine what the Army of the future will look like, to include force mix and organizational structure. While funding levels may be reduced in coming years, it is essential that we make the necessary investment to ensure a strong, capable defense.

In today's fiscally-constrained environment, we are all under tremendous pressure to find cost savings. While there is great appeal to pursuing the easy gains made by making cuts to force structure, there is significant risk associated with making arbitrary top line cuts without doing what is necessary to ensure what remains is a balanced, albeit smaller force capable of modest expansion should the need arise. The following section provides additional context on where we are today with the size of the Army, how we got here, and where we are headed.

In January 2007, to meet the demands of the current strategic environment, the President approved and Congress authorized the "Grow the Army" plan. The 74,200 Soldier increase included: 65,000 in the Active Component (AC), 8,200 in the Army National Guard (ARNG), and 1,000 in the United States Army Reserve (USAR). Congress and the Secretary of Defense subsequently approved an additional Temporary End Strength Increase (TESI) of 22,000 Soldiers to enable the Army to offset the loss of operational inventory due to the elimination of Stop Loss, the increase in the number of wounded and injured Soldiers and the increase in the number of other non-deployable personnel.

We are currently working towards achieving the authorized end strength of 547.4K by the end of FY13. In January 2011, the Army was further directed by the Secretary of Defense to cut an additional 27K personnel to achieve an end strength of 520.4K by the end of FY16. This additional reduction is to be based on operational demands.

It is imperative that as we begin to draw down forces, we do not sacrifice our combat experience and unit cohesion by cutting large numbers of Soldiers arbitrarily. We also do not want to repeat the errors of the past by starting too late in the process. It is critical to the long-term readiness of our Army that we make changes to force structure based upon our best estimation of current and future mission requirements. Bottom line: we must maintain balance as we adjust end strength.

Every year, the Army conducts the Total Army Analysis (TAA), a phased force structure analysis process that examines the projected Army force from both qualitative and quantitative perspectives. Necessary changes are made as a result of these reviews based upon mission and availability of resources. The TAA will inform the draw down. The TAA for 2014-2018 will take into consideration operational demands, unit readiness, and those actions necessary to sustain and care for the All-Volunteer Force and the division of structure between the operational and generating forces. These plans will proceed at a pace required to ensure mission success while retaining the flexibility to respond to unforeseen contingencies. Given these imperatives, the initial

analysis makes it clear that a gradual drawdown is in the best interest of our All Volunteer Force.

A gradual drawdown of end strength and TESI enables the Army to effectively shape the force using the least disruptive methods: reducing recruitment goals, lowering retention requirements and natural attrition. The TAA process will also enable the Army to review its force structure and brigade composition. During the past 10 years of conflict, the Army has learned a great deal about the effectiveness of its units in combat. The Army's analytical process will determine which units need to be deactivated. This will ensure the Army is able to continue to meet the demands of the Combatant Commands and maintain the strategic depth required to respond to any unforeseen contingencies in the future.

The Army is constantly evolving as it learns; actively conferring with commanders at all levels recently returned from theater to find ways to further improve unit organization, training and equipment, thereby ensuring the Army maintains its status as the premier land power.

### **DOING OUR PART**

In order to maintain the appropriate force structure, and achieve our goal to providing a tailorable and scalable force capable of meeting our national security requirements, the Army's senior Leaders recognize we must do our part. We must continue to identify cost-savings, reform our business practices and assumptions, and

look to gain efficiencies wherever possible. While this is not an easy task, I am confident it is achievable as we continue to inculcate a cost culture within the Army focused on efficient delivery of required capabilities—*both new and enhanced*—while at the same time divesting ourselves of redundant, out-dated, low-risk activities.

Over the past nearly two years, the Army has been aggressively pursuing efficiencies as part of our ongoing modernization strategy. We are doing so in two ways; both through a review of current programs and capabilities, with a goal to eliminate redundancies and identify cost-savings, and also through the adoption of a more efficient and affordable incremental modernization strategy.

Incremental modernization enables us to more effectively and efficiently deliver new and improved capabilities to the Force by leveraging mature technologies, shortening development times, planning growth potential, and integrating capabilities deliberately to give us the greatest advantage in the future, while hedging against uncertainty. Incremental modernization does not neglect existing equipment. In addition to expanding or improving capability by developing and fielding new technologies, the Army will continue to upgrade, improve, and recapitalize existing capabilities, while simultaneously divesting those capabilities deemed redundant or no longer required.

Instead of developing a requirement for a capability and then buying as many as are needed upfront; we are building and procuring what we call, “capability sets.” Every

two years or so we integrate the next capability set, reflecting any changes or advances in technology realized during that two year period.

By modernizing in such an incremental manner, instead of purchasing equipment upfront in quantities large enough to equip the entire force, we can provide the most relevant capabilities available to deploying units prior to deployment; later equipping those units in the “Equip” and “Train/Ready” phases with the most up-to-date version of needed capabilities.

A great example of this new strategy in action was the recent Network Integration Evaluation (NIE) conducted at White Sands Missile Range, New Mexico. The NIE was the largest network field exercise of its kind. It was the first demonstration of a revolutionary new way in which we are designing network capabilities, procuring them, testing them, and ultimately delivering them to our warfighters

Overall, the intent was to achieve a well-defined, yet agile, process that will allow us to:

- identify capability gaps;
- adjust/refine our requirements;
- solicit best solutions from industry;
- integrate and test holistically;
- while, amending the acquisition cycle to quickly field network capabilities.

Bottom line, we know that the NIE will enable the Army to make much smarter acquisition decisions – probably earlier in the acquisition process – resulting in better investments and potentially avoiding investments in capabilities that never pan out.

Meanwhile, under the direction of the Secretary of the Army, the Under Secretary of the Army, Dr. Joseph Westphal and I are continuing to oversee the ongoing Capability Portfolio Review process.

Our goal in conducting these reviews remains twofold: first, to ensure that funds are programmed, budgeted and executed against validated requirements and alternatives that are cost- and risk-informed; secondly, we want to revalidate capabilities through an examination of Combatant Commanders operational needs, wartime lessons learned, the ARFORGEN model, emerging technologies, affordability, interest, and opportunity.

Integrated Portfolios, a concept which the Army is still developing, will further align equipping stakeholders to achieve balance within and across capabilities required to execute the Army's Operating Concept. Equipment portfolios support continuous assessment across capability development, requirements, resourcing, acquisition, distribution, use and divestiture. Each portfolio will have a strategy developed to provide context, outline objectives, methods, metrics and values against which to judge success; a description of required resources to execute the strategy over the life of the

program; and a discussion of risk, including operational impacts in the event portfolio capabilities are not met. Implementing these strategies will enable portfolio stakeholders to better assess current and proposed capabilities against requirements; fuse and align the modernization community to ensure integration across the separate requirements, acquisition, sustainment, and resourcing communities; and do so in an affordable manner. Continued Army examination and adjustment of our business processes will help us to meet equipping balance and affordability requirements.

Through the Capability Portfolio Review process, to date, we have identified a number of areas where we're able to make changes and eliminate redundancies or outdated requirements. We expect to recoup significant savings that can be reinvested to fund higher priority capabilities and programs.

## **TOPLINE CHALLENGES AND CONCERNS**

At the beginning of my statement I provided you our three biggest readiness challenges. I would like to conclude by providing you my priorities as Vice with respect to Army readiness:

1. Achieving a minimum of 1:3 (Active Component) and 1:5 (Reserve Component) BOG:DWELL. This is critical to ensuring the long-term health and well-being of our Force, particularly given the significant number of individuals struggling with musculoskeletal and other types of physical injuries and behavioral health conditions, including post-traumatic stress and

traumatic brain injury. In this era of persistent engagement, we must maintain the appropriate force structure required to meet our national security requirements around the world while allowing our Soldiers and Family Members sufficient time to rest and recover.

2. "Fulfilling the Contract." We must fulfill our obligation to complete the full Reset process. Reset is a cost of war, and it prepares our formations for an unpredictable future and evolving threats. I am concerned that increased fiscal pressure will force cuts in this area. It is critical to our long-term readiness that we maintain support for the Army's Reset of vehicles and equipment two to three years beyond the conclusion of Overseas Contingency Operations.
3. Commitment to the Army's Modernization Program. We must avoid making cuts to key and critical modernization programs. Doing so may have far-reaching implications on the readiness of the Force given the pace of technology development. The Network and the Ground Combat Vehicle (GCV), in particular, are absolutely critical to achieving the Army of 2020 we envision.
4. Responsibly Reducing Army Force Structure. As I mentioned earlier, The Army is currently conducting Total Army Analysis (TAA) 2014-2018 to determine the appropriate balance of force structure between the operating

force and the generating force; while also conducting the deliberate analysis required to determine how and when to implement directed end strength reductions. This is critical to achieving the appropriate BOG:DWELL ratios vital to the health of the Force. This will also enable the Army to right-size the Force to ensure we provide the Combat Commanders with the forces needed. I am greatly concerned about the potential consequences of making arbitrary top line end-strength reductions to force structure.

## **CLOSING**

These continue to be challenging times for our Nation and for our military. That said, I assure the members of this subcommittee – your Army’s senior leaders remain focused and committed to effectively addressing current challenges, while also determining the needs of the Force for the future.

Mr. Chairman, members of the subcommittee, I thank you again for your steadfast and generous support of the outstanding men and women of the United States Army, Army Civilians and their Families. I look forward to your questions.