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House Armed Services Committee

STATEMENT OF
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DEPUTY COMMANDANT, INSTALLATIONS AND LOGISTICS
BEFORE THE
HOUSE ARMED SERVICES COMMITTEE
READINESS SUBCOMMITTEE
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Chairman Forbes, Ranking Member Bordallo, members of the Subcommittee, thank you for the opportunity to provide you a report on how the Marine Corps is planning for and executing our reset from Afghanistan. Despite high operational tempo, your Marines are resilient, motivated and continue to perform superbly in combat, maritime security, humanitarian assistance and disaster relief missions around the globe.

In his October 27, 2011 testimony before this Subcommittee, General Joseph F. Dunford, the Assistant Commandant of the Marine Corps, explained the Marine Corps' effort in resetting, reconstituting and sustaining the force while maintaining a high state of readiness in the face of fiscal austerity. While the Marine Corps is committed to remain the America's Expeditionary Force in Readiness, we understand our responsibility both to Congress and the American people to be good stewards of our limited resources. We will continue to ask only for what we require to perform what the Nation demands of its Marine Corps.

Continued Congressional support in the next several years is critical in support of resetting the equipment of the Marine Corps. This will ensure that we can meet the future security demands in the uncertain environment. On behalf of all Marines and their families, thank you for your unwavering and continued support.

Today there are roughly 20,000 Marines deployed to Afghanistan. We have made significant progress in the Helmand Province. This success has been achieved due to the outstanding professionalism and bravery of our young Marines and their leaders on the ground. Our number one priority is to provide the best equipped and trained forces to Afghanistan while balancing our capabilities to respond to missions around the world as our Nation directs.

To maintain high readiness rates in support of forward deployed units, we have globally sourced equipment for Afghanistan and other emerging threats around the world. A result of this strategy is a reduced availability of equipment to outfit and train our non-deploying units at home stations. This has caused our supply rating of units at home stations to hover around 65 percent. Upon direction of our President to surge forces into Afghanistan in late 2009, almost half of the required equipment needed by the Marine Corps in Afghanistan was shipped directly from Iraq. This allowed for an immediate capability increases in Afghanistan but deferred our reset actions for this equipment set.

Additionally, after ten years of combat operations, our equipment has been stressed and has experienced increased wear and tear due to:

- The harsh environment and tempo of operations in theater.
- The additional weight of the vehicles due to the state-of-the-art armor associated with our equipment.

Finally, the nature of distributed operations has shown us that our legacy tables of equipment are inadequate. As a result, the type and number of ground vehicles, radios, and other major end items has significantly increased. For example, in our infantry battalions, the number of tactical vehicles has almost doubled while the number of radio sets has grown sevenfold. Additionally, equipment has gotten more expensive. As an example, the cost to equip an individual Marine grew six-fold based on lessons learned in Iraq and Afghanistan.

Best Marine Corps the Nation Can Afford

The Marine Corps philosophy of frugality permeates throughout our expeditionary culture. We optimize every dollar provided by Congress and continually seek to provide the most cost efficient and combat effective force. The Marine Corps has remained and will remain faithful to that charge. As the Marine Corps' Senior Logistician, I am dedicated to fulfilling the Commandant's promise to equip and maintain the best Marine Corps our Nation can afford with the resources available.

To illustrate our commitment in being good stewards of our resources, we are currently undergoing an independent audit to improve financial management practices. Our intent is to maximize Congress' investment and to ensure that scarce resources are auditable. Identifying and lowering, where feasible, the cost of sustaining the Marine Corps' inventory is critical to realizing the Commandant's promise to this committee and the Nation. Although there is much work to be done, the Marine Corps has made significant strides in this regard to include:

- The ongoing fielding of our Logistics IT backbone – the Global Combat Support System – Marine Corps (GCSS-MC). GCSS-MC will significantly improve our inventory accountability, provide maintenance efficiencies and support clean audit requirements.

- The execution of the Marine Corps’ Ground Equipment Reset Strategy to repair, replace and recapitalize the Marine Corps ground equipment in support of future contingencies.
- The reorganization of our Depots to the Marine Corps Depot Maintenance Command (MDMC) to reduce overhead, reduce operating costs and ensure the Commandant of the Marine Corps has an affordable capability and effective capacity to self generate readiness and respond when we must surge to wartime demand.

Marine Corps Ground Equipment Reset Strategy

On January 1, 2012, General Amos signed the Marine Corps’ Ground Equipment Reset Strategy (Figure 1). This Strategy represents the culmination of nearly two years of

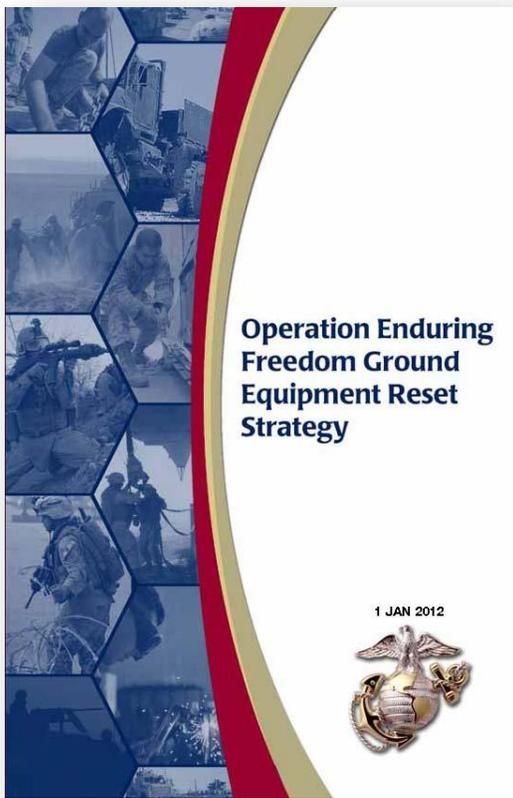


Figure 1: The Ground Equipment Reset Strategy

detailed planning to capture the pertinent lessons learned from the retrograde of the Marine Corps from Iraq. The strategy enhances asset visibility and identifies optimal repair locations for each principle end item returning from Afghanistan. To complement the Ground Equipment Reset Strategy, we developed a “Playbook” that contains comprehensive details on each principle end item. The Playbook informs the Reset Strategy and effectively connects enterprise level decisions to actions throughout the Marine Corps. This comprehensive approach guides the disposition of the equipment, forecasts

transportation requirements and directs the proper care, packaging and segregation of equipment to ensure maximum effectiveness of our reset resources.

To validate our reset strategy the Marine Corps recently conducted a proof-of-principle in conjunction with the initial drawdown of forces and associated equipment assigned to Third Battalion, Second Marines in December 2011. This helped frame the challenge we are facing as we begin to retrograde and reset our Marine Corps as depicted in figure 2.

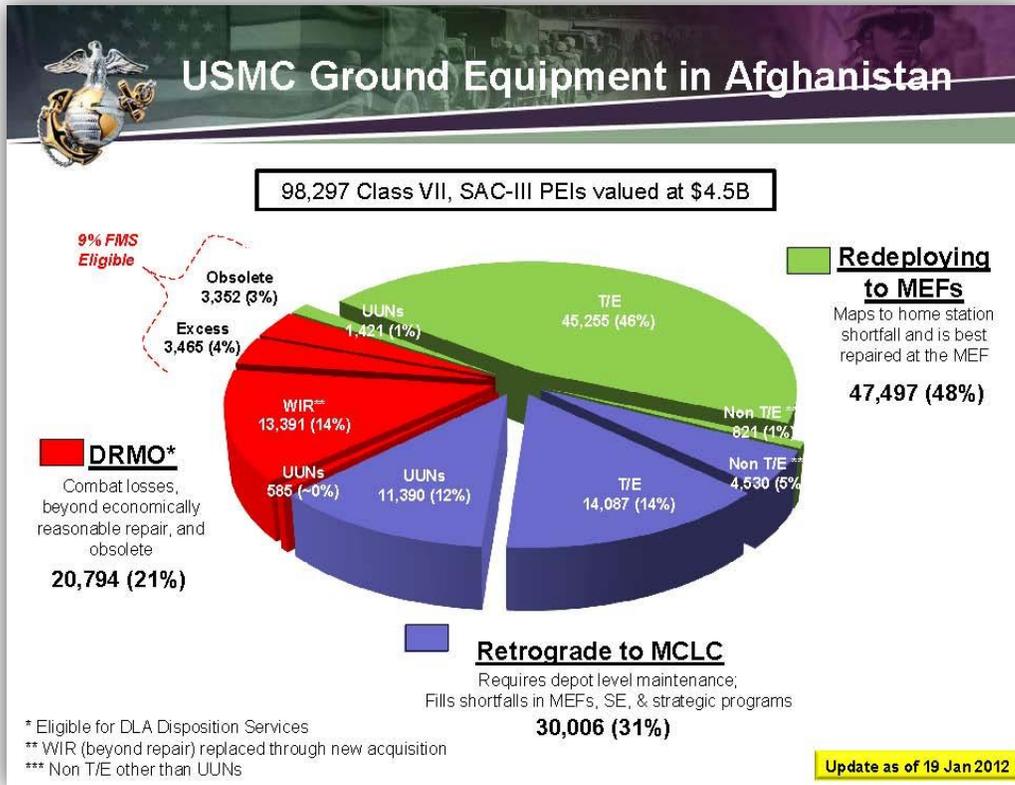


Figure 2

Our commanders in Afghanistan have commenced the Herculean task of retrograding the equipment, supplies, repair parts and ammunition currently not needed for combat. A component of our reset strategy is to repair items as far forward as possible using organic and joint capabilities so we can effectively vector equipment to our depots and home stations without incurring redundant transportation costs. We have already started to receive some equipment from Afghanistan at our depots, and while only a limited quantity of items, we are positioned for the larger retrograde of equipment when the decision is made.

We have been working diligently and continuously to refine the reset costs of the Marine Corps. We currently estimate the ground equipment reset liability at \$3.2 billion.

Our forecasted requirement is primarily based on replacement of combat losses, the repair of items to serviceable condition, and the extension in service life of selected items where authorized. This approach maximizes the Marine Corps depot capacity to enhance our ground equipment readiness. Our progress in executing our Reset Strategy will be supported by a plan that measures:

- Rate of return of ground equipment from theater
- Transportation costs incurred by the Marine Corps
- Time to complete repairs
- Execution of reset dollars
- Impact to readiness at home stations

Congress has been supportive in meeting the Marine Corps' operational reset needs, and we ask for your continued support as we drawdown from Afghanistan. Based on current planning estimates, we anticipate the bulk of that execution to occur at our depots in the next two to three years. Consideration must be given to the unique challenges of moving equipment out of Afghanistan as that will extend reset actions in the continental United States.

Marine Corps Maintenance Depots: A Force Multiplier

Acknowledging fiscal realities, our Commandant, with the Secretary of the Navy's approval, directed us to consolidate the Marine Corps Depots under one command with two operating plant locations. Consolidating our depots under a single commander is the right balance between fiscal efficiency and meeting the unique requirements of the Marine Corps. This initiative will reduce costs, standardize processes between industrial plants and increase efficiency.

Marine Corps depots at Barstow, California and Albany, George are critical to the success of our reset execution. The Marine Corps Logistics Command operates our depot system and is assigned as the Executive Agent for our reset strategy actions. They currently have a forward capability in Afghanistan providing the front end actions needed, including triage of equipment to assess the condition of each principal end item and recommending optimal repair location.

Summary

As highlighted in previous testimony, we have accepted risk at our home stations to sustain our first priority – the Marines in harm’s way. We are confident that our reset strategy, using an enterprise perspective, addresses the objective of getting back to appropriate readiness postures throughout the Marine Corps at a manageable cost.

The Marine Corps will continue to provide the best trained, best equipped Marines to meet the demands of the current fight in Afghanistan, as well as any potential crises that may emerge globally. Grounded in lessons learned from Iraq, our reset strategy allows for the unique challenges of the retrograde of equipment out of Afghanistan. The continued support of Congress will ensure the Marine Corps remains America’s Expeditionary Force in Readiness. On behalf of all of our Marines, Sailors and their families and our Commandant, I thank you for your continued support.