

**NOT FOR PUBLICATION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

STATEMENT OF

LIEUTENANT GENERAL EMERSON GARDNER

**DEPUTY COMMANDANT OF THE MARINE CORPS
(PROGRAMS AND RESOURCES)**

UNITED STATES MARINE CORPS

BEFORE THE

**SUBCOMMITTEE ON READINESS
AND THE
SUBCOMMITTEE ON TACTICAL AIR AND LAND FORCES**

OF THE

**COMMITTEE ON ARMED SERVICES
U.S. HOUSE OF REPRESENTATIVES**

CONCERNING

REQUIREMENTS TO RESET THE FORCE

ON

March 30, 2006

**NOT FOR PUBLICATION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

Introduction

Chairmen, Ranking Members, distinguished Members of the Subcommittees; it is my privilege to report to you on the future requirements to reset the Marine Corps.

Marines continue to demonstrate that we are an expeditionary force in readiness – Most Ready When the Nation is Least Ready. Your continued support makes this possible. Maintaining our readiness while modernizing and transforming to meet future challenges is critical to ensuring that the Marine Corps continues to provide the Nation with the critical capabilities needed to prosecute this war and any future conflict that follows. On behalf of all Marines and their families, I thank you for your sustained and indispensable support during these challenging times.

Impact of Current Operations on Readiness

Extended operations in Iraq and Afghanistan have placed extraordinary demands on our Marines and their equipment. Your support has ensured that our near-term readiness remains strong, even while current demand on the force is high. The entire Marine Corps is supporting the Global War on Terror, and no forces have been fenced. In the past three years, our pre-GWOT deployment rotation of just over one-to-three (~6 months deployed / ~18 months home) has increased to our current ratio of just above one-to-one (~7 months deployed / ~7 months home). Thirty-four percent of the available Marine operating forces and twenty-three percent of the total active force are currently deployed. The impact is felt primarily in our infantry battalions, rotary-wing aviation squadrons, and certain high demand capabilities. In general, Marine operating forces are either deployed, recently returned from deployment or are preparing to deploy.

Ground Equipment. We have focused on equipment readiness in theater and the results have been outstanding. Mission capable rates of our deployed forces' ground equipment average over 95 percent. We have achieved this rate through a combination of organic maintenance capabilities, contractor support, and by leveraging Army ground depot maintenance capability. We have rotated principal end items where that makes sense and have minimized the time that

engaged units are without equipment while in maintenance by means of an established pool of ground equipment (Forward In-Stores), which expedites the replacement of damaged major end items.

We have challenges however. More than 3,434 principal end items of ground equipment have been destroyed. Ground equipment usage in the Global War on Terror averages from four to nine times the normal peacetime usage hours/miles (see page 6 for additional details). These high usage rates in a harsh operating environment, coupled with the added weight of armor and unavoidable delays of scheduled maintenance due to operational tempo, are degrading our equipment at an accelerated rate. Maintaining readiness “at the front” coupled with higher than programmed equipment density requirements of GWOT forces has required “borrowing” equipment from prepositioned stocks and home station. Ground equipment mission capable rates for non-deployed units average 85 percent. Sustainment of high readiness rates in theater and improvement of those rates at home are dependent on the delivery of replacement equipment identified in our reset the force estimate.

Aviation Equipment: Our aircraft are operating at much higher levels of usage than programmed peacetime rates. As an example, our venerable 40 year old CH-46 assault support helicopter has been averaging 200 percent of its peacetime usage. Our maintenance personnel are working hard to sustain our aging aircraft fleet despite the higher utilization rates. Aviation equipment mission capable rates of our deployed forces have averaged 82 percent over the past 12 months. The corresponding aviation mission capable rates for our units in garrison, who have either just returned from deployment or are preparing to deploy again, have averaged 65 percent over the past 12 months. In order to improve our readiness rate in theater, we are creating a limited aircraft depot maintenance capability in theater. Maintaining the readiness of our aviation assets presents a considerable challenge and constant demand for maintenance.

We have lost a total of 27 aircraft in support of OIF/OEF/HOA operations. Until this year, we have not had a “hot” manufacturing line from which to replace these losses because we are in the midst of recapitalizing our legacy fleet. Due to the lack of an active production line for our CH-46, H-1, CH-53 platforms, we have been managing these assets on the backs of our

Marines, until the next generation of replacement aircraft becomes available. However, with the approval this year by the Defense Acquisition Board for full production of the MV-22, we now have an active production line for the CH-46 replacement. We also request funding in the FY06 Supplemental to take two CH-53E aircraft out of desert storage and refurbish them to replace aircraft destroyed during operations in support of the Global War on Terror. As the next generation of replacement aircraft completes operational evaluations and moves from low rate to full rate production, there may be additional opportunities to reduce operational risk.

Prepositioning Programs

While we have placed the highest priority on sustaining the readiness of our forward deployed forces, the equipment readiness of our strategic prepositioning programs has been degraded. Equipment from the Marine Corps' two prepositioning programs (the Maritime Prepositioning Force and Marine Cope Prepositioning Program – Norway) has been employed in support of the Global War on Terror.

Maritime Prepositioning Ships Squadrons 1 and 3 remain fenced as a strategic response capability and are fully mission capable with over 98 percent of all capabilities and supplies attained. However, the majority of Maritime Prepositioning Ships Squadron 2's equipment was downloaded in support of OIF II. This squadron will complete its initial reconstitution in April 2006, but will only be partially mission capable due to reduced attainment of USMC ground equipment. Within Maritime Prepositioning Ships Squadron 2 the average attainment for Principal End Items is 60 percent while other capabilities and classes of supply are being reconstituted to 98 percent or higher. We intend to complete reconstitution of Maritime Prepositioning Ships Squadron 2 during its scheduled maintenance period of February 2008 through February 2009.

We utilized our Marine Prepositioning Program-Norway to reconstitute Maritime Prepositioning Ships Squadron 1 and round out the capability of Maritime Prepositioning Ships Squadron 2 prior to its download in support of OIF II. As a result, our Norway program has been reduced to approximately 32 percent of its readiness reportable ground equipment. Funding to fully restore those stocks is reflected in the FY 2006 Supplemental funding request before the

Congress. We believe we can reconstitute this program by FY 2010, depending upon equipment delivery schedules and operational commitments.

Other Strategic Material

Our in-stores equipment stocks managed by Marine Corps Logistics Command have also been depleted due to continuing use in support of OIF/OEF rotations. In-stores material is critical to the readiness of our operating forces and particularly important to ensure the readiness of our Reserve component.

Demands on the Force

Operations Iraqi Freedom and Enduring Freedom have placed severe demands on the ground and aviation equipment supporting Marine Air Ground Task Force (MAGTF) operations. Specific factors leading to the high demands placed on our equipment include the following:

-- The Marine Corps is executing a number of operational missions, including Stability and Support Operations, Counter-Insurgency, Area and Point Defense, Civil Military Operations, and Foreign Military Training, which require additional equipment over the levels programmed for expeditionary warfare requirements. In the spring of 2005, in recognition of those new mission requirements, MARCENT revised the Equipment Density List by increasing the quantity of equipment that Marine units deploying into the Area of Operations must have.

-- Approximately 27-31 percent of all Marine Corps ground equipment, 50-55 percent of communications equipment, and 21 percent of aircraft assets are being used in OIF/OEF/HOA (compared to approximately 13 percent of active Marine forces deployed in support of those combat operations).

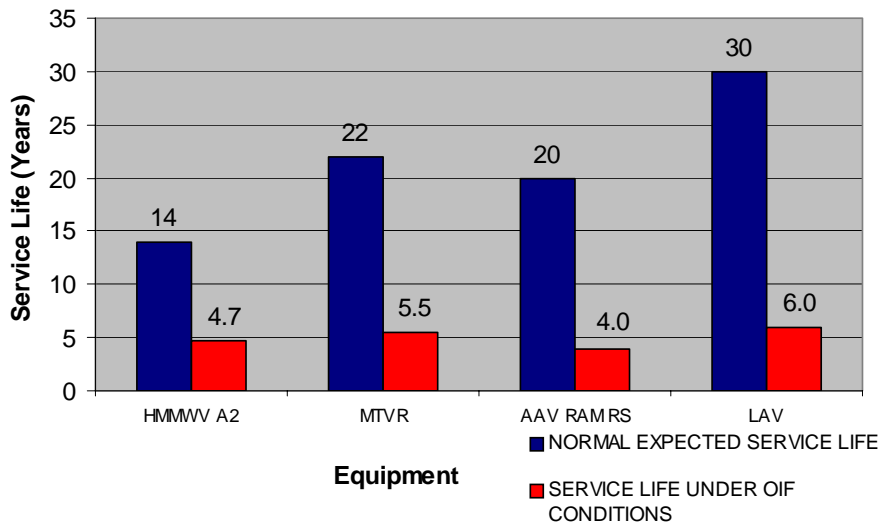
-- The Marine Corps is operating in western Iraq (Al Anbar province), which constitutes over 28,000 square miles (roughly equivalent to the area of the state of Utah). Operations across such a wide area necessitate additional convoys/vehicles, communications connectivity and crew served weapons over the standard unit equipment density list.

-- Much of this equipment does not rotate out of theater with each force rotation; and is being used on a near continuous basis at operating tempos that far exceed normal peacetime use. To equip this warfighting requirement, the Marine Corps forces deployed with equipment that

was retained in theater upon force rotation, and employed assets taken from the Maritime Prepositioning Ships Squadron – 2 (MPSRON-2), the Marine Corps Prepositioning Program – Norway (NCPN-N), and Marine Corps Logistics Command In-Stores Ready-for-Issue equipment. This was first reported last year when I MEF returned from Iraq to a degraded readiness level due primarily to leaving so much of its equipment (particularly communications gear) behind for II MEF to fall in on.

-- The Inspector General of the Marine Corps conducted an in-theater review of the material condition of equipment in Iraq in early 2005, which identified the much higher than forecast use of equipment and the attendant consequences for which replacement procurement/repair needs to be addressed. The levels of useful life expenditure for both ground and aviation equipment exceeded those forecast in our original FY 2004 Demand on Equipment evaluation, and the primary impacts are displayed on chart A-1 below.

Current Optempo Reduces Equipment Service Life

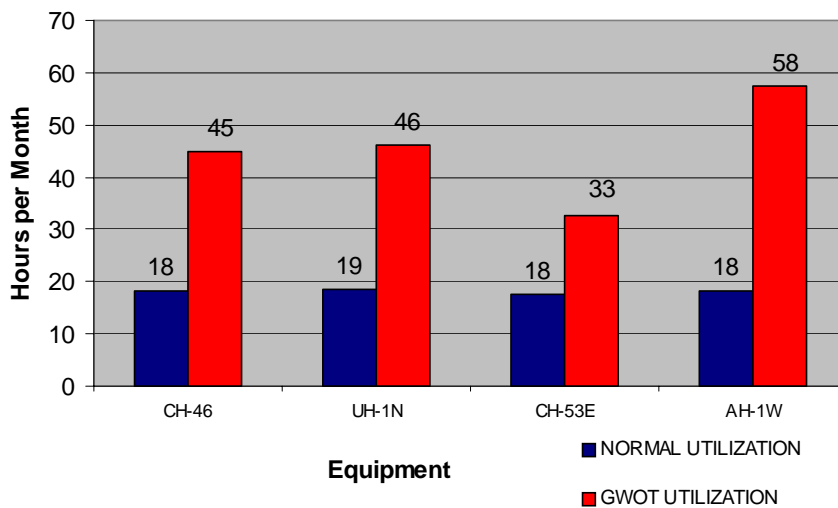


A-1

-- Resetting the Marine Aviation force means not only replacing damaged/destroyed aircraft but also getting *better* aircraft in the field *sooner*. Recent operations in support of GWOT have highlighted the limitations of Marine Aviation legacy platforms, which operate in the harsh environments of OIF and OEF. Reduced CH-46E performance results in a situation where available aircraft deployed to GWOT are flying at 200% of their planned utilization rate in order

to successfully accomplish the mission, as chart A-2 below displays. Each time the UH-1N flies it is at/near max gross weight, as the temperatures rise, missions this aircraft is optimized for such as convoy escort will be curtailed during the day due to loss of any power margin; we need a more capable platform to do this job. The operational capability enhancements afforded by the MV-22, H-1Y/Z, KC-130J and the CH53K are needed to enhance our effectiveness in the *current* fight.

Aviation Equipment Utilization Rates



A-2

Resetting the Force Costs

At the request of the Chairman Hunter in February 2005 to provide an estimate of: “What it would take to completely reset the Marine Corps;” we completed a thorough analysis last summer. Using October 1, 2005 as a cut off date, we assessed what would be required to “reset the force”, i.e., restore the entire Marine Corps to the readiness it enjoyed before Operations Iraqi Freedom and Enduring Freedom. We took a comprehensive approach that accounted not only for the material condition of equipment in use in the theater of operations, but also the impact on our prepositioning programs, borrowing from home stations, CONUS-based forces, and the requirement to support Iraqi Training Teams. The reset costs are the resources required to reset the force as of October 1, 2005 over and above incremental costs of fuel, personnel, ammunition, spares and attrition losses. The analysis was a comprehensive assessment of the impact of

GWOT operations on the entire Marine Corps inventory--in terms of both the equipment deployed in support of GWOT operations and the corresponding impact of that deployment on our prepositioning programs and CONUS-based inventory.

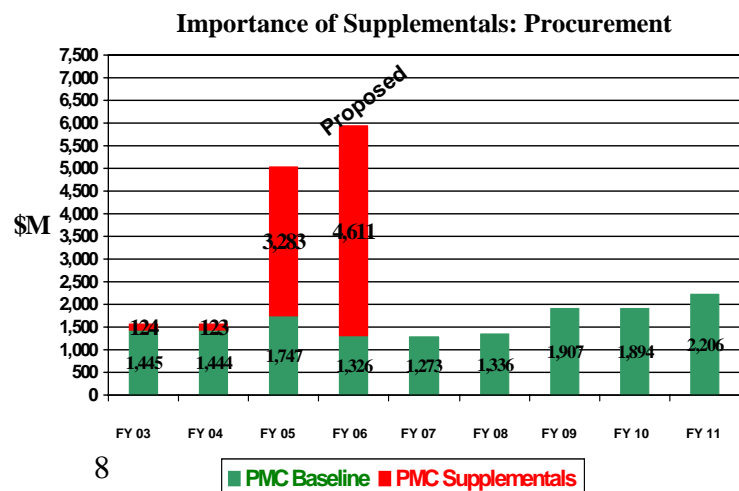
The Marine Corps reset estimate does not reflect all GWOT equipment-related costs. Such items as future attrition losses, spares replenishment and other ongoing sustainment, which are dependent upon force levels in theater and operating tempo, are inherently difficult to forecast with any accuracy beyond one year and those costs have been categorized as costs of war that will continue to be incurred as long as Marines are deployed in support of OIF/OEF. By separately calculating reset costs required to restore warfighting capability using well-defined business rules/criteria, those costs can be addressed independent of recurring annual costs.

We continue to support DoD in developing a total reset cost estimate for the force, following the reduction in current operational tempo. We would not expect to execute the entire reset amount in one year due to industrial base limitations. When completely executed the readiness “bathtub” resulting from much higher wartime equipment utilization will be filled based on the deficits identified on October 1, 2005. We have defined funding of replacement equipment after that date as “costs of war.”

Resourcing “Reset the Force”

The Fiscal Year 2006 Title IX Bridge Supplemental provided the Marine Corps with \$4.4 billion: \$2.8 billion for cost of war and \$1.6 billion to reset the force. The current Supplemental request before the Congress is for \$6.0 billion: \$2.5 billion for cost of war and \$3.5 billion to reset the force. The remaining amount to reset the force will be addressed in the FY 2007 Bridge or subsequent Supplemental requests.

Supplemental funding is absolutely essential to address this requirement. As an example, our annual Procurement, Marine Corps (PMC) baseline budget averages



approximately \$1.3-\$1.5 billion. If PMC were required to absorb the cost to reset within the current annual resource profile, it would effectively create a pause to all modernization and replacement programs for at least five years (see figure A-3).

We have rigorously assessed our ability to contract for and obligate our Supplemental funding requests and have done well in this area. To date we have obligated over 94 percent of the FY 2005 Bridge and 85 percent of the FY 2005 Supplemental funds, which we received just 9 months ago. We have obligated or committed over forty percent of the FY 2006 Bridge Supplemental funds we received on December 27, 2005, and anticipate 85-90 percent obligations by May 2006. We are executing a prudent approach in our requests and are convinced that we can fully execute all fund requests now before the Congress with margin to spare. Continuing Congressional support for our future Supplemental funding requests is vital to address the totality of our requirement. Resetting the force requires timely resourcing if the Marine Corps is to remain the Nation's premier force in readiness.

Modernization and Transformation

As we look into the future, the requirements for Naval forces to maintain presence, engage allies and potential coalition partners, build understanding and operational relationships, relentlessly pursue terrorist organizations, and project sustainable forces ashore for a wide variety of operations will increase. While we continue to focus our efforts on sustaining the current requirements for the Global War on Terror, we must not sacrifice our modernization and transformation initiatives in the process. Our modernization and transformation accounts cannot bear the unfunded costs associated with sustaining the Global War on Terror, which is why the Administration is requesting funds in the Fiscal Year 2006 Supplemental to continue addressing the resetting of our forces. Our modernization and transformation initiatives must plan for the procurement of replacement equipment that will enable our Corps to be ready for future conflicts and contingencies.

Conclusion

The readiness of our Corps remains dependant on our ability to continue to attract and enlist young men and women dedicated to the preservation of freedom and to the service of our great Nation. We cannot take them or their families for granted. With the support of the American people, we continue to access and retain the highest quality and proper numbers of

Marines for our Corps. We must continue to inspire, train, and equip them for success. Our Fiscal Year 2007 budget and our Fiscal Year 2006 Supplemental request work together to address our essential operational and maintenance requirements that sustain our readiness, while providing opportunity for investment in the resetting and continued modernization of our Corps. On behalf of all Marines and their families we deeply appreciate the unwavering support of the Congress in the readiness and resetting of the Marine Corps.