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2012 REPORT TO
THE SENATE SUBCOMMITTEE ON DEFENSE
COMMITTEE ON APPROPRIATIONS
ON
THE POSTURE OF THE UNITED STATES MARINE CORPS
MARCH 7, 2012

Not public until released by the
Senate Appropriations Committee
Subcommittee on Defense

The Indomitable Spirit of the U.S. Marine

Your Marines are Ready Today: We remain a Nation at war. Currently, nearly 20,000 Marines are conducting combat operations in Afghanistan. Operation ENDURING FREEDOM (OEF) remains our top priority. Having recently returned from visiting Marines and Sailors currently deployed throughout Central Command, I am pleased to report their professionalism and morale remains notably strong. *Whether patrolling in Afghanistan or planning at the Pentagon, serving on Navy amphibious warships or engaging our partners around the world, the indomitable spirit of our greatest asset—the individual Marine—stands ready: ready to safeguard our Nation’s liberty, to ensure freedom of the seas and to protect our Nation’s interests abroad. With your assistance, we will continue to resource this National Treasure...the U.S. Marine.*

2011 Operational Highlights: During the past year, Marines have conducted counterinsurgency operations in Afghanistan, and have responded to a rapid succession of unpredicted political upheavals, natural disasters, social unrest, piracy and emerging threats in various unstable areas of the world’s littoral regions.

- ***Operation ENDURING FREEDOM:*** *We are seeing measurable progress along all lines of operation in the Helmand Province: security, reintegration, rule of law, governance, development, education and health.* Over the past year, violence and the level of collateral damage have decreased significantly. Throughout 2012, Marines in Regional Command-Southwest [RC(SW)] will continue transitioning to partnership training missions as we transfer even greater security responsibility to the maturing Afghan National Security Forces; police and army forces in Helmand province have progressed in training and capability. There is a strong sense of optimism among our forces in Helmand.
- ***Operation TOMODACHI:*** Following a devastating earthquake and tsunami in Japan last spring, 3,600 Marines and Sailors from our amphibious forces in the Pacific responded within 24 hours notice. They served as the lead element of the Joint Force, delivered humanitarian aid (i.e. 500 tons of food and supplies; 2,150,000 gallons of water; and 51,000 gallons of fuel), rescued those in danger, provided consequence management and facilitated the evacuation of almost 8,000 American citizens. For weeks following this disaster, Marine aircrews flew through a radioactive environment to save lives, deliver aid and assist the afflicted.
- ***Operation UNIFIED PROTECTOR/ODYSSEY DAWN:*** Amidst a wave of civil turmoil spreading across Northern Africa, two amphibious warships with embarked Marines sped to the Mediterranean, and took up station off the coast of Libya. The 26th Marine Expeditionary Unit (MEU), an air-ground-logistics task force, provided our Nation’s leaders invaluable decision time that allowed the determination of a way ahead and later integration with the Joint Force with the North Atlantic Treaty Organization to enforce a no-fly zone. *Marine Aviation assets were an important component of the Joint Force. Short Take-Off and Vertical Landing (STOVL) Harriers, operating from USS Kearsarge, conducted the first precision airstrikes and provided airborne command and control. Our KC-130Js evacuated non-combatant*

*foreign nationals repatriating them to their homeland, and our MV-22B Ospreys rescued a downed American aviator using unprecedented operational reach.*¹

- ***Security Cooperation:*** *In 2011, we supported all six Geographic Combatant Commands with task-organized forces of Marines who conducted hundreds of security cooperation (SC) activities with the armed forces of more than 75 countries. Aligned with Defense Strategic Guidance to “develop innovative, low-cost, and small-footprint approaches to achieve our security objectives, relying on exercises, rotational presence and advisory capabilities,” our SC missions focus on internal defense and participation in coalition operations.*²
- ***Embassy Reinforcement:*** *We continue providing security for 154 U.S. Embassies and consulates in 137 countries around the world through the Marine Corps Embassy Security Group. To augment this mission, Marines from our Fleet Anti-Terrorism Security Teams rapidly deployed to reinforce embassies. This past year they deployed to protect American lives and property in Bahrain, Egypt and Yemen as crisis events unfolded across the Middle East.*

The New Strategic Guidance; How Your Marine Corps is Changing: *New strategic guidance issued by the President and the Secretary of Defense provides the framework by which the Marine Corps will balance the demands of the future security environment with the realities of our current budget. The guidance calls for a future force that will “remain capable across the spectrum of missions, fully prepared to deter and defeat aggression and to defend the homeland and our allies in a complex security environment.”*³

We have built a quality force that is fully capable of executing its assigned missions. Our strategic guidance rightfully focuses our attention on the Pacific and Central Command regions. Navy-Marine Corps forward basing, response capabilities and plans are already positioned to support that strategy, yet we will remain vigilant and capable to respond on short notice in other areas of the world as the Nation requires. Marines continually stand ready to contribute decisively to a joint force, and can help provide access for that force wherever needed.

Though the fiscal choices made over the past year were difficult, we are confident that we are managing risk by balancing capacity and capabilities across our forces while maintaining the high levels of readiness for which the Nation relies on its Marines. The Corps of today and tomorrow will maintain its high standards of training, education, leadership and discipline, while contributing vital capabilities to the Joint Force across the spectrum of military operations. The emerging strategy revalidates our role as America’s Expeditionary Force in Readiness. Our partnership with the Navy enables a forward-deployed and engaged force that shapes, deters, responds and projects power well into the future.

¹ The MV-22B Osprey rescue of an American combat aviator on March 22, 2011 was conducted within 95 minutes over a distance of 300 nautical miles (from launch aboard amphibious shipping to recovery of pilot and then back to shipping).

² *Sustaining U.S. Global Leadership: Priorities for 21st Century Defense* January 2012 pg 3.

³ *Sustaining U.S. Global Leadership: Priorities for 21st Century Defense* Fact Sheet January 5, 2012 pg 2.

During our force structure assessment, we cross-checked recommendations against approved DoD Operations and Contingency Plans, and incorporated lessons learned from 10 years of combat. The resulting force structure decisions to support the new strategy are:

- Reduced the end strength of the active component of the Marine Corps from 202,100 beginning this fiscal year to 182,100 by the end of FY16.
- Designed a force with capabilities optimized for forward-presence, engagement and rapid crisis response.
- Funded readiness levels required for immediate deployment and crisis response.
- Properly re-shaped organizations, capabilities and capacities to increase aggregate utility and flexibility across the range of military operations; also enhancing support provided to U.S. Special Operations and Cyber Commands.
- Properly balanced critical capabilities and enablers across our air-ground-logistics task forces, ensuring that identified low density/ high demand assets became right density/ high demand assets.
- Incorporated the lessons learned from 10 years of war—in particular, the requirements to field a force that is manned, trained and equipped to conduct distributed operations.
- Created an operational reserve component capability without any reductions in reserve force structure.
- Designed the force for more closely integrated operations with our Navy, special operations and inter-agency partners.

Throughout this period of adjustment, we will “keep faith with our Marines, Sailors and their families.” Our approach to caring for them is based on our recognition and appreciation for their unwavering loyalty and unfailing service through a decade of combat operations. This strong commitment will not change.

Maintaining a High State of Readiness: The Navy and Marine Corps Team is the Nation’s resource for mitigating risk. *Given likely future operations set forth in the Defense Strategic Guidance ranging from defeating rogue actors to responding to natural disasters, the Nation can afford and should invest in the small premium it pays for high readiness levels within its naval amphibious forces. Because our Nation cannot afford to hold the entire Joint Force at such high rates of readiness, it has historically ensured that Marines remain ready; and has used us often to plug gaps, buy time for decision makers, ensure access or respond when and where needed.*

In order for the Marine Corps to achieve institutional readiness for crisis and contingency response, we must maintain balance in the following five pillars:

- **High Quality People (*Recruiting and retaining high quality people plays a key role in maintaining our high state of readiness*):** Recruiting quality youth ultimately translates into higher performance, reduced attrition, increased retention and improved readiness for the operating forces. By retaining the highest quality people,

the Marine Corps will continue to achieve success in today's dynamic environment and meet the challenges posed to our Nation. We will not lower our standards.

- **Unit Readiness (*Maintaining readiness of the operating forces, including appropriate operations and maintenance funding to train to core missions and maintain equipment*):** The Marine Corps deploys units at high levels of readiness for assigned missions. We source our best trained, most ready forces to meet Geographic Combatant Commander requirements. One hundred percent of deployed units report the highest levels of readiness for their assigned mission. We will be ready to deploy on a moment's notice.
- **Capacity versus Requirements (*Force-sizing to meet Geographic Combatant Commander requirements with the right mix of capacity and capability*):** The Marine Corps must maintain a force that meets our ongoing operational requirements to include our commitment to OEF, our rotational presence abroad, our many security cooperation and engagement activities, along with anticipated missions as we reorient to the Pacific.
- **Infrastructure Sustainment (*Investing in real property, maintenance and infrastructure*):** We must adequately resource the sustainment of our bases and stations to maintain our physical infrastructure and the means to train and deploy our forces. As resources become more constrained, we will become even better stewards of our installations to maintain our facilities for the next generation of Marines.
- **Equipment Modernization (*Ensuring ground and aviation equipment matches the needs of the emerging security environment*):** As we explore options to adjust to changing fiscal realities, there is a clear imperative for our Corps to reset portions of our legacy equipment used in OEF and Operation IRAQI FREEDOM while we modernize what we must to guarantee our dominance and relevance against future threats.

FY13 Budget Highlights

The Frugal Force: The Marine Corps is fully aware of the fiscal challenges facing our Nation and has critically examined and streamlined our force needs for the future. We continually strive to be good stewards of the public trust by maintaining the very best financial management practices. The Marine Corps has undergone an independent audit in FY10, and our FY11 audit is still ongoing. We plan to pursue an independent audit again for FY12, and fully expect an audit opinion for FY11 and FY12. To date, we are the only service to undertake such independent scrutiny. By the end of 2012, we will complete initial service wide implementation of our Enterprise Resource Planning System–Global Combat Support System–Marine Corps (GCSS-MC). GCSS-MC will significantly improve our inventory accountability and contribute to clean audit requirements. We are proud of our reputation for frugality, and remain one of the best values for the defense dollar.

We have four major accounts governing our operations: Investment, Operations & Maintenance, MILCON & Family Housing and Manpower. These are our priorities:

- **Investment**
 - Enhancing programs vital to our ground combat elements
 - Light Armored Vehicles (LAV), High Mobility Artillery Rocket System (HIMARS), Small Tactical Unmanned Aerial System (STUAS)
 - Maintaining the same investment levels in other enabling programs
 - Ground Aviation Task Oriented Radar (G/ATOR), Next Generation Enterprise Network (NGEN), Command and Control Situational Awareness (C2/SA)
 - Fully funding critical research and development efforts
 - Joint Light Tactical Vehicle (JLTV), Amphibious Combat Vehicle (ACV)
 - Sustaining other ground and tactical vehicles until their replacements can be procured
 - High Mobility Multi-Purpose Wheeled Vehicle (HMMWV) and Amphibious Assault Vehicle (AAV)
 - Procuring full programs of record critical to aviation modernization
 - F-35B, H-1 Upgrades, MV-22B, KC-130J, CH-53K

- **Operations & Maintenance**
 - Fully funding our education, training and readiness accounts
 - Resourcing civilian work force at FY10 end-of-year levels
 - Enhancing support of Marine Special Operations Command (MARSOC) and Marine Forces Cyber Command (MARFORCYBER)
 - Providing continued support to family readiness and Wounded Warrior programs
 - Supporting transition from the Navy Marine Corps Intranet to NGEN
 - Maintaining energy mandates

- **Military Construction and Family Housing**
 - Maintaining facility sustainment at 90 percent of required funding
 - Increasing facilities demolition funds
 - Preserving essential MILCON funding
 - Aviation: Joint Strike Fighter, MV-22B Osprey
 - Ground: Marine Corps Security Forces, Marine Corps University
 - Preserving environmental restoration funding, family housing operations & construction

- **Manpower**
 - Reducing end strength from 202,100 Marines to 182,100 Marines by the end of FY16 in a responsible and measured way to keep faith with all who have served
 - Realigning force structure across the entire Marine Corps
 - Maintaining our Reserve Component at 39,600 Marines

During these times of constrained resources, we remain committed to refining operations, identifying efficiencies, and reinvesting savings to conserve scarce public funds. We have met

or exceeded all DoD efficiency measures to date. *This fiscal year, we are seeking \$30.8 billion (\$23.9 billion baseline + \$6.9 billion Overseas Contingency Operations) to fund our operations, provide quality resources for our Marines, Sailors and their families, conduct reset of equipment worn from more than 10 years at war and posture our forces for the future. Marines account for only 8.2 percent⁴ of the total Department of Defense (DoD) budget. With that, our Nation gains the ability to respond to unexpected crises, from humanitarian assistance and disaster relief efforts to non combatant evacuation operations, to counter-piracy operations, to full-scale combat. When the Nation pays the “sticker price” for its Marines, it buys the ability to remain forward deployed and forward engaged, to reinforce alliances and build partner capacity.*

The Role of Marines in the Future Security Environment

The Future Security Environment: The rapidly evolving events of the past year alone indicate a new constant. *Competition for resources; natural disasters; social unrest; hostile cyber activity, violent extremism (criminal, terrorist, religious); regional conflict; proliferation of weapons of mass destruction and advanced weaponry in the hands of the irresponsible are becoming all too common.* Marine Corps intelligence estimates rightfully point out that “more than half of the world’s population lives in fragile states, vulnerable to ruinous economic, ideological, and environmental stresses. In these unstable regions, ever-present local instability and crises will erupt, prompting U.S. responses in the form of humanitarian assistance and disaster relief operations, actions to curtail piracy, stability operations and the rescue and evacuation of U.S. citizens and diplomats.”⁵ These and other sources of stress are challenging industrialized nations just as they do emerging and failed ones. Further increased fragility of the global systems impacts both international markets and our Nation’s economic stability. *These challenges are harbingers of potential crisis around the world, and more specifically for naval forces in the littoral regions.*

History has shown that crises usually come with little or no warning; stemming from the same conditions of uncertainty, complexity and chaos we observe across the world today. Regardless of the financial pressures placed on governments and markets *today*, crises requiring military intervention undoubtedly will continue *tomorrow*. In this environment, physical presence and readiness matter significantly. Since the 1990’s, America has been reducing its foreign basing and presence, bringing forces back home. This trend is not likely to change in the face of the strategic and budget realities we currently face. There remains an enduring requirement to balance *presence* with *cost*. In the past, the Nation has chosen to depend on the Navy and Marine Corps to provide a lean and economical force of an expeditionary nature, operating forward and in close proximity to potential trouble spots. Investing in naval forces that can respond to a wide range of crisis situations, creates options and decision space for our Nation’s leaders, and protects our citizens and interests is a prudent measure in today’s world.

The Navy & Marine Corps Team: *Partnered with the United States Navy in a state of persistent forward presence aboard amphibious warships, your United States Navy and Marine Corps Team remains the most economical, agile and ready force immediately available to deter aggression and respond to crises.* Such a flexible and multi-capable force that maintains high

⁴ This percentage is based on the enacted FY-12 Defense budget authorization and is slightly larger than the 7.8 percent sum cited in the past. This percentage includes \$3 billion in FY-12 funding for amphibious warship new construction as well as Navy funding for chaplains, medical personnel, amphibious warships (operations and maintenance) and Marine Corps aircraft.

⁵ *Five Year Forecast: 2012-2017 Assessment of International Challenges and Opportunities That May Affect Marine Expeditionary Forces* January 2012, pg 1.

readiness levels can mitigate risk, satisfy the standing strategic need for crisis response and, when necessary, spearhead entry and access for the Joint Force. More than 60 years ago and arising out of the lessons learned from the Korean War, the 82nd Congress envisioned the need for a force that “is highly mobile, always at a high state of combat readiness...in a position to hold a full-scale aggression at bay while the American Nation mobilizes its vast defense machinery.”⁶ This statement continues to describe your Navy and Marine Corps Team today. It is these qualities that allow your Marine Corps to protect our Nation’s interests, reassure our allies and demonstrate America’s resolve.

Reorienting to the Pacific: *As our security strategy looks increasingly toward the Pacific, forward deployed naval forces will become increasingly vital.* The “geographic realities” of the Pacific theater demand naval responsiveness. The genesis of the amphibious and power projection capabilities of the Navy and Marine Corps traces back more than 70 years to operations in the Pacific—where today key terrain and strategic chokepoints are separated by large expanses of ocean. The Pacific theater is where 30 percent of the world’s population and the same percentage of our primary trading partners reside; where five major defense treaties are focused;⁷ where 50 percent of the world’s megacities are situated; and where natural disasters over the past decade have required the greatest attention from the international community.⁸ The geography of the Pacific has not changed, though our tactics and operations continually evolve with the changing character and lethality of modern warfare. Approximately 24,000 Marines already in the Pacific conduct an ambitious, annual training cycle of more than 80 exercises, engagements and initiatives, in addition to the crises we respond to such as Operation TOMODACHI in Japan last year.

Forward presence involves a combination of land and sea-based naval forces. Our enduring bases and presence have served U.S. National Security interests well for decades. Our rotational presence in locations such as Japan, Korea, Australia, the Philippines, Thailand and Singapore reassures our allies and partners. *Sea-basing, the act of using amphibious warships with support from maritime prepositioned ships with various types of connectors, is uniquely suited to provide the Geographic Combatant Commander with the flexibility to deploy forces anywhere in the Pacific region without having to rely on multiple bases ashore or imposing our presence on a sovereign nation.* Sea-basing enables forward deployed presence at an affordable cost. Forward-deployed naval forces serve as a deterrent and provide a flexible, agile response capability for crises or contingencies. Maritime prepositioning offers the ability to rapidly support and sustain Marine forces in the Pacific during training, exercises, or emerging crises, and delivers the full range of logistical support those forces require.

A Middleweight Force from the Sea: *As a “middleweight force,” Marines do not seek to supplant any Service or “own” any domain.* Rather, Marine forces operate in a “lane” that passes through *all* domains—land, sea, air, space and cyber—operating capably and freely throughout the spectrum of threats, whether they be conventional, hybrid, irregular or the uncertain areas where they overlap. *Whereas other forces are optimized for a particular mission*

⁶ Committee Report accompanying S. 677 & H.R. 666 of 30 June 1951

⁷ Philippines-U.S. Mutual Defense Treaty (1951); Australia, New Zealand, U.S. (ANZUS) Treaty; U.S. Alliance with South Korea (1954); Thailand (Manila Pact of 1954); U.S. Japan Security Treaty (1960)

⁸According to the United Nations Economic and Social Commission for Asia and the Pacific, during the period 2001 to 2010 in the Asia-Pacific region over 200 million people per year were affected by natural disasters. This total amounts to 95 percent of the total people affected by natural disasters annually. Approximately 70,000 people per year were killed due to natural disasters (65 percent of the world’s total that died of such causes). An average of \$35 billion of economic damage occurred per year to the region due to natural disasters.

and domain, the Marine Corps is optimized for rapid deployment, versatile employment, and self-sustainment via Marine Air-Ground Task Forces (MAGTF), which are balanced, combined-arms formations under a single commander. All MAGTFs consist of four core elements: a Command Element, Ground Combat Element, Aviation Combat Element, and Logistics Combat Element. MAGTFs are scalable in size and capability.

Bridging a seam in our Nation’s defense between heavy conventional and special operations forces (SOF), the United States Marine Corps is light enough to arrive rapidly at the scene of a crisis, but heavy enough to carry the day and sustain itself upon arrival. *The Marine Corps is not designed to be a second land army.* That said, throughout the history of our Nation, its Marines have been called to support sustained operations from time to time. We are proud of our ability to contribute to land campaigns when required by leveraging and rapidly aggregating our capabilities and capacities. Primarily though, the Corps is a critical portion of our integrated naval forces and designed to project power ashore from the sea. This capability does not currently reside in any other Service; a capability that has been called upon time and again to deter aggression and to respond quickly to threatening situations with appropriate military action.

Marine Corps and SOF roles are complementary, not redundant. Special Forces contribute to the counter-insurgency and counter-terrorism demands of the Geographic Combatant Commanders in numerous and specialized ways, but they are not a substitute for conventional forces and they do not have a broader range of capabilities and sustainability. SOF lack the organic logistic capability and capacity to execute a non-combatant operation, serve as a “fire brigade” in a crisis or conduct combined amphibious and airborne assaults against a competent enemy. Middleweight naval forces, trained in combined arms warfare and knowledgeable in the art of maneuver warfare from the sea, are ideally trained and prepared for these types of operations.

The Littorals: The United States remains a maritime nation that relies heavily on the oceans and waterways of the world for the free exchange of ideas and trade. *The maritime commons are where 95 percent of the world’s commerce flows, where more than 42,000 commercial ships are under way daily, where most of the world’s digital information flows via undersea cables, and where half the world’s oil travels through seven strategic chokepoints.* To secure our way of life and ensure uninterrupted freedom of navigation, we must retain the ability to operate simultaneously and seamlessly while at sea, ashore, from the sea, in the air and, perhaps most importantly, where these domains converge—the littorals. These littoral areas exist not only in the Pacific, but throughout the world. Operating in the littoral environment demands the close integration of air, sea and land power. By using the sea as maneuver space, flexible naval forces can quickly respond to crises in the bordering environment of the littorals.

In the context of the new strategy, the Navy and Marine Corps Team is increasingly relevant in meeting the exigent military needs of our Nation. Together, we provide the capability for massing potent forces close to a foreign shore, while maintaining a diplomatically sensitive profile. Additionally, when necessary, we are able to project this power ashore across the range of military operations at a time of our Nation’s choosing. *Amphibious capabilities provide the means to conduct littoral maneuver — the ability to maneuver combat ready forces from the sea to the shore and inland in order to achieve a positional advantage over the enemy.* Working seamlessly as a single naval force, your Navy and Marine Corps Team provides the essential

elements of access and forcible entry capabilities that are necessary components of a joint campaign.

Engagement: In order to keep large crises from breaking out or spilling over to destabilize an entire region, 21st century security challenges also require expansion of global engagement with partner and allied nations—facilitated through persistent forward Naval presence—to promote collective approaches to common security concerns. Our engagement contributions in support of the Geographic Combatant Commanders minimize conditions for conflict and enable host nation forces to effectively address instability on their own as it occurs. They promote regional stability and the growth of democracy while also deterring regional aggression. History has shown that it is often far cheaper to prevent a conflict than to respond to one. *This thrust will necessitate amphibious forces that are not only fighters, but who can also serve as trainers, mentors and advisers to host nation military forces.*

Integration with the Joint Force: In our new defense strategy, the Marine Corps will fill a unique lane in the capability range of America’s armed forces. Whether *first-on-the scene, part of, or leading* a joint force, Marines instinctively understand the logic and synergy behind joint operations. Our ability to deploy rapidly and globally allows us to set the stage and enable the transition to follow-on Joint Forces in a timely manner. Our MAGTF structure—with organic logistics, aviation, intelligence, fires and other assets—enables us to seamlessly team with others and provides options for the Joint Force Commander to:

- Provide a visible deterrent to would-be threats, without requiring a vulnerable presence ashore at fixed bases or airfields;
- Swiftly respond to small-scale crises with a range of options beyond precision strike, potentially containing crises before they erupt into major contingencies;
- Partner with the Navy and United States Special Operations Command (SOCOM) to shape the operational environment;
- Use the sea as maneuver space, avoiding enemy strengths and striking his weaknesses;
- Directly seize or obtain operational objectives from the sea, without the requirement for large force build-ups or sustained presence ashore;
- Extend the operational reach of the Joint Force hundreds of miles inland to achieve effects from the sea through organic MAGTF assets; and
- Overcome anti-access and area denial threats in a single-naval battle approach through the use of landing forces aboard amphibious warships integrated with other capabilities to include mine counter-measures and naval surface fires.

Day-to-Day Crisis Response: *Engagement and crisis response are the most frequent reasons to employ our amphibious forces. The same capabilities and flexibility that allow an amphibious task force to deliver and support a landing force on a hostile shore enable it to support forward engagement and crisis response.* The Geographic Combatant Commanders have increased their demand for forward-postured amphibious forces capable of conducting security cooperation, regional deterrence and crisis response.

Marines have conducted amphibious operations and responded to crises throughout the world more than 100 times in the past two decades. The vast majority of our expeditionary service has

involved crisis response and limited contingency operations, usually conducted in periods when the Nation has otherwise been at peace. Some of these were relatively short-term rescue or raid expeditions, while others evolved into contingencies that were limited in force size, but not limited in duration, complexity and level of integration with the other elements of national power. We will contribute to the missions of our Nation's security strategy in the same way.⁹ *On a day-to-day basis, Marines will be forward-deployed and engaged, working closely with our joint and allied partners. When crises or contingencies arise, these same Marines will respond—locally, regionally or globally if necessary—to accomplish whatever mission the Nation requires.*

America's Expeditionary Force in Readiness: The new strategic guidance underscores the Marine Corps role as America's Expeditionary Force in Readiness. Reliant on a strategically relevant and appropriately resourced Navy fleet of amphibious warships and Maritime Prepositioned Force (MPF) vessels, we are forward deployed and forward engaged: shaping strategic environments; training partner nation and allied forces; deterring adversaries; and responding to all manner of crises contingencies.¹⁰ *Alert and ready, we respond to today's crisis with today's force...today.* Marines are ready to respond whenever the Nation calls and wherever and however the President may direct.

We Have Worked Diligently to Prepare for the Future

Force Structure Review: In an effort to ensure the Marine Corps is organized for the challenges of the emerging security environment, we conducted a capabilities-based Force Structure Review beginning in the fall of 2010 to identify ways we could rebalance and posture for the future. The Force Structure Review incorporated the lessons learned from 10 years of combat and addressed 21st century challenges confronting our Nation and its Marine Corps. The review sought to provide the "best value" in terms of capability, cost and readiness relative to the operational requirements of our forward-engaged Geographic Combatant Commanders. The results of that effort have been shared with Congress over the past year. *While affirming this strategy-driven effort, we have aligned our force based on the realities of constrained spending levels and Strategic Guidance.*

End Strength: During our comprehensive Force Structure Review, we tailored a force structure to ensure a sufficient type and quantity of force available to meet the forward presence, engagement and crisis response requirements of the Geographic Combatant Commanders. The resulting force structure is intended to meet Title 10 responsibilities, broaden capabilities, enhance speed and response options and foster the partnerships necessary to execute the range of military operations while providing the "best value" to the Nation. This force structure also accounted for the addition of enabling assets (*e.g. combat engineers, information operations specialists, civil affairs personnel, specialized intelligence Marines, cyber operators, special operators, etc.*) necessary to meet the demands of the battlefields of today and tomorrow.

⁹ The Marine Corps is capable of performing 9 of the 10 stated missions in the Defense Strategic Guidance to include: Counter Terrorism and Irregular Warfare; Deter and Defeat Aggression; Project Power Despite Anti-Access/Area Denial Challenges; Counter Weapons of Mass Destruction; Operate Effectively in Cyberspace and Space; Defend the Homeland and Provide Support to Civil Authorities; Provide a Stabilizing Presence; Conduct Stability and Counterinsurgency Operations; Conduct Humanitarian, Disaster Relief, and Other Operations.

¹⁰ As of January 2012, approximately 30,000 Marines were forward deployed in operations supporting our Nation's defense. This number includes ~19,500 Marines in Afghanistan including those serving in external billets (transition teams, joint/interagency support, etc.), ~5,000 Marines at sea on Marine Expeditionary Units, and ~6,000 Marines engaged in various other missions, operations and exercises. The 30,000 Marine statistic does not include more than 18,000 Marines permanently assigned to garrison locations outside the continental U.S. such as in Europe, the Middle East, the Pacific, etc.

As directed, we will draw-down our force in a measured way beginning in FY13. *Our FY13 programmed end strength is 197,300 Marines.* In accordance with Defense Strategic Guidance, we are resisting the *“temptation to sacrifice readiness in order to retain force structure.”*¹¹ Personnel costs account for about 60 cents of every Marine dollar; through our force structure efforts we balanced the requisite capabilities across a smaller force, in effect trading capacity for modernization and readiness.

The resulting 182,100 Marine active duty force, supported by our operational Reserve component, retains the capacity and capability to support steady state and crisis response operations through rotational deployments, and to rapidly surge in support of major contingency operations. Although reshaping the Marine Corps from 202,100 Marines to a force of approximately 182,100 Marines entails some risk to our ability to simultaneously respond to multiple large-scale contingencies, it is manageable. *We intend to leverage the diverse depth and range of assets within our Reserve component both to mitigate risk and maximize opportunities where available.*

As we reduce end strength, we must manage the rate carefully so we reduce the force responsibly. We will draw-down our end strength by approximately 5,000 Marines per year. The continued resourcing of this gradual ramp-down is vital to keeping faith with those who have already served in combat and for those with families who have experienced resulting extended separations. The pace of active component draw-down will account for completion of our mission in Afghanistan, ensuring proper resiliency in the force relative to dwell times. As our Nation continues to draw-down its Armed Forces, we must guard against the tendency to focus on pre-9/11 end strength levels that neither account for the lessons learned of 10 years at war nor address the irregular warfare needs of the modern battlefield. Our 182,100 Marine Corps represents fewer infantry battalions, artillery battalions, fixed-wing aviation squadrons, and general support combat logistics battalions than we had prior to 9/11. However, it adds cyber operations capability, Marine special operators, wartime enablers and higher unit manning levels—all lessons gleaned from 10 years of combat operations; it is a very capable force.

My promise to Congress is that at the end of the day, I will build and maintain the best Marine Corps our Nation can afford with the resources it is willing to invest. We are also committed to keeping faith with Marines, Sailors and their families who have sacrificed so much over the past decade at war. Personnel reductions that become precipitous are among the worst measures that can be employed to save money. *Our All-Volunteer Force is built upon a reasonable opportunity for retention and advancement; unplanned and unexpected wholesale cuts undermine the faith and confidence in service leadership and create long-term experience deficits with negative operational impacts.* Such an approach would no doubt do significant long-term damage to our ability to recruit and maintain a quality force.

Civilian Marines: Our Civilian Marines support the mission and daily functions of the Marine Corps and are an integral part of our Total Force. In recognition of the need to study and clearly define our civilian work force requirements to ensure we had the right workforce in the right

¹¹ *Sustaining U.S. Global Leadership: Priorities for 21st Century Defense* January 2012, pg 7.

location, at a cost that aligned with our budget, I directed a full review of the Total Force in late 2010. This measure necessitated a hiring freeze but resulted in prioritized requirements within affordable levels and the alignment of resources with capabilities. It also ensured the civilian labor force was shaped to support the mission of the Corps today and that projected for the future.

During the FY12 budget cycle, there was no growth in our FY11 civilian work force levels due to necessary efficiency measures. Consequently, our civilian work force went from a planned level of 21,000 personnel in direct funded Full Time Equivalencies (FTEs) to 17,501 personnel. This number of FTE personnel will remain constant in each year of the current Future Year's Defense Plan (FYDP)—there is no growth planned. The end result is a 17 percent reduction in planned growth between FY11 and FY12 budget requests.

Our FY13 civilian personnel budget reflects efforts to restrain growth in direct funded personnel. By establishing budgetary targets consistent with current fiscal realities, we will be able to hold our civilian labor force at FY10 end-of-year levels, except for limited growth in critical areas such as the acquisition workforce, the intelligence community, the information technology community (i.e. conversion from NMCI to NGEN), in-sourcing of security personnel (i.e. Marine Corps Civilian Law Enforcement Personnel) and personnel in our cyber community. Our Civilian Marine work force remains the leanest among DoD with only one civilian for every 10 Marines.

Our Priorities

Commandant's Four Priorities: To best meet the demands of the future and the many types of missions Marines will be expected to perform now and beyond the post-OEF security environment, I established four enduring priorities in 2010. To that end, we will:

- ***Provide the best trained and equipped Marine units to Afghanistan. This will not change and remains our top priority;***
- ***Rebalance our Corps, posture it for the future and aggressively experiment with and implement new capabilities and organizations;***
- ***Better educate and train our Marines to succeed in distributed operations and increasingly complex environments; and***
- ***Keep faith with our Marines, our Sailors and our families.***

We are making significant progress within each of these four critical areas; however, there are pressing issues facing our Corps today that require the special attention and assistance of Congress. These include specific programs and initiatives within the command, ground, logistics and aviation portfolios of the MAGTF.

Reset: The Marine Corps is conducting a comprehensive review of its equipment inventory to validate reset strategies, future acquisition plans, and depot maintenance programming and

modernization initiatives. *As already stated, after 10 years of constant combat operations, the Marine Corps must reset the force coming out of Afghanistan.* The reset of equipment retrograded to home station from Iraq (approximately 64,000 principal items) is complete. However, the equipment density list currently supporting combat operations in Afghanistan totals approximately 95,000 principal items, of which approximately 42 percent was retransferred directly from Iraq to support the surge of 2009. The bulk of this transferred equipment included high demand items such as communications equipment and vehicles to include the majority of our Mine Resistant Ambush Protected vehicles and 100 percent of our medium tactical vehicle fleet.

Sustaining current combat operations has reduced the aggregate readiness of the non-deployed force. *Non-deployed unit readiness is degraded and has been the “bill payer” for deployed unit readiness.* We sacrificed readiness levels of our home station units to ensure Marines in combat had the very best equipment. *Through the support of Congress over the past few years, we have received a good portion of the required funding for reset and have made significant progress at our depots in restoring and procuring required materiel.* But there is more to do at our home stations. Thirty-three percent of non-deployed units report the highest readiness levels for their designed mission, which leaves 67 percent of non-deployed units in a degraded state of readiness. The largest contributing factor to degraded readiness within non-deployed units is equipment supply. The non-deployed force provides the Nation depth in responsiveness and options when confronted with the unexpected. Our Marines at home must be “geared up” and ready to be called at a moment’s notice. Low levels of readiness within the non-deployed force increases risk in the timely and successful execution of a military response to crises or contingencies. *Therefore, it is critical that the Marine Corps continues to receive Congressional assistance on required funding to reset our equipment from the conflicts of the past decade.*

In January 2012, I signed the *Marine Corps OEF Ground Equipment Reset Strategy*, rooted in the lessons learned from our successful redeployment and retrograde from Iraq. This strategy is helping to identify what equipment we will reset and what we will divest. It prioritizes investment and modernization decisions in accordance with the capabilities of our middleweight force construct, defining unit-level mission essential tasks and equipment requirements to support the range of military operations, and equips to core capabilities for immediate crisis response deployment and building strategic depth. We have issued disposition instructions on 8,400 principal items associated with the initial draw-down of forces that will occur this fall. In Afghanistan, 35 percent of that equipment has entered the redeployment and retrograde pipeline. Initial shipments of equipment have arrived at home stations and depots, and are being entered into the maintenance cycle. We currently expect divestment of approximately 21 percent of the total Afghanistan equipment density list as obsolete, combat loss or otherwise beyond economical repair. These are combat capability items that must be replaced.

The reset of our equipment after more than a decade of combat requires an unprecedented level of effort. Our Marine Corps depots will be asked to do more once again; they stand ready to do so. As our Nation looks to efficiencies in its Armed Forces, we must maintain a keen awareness of the role that depots play in keeping our country strong. The continued availability of our depot capacity both at Barstow, California and Albany, Georgia is essential to our ability to self-generate readiness and to respond when we must surge in response to wartime demand. Acknowledging fiscal realities, I directed, with the Secretary of the Navy’s approval, the

consolidation of the two Marine Corps depots under a single 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 consolidation will reduce costs, standardize processes between industrial plants and increase efficiency.

Modernization: In conjunction with our reset efforts, we are undertaking several initiatives to conduct only essential modernization of the Marine Corps Total Force. This will place us on a sustainable course to achieve institutional balance. We are doing so by judiciously developing and procuring the right equipment needed for success in the conflicts of tomorrow, especially in those areas that underpin our core competencies. As such, I ask for continued Congressional support to modernize equipment and maintain a high state of readiness that will place us on solid footing in a post-Afghanistan security environment. While budgetary pressures will likely constrain modernization initiatives, we will mitigate pressure by continuing to prioritize and sequence both our modernization and sustainment programs to ensure that our equipment is always ready and that we are proceeding in a fiscally responsible manner. Modernization programs that require significant additional funding above current levels will be evaluated for continued operational requirement and capability/capacity modification.

We recognize that our planned, force structure reduction following our commitment in Afghanistan will accommodate a level of decreased modernization investment due to a requirement for a smaller quantity of modernized equipment. However, any *qualitative* modernization reductions will impact our ability to respond to future adversaries and threats. The current baseline budget allows for equipment modernization on a reasonable timeline across the FYDP. Possible future reductions in the baseline budget will result in delays, modification or elimination of key modernization programs. *Modernization in the following areas is critical to maintaining operational capabilities and readiness:*

- *Ground Combat Tactical Vehicles*
- *Aviation*
- *Preparing for Future Battlefields*
- *Amphibious and Pre-positioning Ships*
- *Expeditionary Energy*
- *Intelligence, Surveillance and Reconnaissance.*

Ground Combat Tactical Vehicle Strategy: The programmatic priority for our ground forces is the seamless maneuver of Marines from the sea to conduct operations ashore whether for training, humanitarian assistance or combat. Our Ground Combat Tactical Vehicle (GCTV) Strategy is focused on achieving the right mix of assets, while balancing performance, payload, survivability, fuel efficiency, transportability and cost. Vehicles comprising our GCTV strategy include our entire inventory of wheeled and tracked vehicles and planned future capabilities including the Joint Light Tactical Vehicle (JLTV), Amphibious Combat Vehicle (ACV) and the Marine Personnel Carrier (MPC). Throughout 2011 and informed by cost, we conducted a comprehensive systems engineering review of amphibious vehicle operational requirements. The review evaluated the requirements for water mobility, land mobility, lethality and force protection of the future environment. The identification of essential requirements helped to drive down both the production and the sustainment costs for the amphibious vehicles of the future.

We are conducting an Analysis of Alternatives on six ACV options, the results of which will help to inform the direction and scope of the ACV program. The MPC program is maturing as a wheeled armored personnel carrier and complements the ACV as a possible solution to the general support lift capacity requirements of Marine forces operating in the littorals.

We are firmly partnered with the U.S. Army in fielding a JLTV to replace a portion of our legacy medium lift utility vehicles. Our long-term participation in this program remains predicated on development of a cost-effective vehicle, whose payload integrates seamlessly with our expeditionary operations and likely amphibious and strategic lift profiles.¹² The Joint Requirements Oversight Council has approved the JLTV Capability Development Document, and our Combat Development Command in Quantico is leading the Army and Marine Corps effort to establish a program of record at Milestone B in the third quarter of FY12. Our approach to JLTV is as an incremental acquisition, and our objective for Increment I currently stands at more than 5,000 vehicles. Factoring all the above considerations, the current pathway for our GCTV Strategy includes the following actions:

- Develop a modern ACV.
- Develop and procure JLTV.
- Sustain High Mobility Multipurpose Wheeled Vehicles (HMMWVs) through 2030 by utilizing an Inspect and Repair Only As Necessary Depot Maintenance Program and a HMMWV Modification Line.¹³
- Initiate a legacy Amphibious Assault Vehicle upgrade as a bridge to ACV
- Continue research and development in MPC through FY14 to identify the most effective portfolio mix of vehicles.
- Limit procurement of vehicles to reduced Approved Acquisition Objective estimates as identified.

Marine Corps Aviation: Marine Corps Aviation is proud to celebrate its centennial of service to our Nation this year. Our priority for aviation is support of Marines in Afghanistan and wherever Marines are deployed. *On average, more than 40 percent of our aviation force is deployed at any time, with an additional 25 percent preparing to deploy. All told, this equates to two-thirds of Marine Aviation forces currently deployed or preparing to deploy.* We are continuing a modernization effort that began more than a decade ago. Today, the Marine Corps is challenged to replace aging 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 war-fighting capabilities. Our Aviation Plan is a phased multi-year approach to modernization that encompasses aircraft transitions, readiness, aircraft inventory shortfalls, manpower challenges, safety and fiscal requirements.

In an era of budgetary constraint and amidst calls for reductions in the collective aviation assets within DoD, it is important to understand that Marine Air is not redundant with other services' capabilities. The U.S. Air Force is not designed to operate from the sea, nor are most of its aircraft suited for operations in the types of austere environments often associated with expeditionary missions. The Navy currently does not possess sufficient capability to operate

¹² For two axle combat vehicles, this equates to combat weights in the 18,000 to 19,000 lbs range, translating to empty vehicle weights in the range of 12,000 to 13,000 lbs.

¹³ HMMWV recapitalization does not meet Marine Corps requirements for those light vehicles with the most demanding missions. They cannot deliver reliability, payload, service life, mobility, the ability to fit on MPF shipping and growth potential. The JLTV is the most cost-effective program to meet capability gaps for those light combat vehicles with the most demanding missions.

their aircraft ashore once deployed forward on carriers—and yet history has shown that our Nation often needs an expeditionary aviation capability in support of both naval and land campaigns. The following programs form the backbone of our aviation modernization effort:

- **F-35B:** As we modernize Marine fixed-wing aviation assets for the future, the continued development and fielding of the short take-off and vertical landing (STOVL) F-35B Joint Strike Fighter remains the centerpiece of this effort. The capability inherent in a STOVL jet allows the Marine Corps to operate in harsh conditions and from remote locations where few airfields are available for conventional aircraft. It is also specifically designed to operate from amphibious ships—a capability that no other tactical aircraft possesses. The ability to employ a fifth-generation aircraft from amphibious ships doubles the number of “carriers”—11 CVN and 11 LHD/LHAs—from which the United States can employ fixed wing aviation. Once fully fielded, the F-35B will replace three legacy aircraft—F/A-18, EA-6B and AV-8B—saving the DoD approximately \$1 billion in legacy operations and maintenance costs.

The F-35B program has been a success story over the past year. Due to the performance of F-35B prototypes in 2011, the program was recently removed 12 months early from a fixed period of scrutiny. The F-35B completed all planned test points, made a total of 260 vertical landings (versus 10 total in 2010) and successfully completed initial ship trials on USS Wasp. Delivery is still on track; the first three F-35Bs arrived at Eglin Air Force Base in January of this year. Continued funding and support from Congress for this program is of utmost importance for the Marine Corps as we continue with a plan to “sundown” three different legacy platforms.

- **MV-22B:** The MV-22B Osprey has performed exceedingly well for the Corps and the Joint Force. To date, this revolutionary tiltrotor aircraft has changed the way Marines operate on the battlefield, giving American and Coalition forces the maneuver advantage and operational reach unmatched by any other tactical aircraft. Since achieving Initial Operating Capability (IOC) in 2008, the MV-22B has flown more than 18,000 hours in combat and carried more than 129,000 personnel and 5.7 million pounds of cargo. The MV-22B has made multiple combat deployments to Iraq, four deployments with MEUs at sea, and it is currently on its fifth deployment to Afghanistan. Our squadron fielding plan is well under way as we continue to replace our 44 year old, Vietnam-era CH-46 helicopters. We must procure all required quantities of the MV-22B in accordance with the program of record. Continued calls for cancellation of this program are ill-informed and rooted in anachronisms when measured against the proven record of performance and safety this force multiplier brings to today’s battlefields in support of Marines and the Joint Force.
- **CH-53K:** We are transitioning our rotary-wing assets for the future. The CH-53K is a new build heavy lift helicopter that evolves the legacy CH-53E design to improve operational capability, reliability, maintainability, survivability and cost. The CH-53K will be capable of transporting 27,000 pounds of external cargo under high altitude/hot conditions out to 110 nautical miles, nearly three times the lift capacity of

the legacy CH-53E. It is the only marinized rotorcraft¹⁴ able to lift 100 percent of Marine Corps air-transportable equipment from amphibious shipping (MPF included). Our Force Structure Review validated the need for a CH-53K Program of Record of nine CH-53K squadrons.

- **UH-1/AH-1:** The H-1 program, comprised of the UH-1Y utility helicopter and the AH-1Z attack helicopter, is a single acquisition program that leverages 84 percent commonality of major components, thereby enhancing deployability and maintainability, while reducing training requirements and logistical footprints. Both aircraft are in full rate production. The H-1 procurement objective is 160 UH-1Ys and 189 AH-1Zs for a total of 349 aircraft. Currently, 131 H-1 aircraft are on contract, with 51 UH-1Ys and 21 AH-1Zs delivered to date. The UH-1Y has already deployed with the 13th MEU and has supported sustained combat operations in OEF since November 2009. The AH-1Z achieved IOC in February 2011 and saw its first deployment alongside the UH-1Y in November 2011 as part of the 11th MEU. The continued procurement and rapid transition to these two platforms from legacy UH-1N and AH-1W assets in our rotary-wing squadrons remains a priority.
- **KC-130J:** The new KC-130J Hercules has been fielded throughout our active component, bringing increased capability, performance and survivability with lower operating and sustainment costs to the Marine Air Ground Task Force. Using the Harvest HAWK weapon mission kit, the KC-130J is providing extended endurance Close Air Support to our Marines in harm's way. Currently, we have procured 47 KC-130Js of the stated program of record requirement totaling 79 aircraft. Continued procurement of the program of record will allow us to fully integrate our active and reserve force with this unique, multi-mission assault support platform.

Preparing for Tomorrow's Fight: The irregular battlefields of today, and those of tomorrow, dictate that operations be more distributed, command and control be decentralized and forces be more dispersed. Using our Force Structure Review as a guide, we are continuing to build the right capacity and capability to enable Marines operate rapidly as befits the tempo of our role as a crisis response force. Several important areas to enable our operations are:

- **Cyber:** The Defense Strategic Guidance rightly informs that “modern armed forces cannot conduct high-tempo, effective operations without reliable information and communications networks and assured access to cyberspace and space.”¹⁵ Marines have been conducting cyber operations for more than a decade, and we are in a multi-year effort to expand our capacity via U.S. Marine Corps Forces Cyber Command as we increase our cyber force by approximately 700 Marines through FY16. Given the fiscally constrained environment and complexity of cyberspace, our approach is strategically focused on ensuring efficiency in operations and quality of service. The Marine Corps will aggressively operate and defend its networks in order to enable critical command and control systems for Marines forward deployed around the

¹⁴ The term “marinized” indicates that an aircraft meets naval aviation requirements for use and storage in a maritime environment. Aviation platforms used by the Navy and Marine Corps require special outfitting unique for use on and from naval vessels.

¹⁵ *Sustaining U.S. Global Leadership: Priorities for 21st Century Defense*, January 2012, pg 5.

world. Recent cyber accreditations and readiness inspections validate our network operations command and control processes and procedures. As we transition to a Government Owned/Operated network environment, the Marine Corps will pursue efficiencies through automation, consolidation and standardization to ensure availability, reliability and security of cyber assets.

- **SOF:** As the Marine Corps contribution to SOCOM, Marine Special Operations Command (MARSOC) maintains a shared heritage and correspondingly strong bond with its parent Service as “soldiers from the sea.” MARSOC will provide a total of 32 employable Marine Special Operations Teams in FY13 while establishing the staff of the Marine Special Operations School, maintaining a targeted dwell ratio and continuing creation of a robust language capability. Based on our Force Structure Review of last year and a programmed end strength of 182,100 Marines, I have authorized an increase of 821 Marines in MARSOC.
- **Command & Control (C2):** Technology and network-based forces are an essential part of modern operations. Our C2 modernization efforts for the future build upon lessons learned during combat operations in Afghanistan and Iraq. Recent operations have shown that moving data to lower levels (i.e. the digital divide) increases operational effectiveness. We are mitigating the decision to cancel the Ground Mobile Radio by building on investments already made in tactical communications modernization. We will continue efforts to ensure C2 Situational Awareness convergence and interoperability with the Joint Force.
- **Advisers and Trainers:** In recognition that preventing conflict may be easier than responding to it and that we can prevent it through selective engagement and employment of advisers/trainers, we have invested in a new organization called Marine Corps Security Cooperation Group that consolidates advisers skills, training and assessment expertise focused on building partnership capacity. We are investigating how we can regionally focus the expertise of this organization.

Amphibious Warships & Maritime Prepositioning Shipping: *Our Service level requirement to deploy globally, respond regionally, and train locally necessitates a combination of tactical airlift, high-speed vessels, amphibious warships, maritime prepositioning shipping, organic tactical aviation, and strategic airlift.* Significant contributions to U.S. security are made by our rotational forces embarked aboard amphibious warships. These forces combine the advantages of an immediate, yet temporary presence, graduated visibility, and tailored, scalable force packages structured around the MAGTF. Rotational Amphibious Ready Groups and Marine Expeditionary Units form together to provide forward deployed naval forces in four Geographic Combatant Command areas of responsibility. Not only do they provide the capability for crisis response, but they also present a means for day-to-day engagement with partner nations and a deterrent to conflict in key trouble spots.

We maintain the requirement for an amphibious warship fleet for contingencies requiring our role in joint operational access. One Marine Expeditionary Brigade (MEB) assault echelon requires 17 operationally available amphibious warships. The Nation’s forcible entry

requirement includes two simultaneously-employed MEBs supported by one or more Maritime Prepositioning Force (MPF)-MEB to fight as a Marine Expeditionary Force from a sea base.

Amphibious warships and the requisite number of ship-to-shore connectors provides the baseline needed for steady state operations and represents the minimum number of ships needed to provide the Nation with a sea-based power projection capability for full spectrum amphibious operations. As of January 2012, there were 29 ships in the Navy's amphibious fleet, with three scheduled for decommissioning and four new ships under construction in the yards. Within the coming FYDP, the inventory will decline in FY14 before rising to an average of 30 amphibious warships over the next 30 years. The lack of amphibious warship lift capacity translates to risk for the Nation, particularly as it reorients to the Pacific.

The continued procurement of scheduled amphibious warships and planning for MPF shipping is essential to ensure greater levels of risk are not incurred in coming years.

- ***San Antonio Class LPD:*** The San Antonio class LPDs continue to gain stability with overall warship performance improving. Through the generosity of Congress, the final two warships in this program are fully funded, and we expect delivery of all 11 planned warships by FY17.
- ***America Class LHA(R):*** A growing maritime threat coupled with aircraft/ground combat equipment modernization dictates the need for continued optimization of the LHA-6 hull form, which is now 60 percent complete. As stated last year, delivery of this amphibious assault warship is scheduled for FY14. The earliest reasonable deployment after allowing time for sea trials, crew training and other factors would be in FY17. Construction of LHA-7 is scheduled to commence in early FY13, but is not yet under contract. The Marine Corps is grateful for and firmly supports the Navy's plan to reintroduce a well deck in our large deck amphibious assault ships, beginning with LHA-8 in FY17 and FY18 timeframe.
- ***2 x Maritime Prepositioned Squadrons (MPSRON):*** Providing a significant contribution to global coverage, forward presence and crisis response, the Maritime Prepositioning Force (MPF) program exists to enable the rapid deployment and engagement of a MAGTF anywhere in the world in support of our National Military Strategy. This strategic capability combines the capacity and endurance of sealift with the speed of airlift. The current MPF program is comprised of 15 ships divided into three MPSRONS located in the Mediterranean Sea, Indian Ocean (Diego Garcia) and Pacific Ocean (Guam and Saipan). In FY13, the DoN plans to eliminate one of these squadrons as an efficiency measure. We are currently reviewing options to develop a balanced MPF posture and MPSRON composition that supports Geographic Combatant Commander requirements, achieves approximately \$125 million in savings across the FYDP, attains a higher lift capacity of the MEB requirement per MPSRON and retains critical sea-basing enabling capabilities. The continued support of Congress for the vital capabilities inherent in our MPF program is essential to the overall warfighting readiness of the Corps.

Expeditionary Energy: For Marines, the term “expeditionary” is a mindset that determines how we man, train and equip our force. We know that resource efficiency aids in combat effectiveness, and that our investments in reset and modernization will provide a force that operates lighter, faster and at reduced risk. Likewise, our force will be more energy efficient to support the type of operations expected of us in the future. To do this, we are changing the way we think about, and use energy.

Over the last 10 years of near continuous combat operations, our need for fuel and batteries on the battlefield has grown exponentially. Since 2001, we have increased the number of radios our infantry battalions use by 250 percent and the number of computers/information technology equipment by 300 percent. The number of vehicles has risen by 200 percent, with their associated weight increasing more than 75 percent as a result of force protection requirements. In the end, our force today is more lethal, but we have become critically dependent on fuel and batteries, which has increased the risk to our logistics trains. Moreover, a 2010 study found that one Marine is wounded for every 50 fuel and water convoys.

To reduce our risk and increase our combat effectiveness, in March 2011, I issued the “*Marine Corps Expeditionary Energy Strategy and Implementation Plan*” to change the way we think about and value energy. This is a “bases-to-battlefield” strategy, which means all Marines will be trained to understand the relationship between resource efficiency and combat effectiveness. We will consider energy performance in all our requirements and acquisitions decisions. We are creating the tools to provide commanders the information necessary to understand their energy consumption in real-time.

Over the FYDP, I have directed \$350 million to “Expeditionary Energy” initiatives. Fifty-eight percent of this investment is directed towards procuring renewable and energy efficient equipment. Some of this gear has already demonstrated effectiveness on the battlefield in Helmand Province. Twenty-one percent of this investment is directed towards research and development of new capabilities and the remaining investment is to support operations and maintenance. We expect this investment to improve the energy efficiency of our MEBs by nine percent. As such, we will enable ourselves to sustain longer and go further, incurring less risk. The MEB of 2017 will be able to operate one month longer on the same amount of fuel that we plan to use today, and it will need 208 fewer fuel trucks, thereby saving seven million gallons of fuel per year. This translates to a lighter, more agile and more capable Marine Corps.

Providing Capable Bases, Stations & Support Facilities

FY13 Military Construction: The Marine Corps maintains a commitment to facilities and infrastructure supporting both operations and quality of life. Our military construction and family programs are important to sustain our force structure and maintaining readiness. *This fiscal year we are proposing a \$761 million Military Construction (MILCON) program to support warfighting, family housing and infrastructure improvements.* The focus of our efforts this fiscal year is the construction of Joint Strike Fighter and MV-22B support facilities, infrastructure improvements, and training and education facility improvements. Additionally, this budget request includes replacement of inadequate and obsolete facilities at various locations.

Through the support of Congress, between FY08-FY12 we programmed 70 Bachelor Enlisted Quarters (BEQ) projects resulting in 149 barracks buildings primarily located at Camp Lejeune, North Carolina; Camp Pendleton and Twentynine Palms, California; and Marine Corps Base, Hawaii. These BEQ projects were typically completed in two years, with most at or below cost. These facilities, that incorporated energy efficiency measures, have significantly improved the quality of life of our single Marines, who for many years, lived in substandard, World War II era barracks. Our FY13 MILCON program includes a \$49 million request for barracks, a motor pool and other facilities to support the consolidation of Marine Corps Security Force Regiment assets at Naval Weapons Station, Yorktown, Virginia. This project was not a part of our original BEQ initiative, but is necessary as the current facilities used by the Regiment at Naval Station Norfolk have been condemned.

Infrastructure Sustainment: As resources and military construction funds become more constrained, the Marine Corps will continue to rely on the sound stewardship of existing facilities and infrastructure to support our needs. In FY13, the Marine Corps will again program facilities sustainment funding at 90 percent of the DoD Facilities Sustainment Model, resulting in a facilities sustainment budget of \$653 million.

Installation Energy Initiatives: The FY13 budget provides \$164 million in Operations & Maintenance funding to continue progress in achieving mandated energy goals by 2015. This funding will target energy efficiency goals established by the *Energy Independence & Security Act of 2007* aimed at reducing energy intensity by 30 percent from a 2003 baseline. This progress will be made by replacing older heating, cooling, lighting and other energy-consuming building components with more efficient technologies. We will use this funding to achieve renewable energy goals established by the *National Defense Authorization Act of 2007*. Overall, the planned investments are intended to increase energy security on our installations while reducing the cost of purchased utilities.

Investing in the Education & Training of our Marines

Courses and Facilities: A broadly-capable middleweight force will meet future requirements through the integration of newly acquired and traditional operational competencies. To remain America's Expeditionary Force in Readiness, the Marine Corps requires balanced, high-quality training and education at all levels. As history has repeatedly shown, wars are won by the better-trained force, not necessarily the larger one. In the midst of ongoing combat operations, we are realigning our education and training efforts to enable our Marines and Sailors to succeed in conducting distributed operations in increasingly complex environments against any threat. Training and education, with an emphasis on experimentation and innovation, will help our Nation maintain global relevance by developing solutions that continue to outpace emerging threats. These efforts include continued emphasis on our core values of honor, courage and commitment, and on building principled warriors who understand the value of being an ethical warrior. Moreover, in the post-Afghanistan security environment of reduced defense dollars, we will need to offset reductions in end strength with better educated and more capable Marines and Marine units. The current and future fiscal environment requires a selective, strategic investment in training and education...put another way, "When you're low on money, it's a good time to think."

Training: Our current training is focused on preparing Marine units for combat, counterinsurgency and stability operations in support of OEF. If anything, the past 10 years of combat have demonstrated that there is a positive correlation between quality training and education and individual/unit readiness; both directly translate to operational success. Therefore, as we draw-down from Afghanistan, our training will rebalance to support the execution of a wider range of operational capabilities. We will achieve this balance by leveraging competencies in entry-level and skills progression training and by re-emphasizing core competencies in combined arms and amphibious operations, to include MEB level core capabilities. Training will also feature significant attention to irregular warfare, humanitarian assistance, and inter-agency coordination. All our training programs will provide standardized, mission essential task based training that directly supports unit readiness in a cost-effective manner.

Specifically, future training will center on the MAGTF Training Program. Through a standardized training approach, the MAGTF Training Program will develop the essential unit capabilities necessary to conduct integrated MAGTF operations. Building on lessons learned over the past 10 years, this approach includes focused battle staff training and a service assessment exercise modeled on the current exercise, Enhanced Mojave Viper. Additionally, we will continue conducting large scale exercises that integrate training and assessment of the MAGTF as a whole. The MAGTF Training Program facilitates the Marine Corps' ability to provide multi-capable MAGTFs prepared for operations in complex, joint and multi-national environments against hybrid threats.

Education: We are making steady progress in implementing the recommendations of the 2006 Officer Professional Military Education (PME) Study (*The Wilhelm Report*) to transform the Marine Corps University (MCU) into a "World Class Institution." There are two primary resource components in doing so—funding for military construction, and for faculty and staff. These two components are not mutually exclusive. New facilities coupled with increases in resident student through-put require additional faculty and staff. We will remain engaged with Congress over the coming years on the approximately \$330 million in necessary funding for facilities, faculty and staff as we continue the transformation of the MCU. This is a high priority for me. This year, I committed \$125 million to get this initiative moving.

We are widening opportunities for resident professional education by doubling available school seats in courses such as the Marine Corps Command and Staff College beginning in the academic year 2014. We are making adjustments to triple through-put at the Expeditionary Warfare School for our company grade officers. We are increasing enlisted resident PME courses as well, and are adding more distance education learning opportunities and requirements, especially at the junior enlisted and non-commissioned officer level.

As we look to "whole of government approaches" and the goal of improved integration in joint and combined operations, we are adding fellowships to allow more Marines the opportunity to benefit from non-traditional education outside DoD institutions. *In the past year, we have increased our number of Marines assigned to the Department of State and the United States Agency for International Development through fellowships and the State-Defense Exchange*

Memorandum of Understanding. Later this year, we are adding fellowships at the Departments of Justice, Homeland Security, and Treasury, as well as at Yale University. We are expanding the scope of training at existing institutions like the Marine Corps Center for Advanced Operational Culture Learning and the Center for Irregular Warfare Integration Division that focus on readying Marines for engagement, security cooperation and partner capacity building missions. Our goal is to develop a Corps of Marines that have the skills needed to operate and engage effectively in culturally-complex environments.

Our education and training programs benefit from our relationships with allies and partners in the international community. Each year, hundreds of international military students attend Marine Corps training and education venues ranging from Marine Corps Command & Staff College to military occupation specialty producing schools. The International Military Education and Training (IMET) program and similar security assistance opportunities promote regional stability, maintain U.S. defense partnerships, and promote civilian control of the military in student home countries. Many military leaders from around the world have benefited from the IMET program. To better support DoD's goal of providing PME to international military students, we have created a blended seminar program where foreign officers participate in Marine Corps PME through a mix of non-resident online courses and resident instruction in the United States.

Training Enablers: In order to fully realize these training and education enhancements, we will keep investing in the resources, technologies and innovations that enable them. This investment includes modernizing our training ranges, training devices, and infrastructure to ensure quality resources are available to support the training of Marines, individual to MAGTF. We will also leverage advanced technologies and simulation systems to create realistic, fully-immersive training environments.

Keeping Faith with Marines, Sailors and their Families

Mission First, Marines Always: We expect and require extraordinary loyalty from our Marines and Sailors —loyalty to country, family and Corps. Our Nation has been at war more than a decade, placing unprecedented burdens on Marines, Sailors, families, Wounded Warriors and the families of the fallen. They have all made tremendous sacrifices, many in the face of danger; we owe our complete loyalty back to them all.

We will work to ensure the critical needs of our families are met during times of deployment and in garrison by providing the services, facilities and programs to develop the strength and skills needed to thrive while facing the challenges of operational tempo. If wounded, injured or ill (WII), we will seek out every available resource to restore Marines to health. We will enable the return to active duty for those seeking it. For those unable to do so, we will responsibly transition them to civilian life. We will support and protect the spouses and families of our wounded and those of our fallen Marines. There are several areas and programs central to our tenet of “keeping faith with Marines, Sailors and their families.”

Recruiting and Retention: As first stated, the individual Marine is our greatest asset; we will continue to recruit and retain the best and brightest of America's sons and daughters.

Recruiting is the lifeblood of our Corps, and is our bedrock to “Make Marines, Win Battles, and

Return Quality Citizens;” citizens who, once transformed, will be Marines for life. *To operate and succeed in potentially volatile times, Marines must be physically fit, morally strong, intelligent, and capable of operating advanced weapon systems using the latest technology. We will not compromise on these standards.* Recruiting quality youth ultimately translates into higher performance, reduced attrition, increased retention, and improved readiness for the Operating Forces. We need your continued support in maintaining quality accessions.

Our officer accessions mission has continued to decline over the past two years in light of a planned draw-down of forces. Our FY13 accession officer mission is 1,500 active duty and 125 Reserve officers. For enlisted Marines, the accession figures include 28,500 regular (active component) and 5,700 reservists. We traditionally achieve 100-103 percent of our total accession goals, and expect to do so again in FY13. We have continued to achieve unprecedented levels of enlisted and officer retention. This effort is critical to the proper grade shaping of the Marine Corps, regardless of force size. Combined officer, enlisted and reserve retention efforts ensure the Marine Corps maintains essential operational experience and leadership. Although overall retention is excellent, shortages do exist in certain grades and skills within the officer and enlisted ranks, requiring careful management and innovative solutions. At a minimum, sustained Congressional funding to incentivize retention is necessary to maintaining quality personnel in these critical skill sets.

Diversity: Diversity, in both representation and assignment of Marines, remains a strategic issue. The Marine Corps diversity effort is structured with the understanding that the objective of diversity is not merely to strive for a force that reflects a representational connectedness with the rich fabric of all the American people, but to raise total capability through leveraging the strengths and talents of all Marines. We are near completion of a new comprehensive campaign plan to focus our diversity effort in areas where improvement is most needed and anticipate release of this roadmap this year. The accession and retention of minority officers is an enduring challenge for our Corps. Mentoring and career development of all minority officers has become increasingly important in order to change officer profile projections. Since 2010, we have conducted leadership seminars, introducing diverse college undergraduates to Marine leadership traits and leadership opportunities in the Marine Corps, at various locations throughout our country, and are actively seeking out new communities within which to continue this effort. *Overall, we seek to communicate the Marine Corps diversity mission through community outreach and recruit marketing; to ensure continued opportunities for merit based development and advancement; and to optimize training and education to increase the understanding for all Marines of the value that diversity brings to the Total Force.*

Wounded Warrior Outreach Programs: Through the Wounded Warrior Regiment (WWR) and our ever-expanding outreach programs, the Marine Corps keeps faith with wounded, ill, and injured (WII) Marines and their families. This enduring commitment includes full spectrum care and support for WII Marines from point of injury or illness through return to duty or reintegration to the civilian community. The WWR continues to enhance its capabilities to provide added care and support to WII Marines. Whether WII Marines are joined to the WWR or remain with their parent commands, they are provided non-medical support through the recovery phases. Congressional funding for our WII Marines allows us to provide robust, interconnected support in the following areas: Administrative Support, Recovery Care

Coordination, Transition Assistance, Warrior Athlete Reconditioning Programs, Integrated Disability Evaluation System Support, the Sergeant Merlin German Wounded Warrior 24/7 Call Center and our Hope and Care Centers.

The challenging nature of the terrain in Afghanistan requires a greater level of dismounted operations than was the case in Iraq. This fact coupled with the prevalence of improvised explosive devices has caused a growing class of Marines and Soldiers to suffer catastrophic injuries—injuries involving multiple amputations that present significant quality of life challenges. *Our Corps, the DoN, DoD, the Department of Veterans Affairs (VA) and Congress are concerned about this special group of Wounded Warriors must remain committed to supporting this special group of Wounded Warriors.* To help the catastrophically injured (those who will likely transition to veteran status) and their families successfully meet these challenges, we must continue engaging in a high level of care coordination between our WWR advocates, the VA's Federal Recovery Coordinators, VA Liaisons for Healthcare stationed at DoD Military Treatment Facilities (MTFs), Operation Enduring Freedom/Operation Iraqi Freedom/Operation New Dawn Case Managers and medical providers to ensure all of our wounded Marines' needs are met. This includes arranging for assistive technologies, adaptive housing, and all available health care and benefits (DoD and VA) they have earned. Additionally, WWR's Marine Corp Liaison assigned at the VA collaborates closely with VA Care Management team to resolve Marine Corp issues or care management needs.

Combat Health & Resiliency of the Force: Marines, Sailors and their families have experienced significant stress from multiple deployment cycles, the rigors of combat, high operational tempos, the anxieties of separation and countless other sources from a decade at war. We remain engaged in developing ways to reduce the traditional stigmas associated with seeking mental health care, but perhaps more importantly, we continue to add resources and access to care to meet the mental health needs of Marines, Sailors and their families.

Post Traumatic Stress (PTS) will be a long-term issue for all DoD leadership, requiring close attention and early identification of those affected in every Service. PTS is diagnosed as a disorder (PTSD) once the symptoms become distressful to a Marine and his or her ability to function in the military environment is impacted.¹⁶ Although most Marines with PTS symptoms will not develop PTSD, our leaders require the skills and training to identify and intervene earlier for those at the highest risk of developing PTSD, especially given that often there are long delays in the development of this condition. As such, we are empowering leaders to identify and intervene earlier through increased training and awareness using programs like our Marine Corps Combat Operational Stress Control Program and embedded Operational Stress Control and Readiness teams in our ground units. We are employing better screening practices in our standard health assessments, establishing deployment health clinics (*i.e. facilities not labeled as mental health clinics nor associated with a Military Treatment Facility in an overall effort to reduce stigma*) and tracking those with significant injuries often leading to PTSD via our Wounded Warrior Regiment.

¹⁶ The current yearly rate of PTS diagnosis in active duty Marines is less than 2 percent as compared to 3.5 percent in the civilian population. The percentage of Marines who will be diagnosed over their lifetime with PTS is estimated to be 10-18 percent while the civilian population lifetime diagnosis is estimated to be 6.8 percent.

We are engaged on multiple fronts to diagnose and treat those with a traumatic brain injury (TBI) including prevention, education, early identification, treatment, rehabilitation and reintegration. We are actively implementing the requirements of DoD Directive Type Memorandum 09-033 regarding mild TBI/concussion. Moreover, the Marine Corps, with Navy support, has established a Concussion and Musculoskeletal Restoration Care Center in-theater. This center provides front-line care to patients with mild TBI/concussion and has dramatically improved identification, diagnosis, treatment, outcomes and return to duty rates. In concert with Navy Medicine, we are fielding a TBI module within the Medical Readiness Reporting System to track TBI exposures and diagnoses.

Suicide Prevention in the Force: *We continue to report a positive, steady decrease in the number of suicides within the Corps from high levels seen in 2009. While we cannot yet draw a conclusion between our prevention efforts and the reduced suicide rate, we are cautiously optimistic our programs are having a positive effect. However, reported suicide attempts have continued to increase. We suspect this increase in attempts may be due to improved surveillance—fellow Marines recognizing the signs of suicide and intervening to stop attempts, and more Marines reporting past attempts when coming forward for help.*¹⁷ Regardless, we still need to do better because one suicide completed is one too many.

Suicide is a preventable loss of life that diminishes readiness and deeply affects our Marine Corps family. We believe that suicide is preventable through engaged leadership, focused on efforts aimed at the total fitness of each Marine to include physical, social, spiritual and psychological dimensions. The Marine Corps is involved with five major studies to better understand suicide risk among service members, contributing factors and ways at prevention. This past year, we expanded our “Never Leave a Marine Behind” suicide prevention program for non-commissioned officers (NCO) and Junior Marines to the staff non-commissioned officer and commissioned officer ranks. Our DSTRESS hotline and website, implemented last year on the West Coast as a pilot program, will be expanded to serve those across the Corps. We will remain engaged on multiple fronts to combat suicide in our ranks.

Sexual Assault Prevention & Response: The key to preventing sexual assault is ensuring everyone understands his or her role and responsibilities in preventing it. A consistent, vigorous training and education element are crucial. *Bystander intervention* has been identified as a best practice for engaging Marines in their role to prevent sexual assault and is being incorporated into our Sexual Assault Prevention and Response (SAPR) training. In January 2012, we launched the video-based NCO Bystander Intervention course, called “Take A Stand.” This course was modeled after our successful, award-winning Suicide Prevention Program awareness campaign entitled “Never Leave A Marine Behind.”

We have initiated aggressive actions to elevate and highlight the importance of our SAPR program. Our victim-centric SAPR program focuses on: preventing sexual assault, improving a victim’s access to services, increasing the frequency and quality of information provided to the victim regarding all aspects of his or her case and expediting the proper handling and resolution of a sexual assault case. We are credentialing our Sexual Assault Response Coordinators and

¹⁷ There were 33 confirmed suicides and 175 attempts in the Marine Corps during Calendar Year 2011.

Victim Advocates on victim advocacy. We have standardized training protocols for our 24/7 hotline, in use at all major bases and stations to provide information, resources and advocacy of sexual assault. We have increased SAPR training at all levels for our judge advocates (JA). This year, mobile training teams from our Trial Counsel Assistance Program will continue to instruct Navy Criminal Investigative Service agents and JAs on sexual assault investigation and best practices at bases and stations in Japan, Hawaii and on the East and West coasts.

Veteran Marines: The concept of keeping faith also applies to our Veteran Marines. In 2011, the Marine Corps launched a comprehensive effort to anchor the legacy of our Montford Point Marines—20,000 African American men who underwent segregated training from 1942-1949 and ultimately integrated the Corps—into our training and education curricula. The Montford Point Marine legacy will be used to educate and inspire all men and women who enter the Marine Corps today regardless of race, religion or creed. We will teach the importance of varying perspectives, compassion, courage, perseverance and self sacrifice through the Montford Point Marine history. *We are thankful to Congress for recently conferring the Congressional Gold Medal on the Montford Point Marines, a fitting tribute to a pioneering group of Marines who fought valiantly in some of the bloodiest battles of the Pacific and later went on to serve in Korea and Vietnam.*

Family Readiness Programs: As directed in my Planning Guidance issued to the Corps in October 2010, we are in the final stages of a review of all family readiness programs to identify ways we can better assist and provide services to our families. Over the past year, Marine Corps Community Services conducted dozens of focus groups at bases and stations throughout the Marine Corps with active and reserve component Marines, commanders, senior enlisted advisers and spouses. The focus groups, survey and prioritization results found that the top-rated programs conformed to the Commandant's Planning Guidance priorities or Congressional mandates. These assessments revealed opportunities to increase program success in three areas: (1) defining future capabilities and sustainability standards that correlate to the Commandant's Planning Guidance priorities but also recognized unique installation or command missions, locations or market conditions; (2) balancing available resources to support priorities and defined capabilities; and (3) developing accountability and inspection processes to support capability sustainment. Efforts are currently under way to apply these results and develop actionable program plans and supporting resource requirements to provide and maintain capabilities at the appropriate level for the right duration.

With at least 50 percent of our Corps composed of unmarried men and women, this year we mandated that every battalion and squadron have a representative from the Single Marine Program serving on its unit family readiness command team. This will provide an advocate on behalf of single Marines to ensure information, normally communicated solely from leadership to Marine spouses and families, is shared with their parents and siblings.

Transition Assistance: *There are three things the Marine Corps does for our Nation: make Marines; win our Nation's battles; and return quality citizens.* We are conducting a wholesale revision of our Transition Assistance Management Program (TAMP) to better meet the needs of our transitioning Marines in support of returning quality citizens. We are integrating TAMP, as

part of the Professional and Personal Development Program, into the life-cycle of a Marine from recruitment, through separation or retirement, and through Veteran Marine status.

We have transformed our Transition Readiness Seminar from a mass training event, in need of great improvement, into an individualized and practical learning experience with specific transition readiness standards that are effective and beneficial to Marines. In January 2012, we began holding a revised and improved Transition Readiness Seminar Pilot Program at four separate installations with full implementation scheduled for March 2012; early feedback on our pilot program has been very favorable. The revised five-day Transition Readiness Seminar includes two days of mandatory standardized core curriculum with four well defined military-civilian pathways:

- University/College
- Vocational/Technical training
- Employment
- Entrepreneurial Endeavors.

In this new system, a Marine will choose the pathway that best meets his or her future goals and will have access to individual counseling services related to each pathway. The enhanced TAMP program will support improved reach-back and outreach support for those who may require more localized support in their hometowns with information, opportunities or other specific needs. We are determined to make the Marine Corps TAMP program more value added for our departing Marines.

Compensation: The President's budget acknowledges the reality that military pay, allowances, and health care consume roughly one-third of the defense budget. These costs cannot be ignored in a comprehensive effort to achieve savings. In my judgment, this budget achieves the appropriate balance in compensation, force structure, and modernization. It sustains the recruitment, retention, and readiness of the talented personnel that defend our nation.

The proposed compensation reforms are sensible. Basic pay raises in fiscal years 2013 and 2014 will match increases in the private sector. We propose more modest raises in later years - but no reductions, no freezes. TRICARE enrollment fees and deductibles increase for retirees, but they are tiered based on retired pay and remain significantly below market rates. Pharmacy co-pays will trend towards market rates for retail purchases, but will be substantially lower for generic drugs and mail-order delivery.

These changes are not intended to alter care services currently provided to our active duty personnel and their families. Those who have been medically retired as a result of their service, particularly our Wounded Warriors, are also exempted. So are our Gold Star Families. It is the right thing to do for those who have given so much.

Finally, I endorse creating a commission to recommend reforms in retired pay. Any changes should grandfather benefits for those currently serving. We cannot break faith.

Summary

History has shown that it is impossible to predict where, when and how America's interests will be threatened. What is known, however, is America cannot maintain a strong economy, cannot have a strong industrial base, cannot have access to overseas markets and cannot assure its allies without security...at home and abroad. Looking ahead at the fiscal challenges we face as a Nation, our country will still need to respond to crisis and project power abroad, wherever and whenever needed. The optimum and most economical means to do so is through a multi-capable force afloat that can also come ashore rapidly.

The Navy and Marine Corps Team is the Nation's risk mitigator for an unknown future and the crisis response force that will be "the most ready when the nation is least ready." There is a cost to maintaining this capability. But, 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 the conduct of counter-piracy operations, raids or strikes. 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, but yet can sustain itself logistically for significant periods of time, at a time and place of its choosing.

Through the fidelity and support of Congress, our Marines and Sailors in the fight have received everything necessary to ensure success over the past decade of near constant combat operations. Our combat forces' best interests and needs remain my number one focus until our National objectives in the Long War have been achieved. However, as we rightfully begin to transition to the challenges and opportunities of the post-OEF world and reorient to the Pacific under our new Defense Strategic Guidance, the Marine Corps must begin to rebalance and modernize for the future.

Through judicious choices, forward planning and wise investments—ever mindful of the economy in which we live—we have worked diligently to determine the right size our Corps needs to be and to identify the resources we will require to respond to crises around the world, regardless of clime or place. As we continue to work with Congress, the Navy and the DoD in maintaining the institutional pillars of our high state of readiness, you have my assurance that your Corps will be "ever faithful" in meeting our Nation's need for military crisis response.