

STATEMENT OF SENATOR DANIEL K. INOUE  
ARMY BUDGET OVERVIEW HEARING  
MAY 18, 2011

Today, we welcome the Honorable John McHugh, Secretary of the Army, who is providing testimony to our committee for the second time. And beside him we welcome for the first time, General Martin E. Dempsey, the Army Chief of Staff. Gentlemen, thank you for being here with us today as the committee reviews the Army's budget request for fiscal year 2012.

The Department of the Army's Fiscal Year 2012 base budget request is \$144.9 billion, an increase of \$7.2 billion over last year's enacted base budget. The Army is also requesting \$71.1 billion for overseas contingency operations for fiscal year 2012, which is a decrease of \$30.5 billion from last year's request and reflects the on-going drawdown of forces from Iraq.

As a part of the fiscal year 2012 budget build, Secretary Gates set a goal for the Department of Defense to achieve overall efficiency savings of \$100 billion over the next five years. The Army's share of this initiative is \$29.5 billion, with only \$2.7 billion of those savings programmed in fiscal year 2012, which the Army plans to achieve through aggressive plans to streamline headquarters, reduce overhead, and terminate or reduce weapons systems.

The fiscal year 2012 budget request comes at a time when the Army is at a turning point and is examining its postwar role. Your service is challenged with sustaining an Army at war, building readiness and strategic flexibility required to respond to future conflicts, and accelerating the fielding of urgent warfighting capabilities while modernizing for future conflicts.

Unfortunately, the Army does not have a good track record with its modernization efforts. A recent study noted that since 2004, the service has spent between \$3.3 and \$3.8 billion each year on programs that were eventually cancelled. I look forward to hearing from you today on some of the Army's modernization plans to develop and field a versatile and affordable mix of equipment to allow Soldiers and units to succeed in both today's and tomorrow's full spectrum operations.

Along with challenges in modernizing the force, manpower issues are just as critical. The Army has been in continuous combat for ten years, which puts a tremendous burden and stress on soldiers and their families. The Army has made progress in finding ways to mitigate the stress of multiple combat rotations and long family separations. The current size of the Army allows for more time at home before being deployed, however, in a speech earlier this year at the U.S. Military Academy, Secretary Gates indicated that it will be increasingly difficult for Army leaders to justify the number, size and cost of its heavy formations. Today I hope to hear your views on what the future Army force mix should be after operations in Iraq and Afghanistan wind down.

Finally, I look forward to hearing from you both on your assessment of the Army's readiness to respond to unforeseen future military contingencies. We are all aware of potential threats from nations such as China, North Korea and Iran. But there are many more unknown flashpoints around the globe that the U.S. could be called upon to engage. With the Army continuing to support operations in Iraq and Afghanistan, efficiency initiatives and potentially large defense cuts to help reduce the national debt, and difficult manpower decisions, I would like to get a

better understanding of your concerns regarding the Army's readiness to respond to other contingencies around the world.

Gentlemen, we sincerely appreciate your service to our nation, and the dedication and sacrifices made daily by the men and women in our Army. We could not be more grateful for what those who wear our nation's uniform do for our country each and every day. I look forward to working with you to ensure that the Fiscal Year 2012 Appropriations bill reflects the current and future needs of the United States Army.

Your full statements will be included in the record. I now turn to the Vice Chairman, Senator Cochran, for his opening statement.