

STATEMENT OF
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UNITED STATES MARINE CORPS
BEFORE THE
SENATE ARMED SERVICES COMMITTEE
SUBCOMMITTEE ON READINESS AND MANAGEMENT SUPPORT
ON
7 MARCH 2000
CONCERNING
OPERATIONS & MAINTENANCE, AND AMMUNITION PROCUREMENT ITEMS
BOTH IN BUDGET AND ABOVE BUDGET

Mr. Chairman, Senator Robb and distinguished members of this Committee, I greatly appreciate this opportunity to address the Marine Corps' Fiscal Year 2001 budget request, particularly as it relates to readiness. I must begin my remarks by offering my sincere thanks to this Committee for your help in addressing many of the near-term readiness challenges faced by the Marine Corps in recent years. Though our budget contains some measured risk, which I will address shortly, this Committee was instrumental in not only supporting our budget request but also in providing much-needed enhancements. These enhancements came in such critical areas as Operating Forces support, maintenance of real property, quality of life initiatives including modern individual combat equipment as well as ammunition procurement.

As the Commandant of the Marine Corps testified last week to the Senate Armed Services Committee, his focus is on the support of the Operating Forces and, specifically, the primacy of the Marine Air-Ground Task Force (MAGTF). The readiness of the MAGTF rests on four pillars: (1) our Marines and their families, (2) our legacy systems, (3) our infrastructure, and (4) our modernization effort. These pillars must remain strong in their own right and in the correct proportion so that the structure of readiness remains solid now and well into the future. Thus, our challenge is to maintain the individual strength of each pillar, while achieving a proper balance in our application of resources amongst the pillars.

Marines and their families remain our first priority and the source of our strength. In support of them, our Fiscal Year 2001 budget includes funding for our recruiting and retention efforts; individual and unit training; quality of life initiatives to include pay, housing and equipment, and our plans to return Marines to the Operating Forces.

Second, our budget supports using legacy systems as a bridge to the future. These systems are key to our near-term readiness. They require increased maintenance and essential upgrades to ensure their combat effectiveness into the 21st century. Our young men and women must have confidence in their equipment. While we continue to maintain and improve critical ground and aviation platforms, we cannot become complacent. Stabilization must become acceleration.

The third readiness pillar, our infrastructure, plays a critical role in serving as the platform for developing, training and maintaining our MAGTFs. We must ensure our bases and stations provide a safe working environment, are environmentally sound and promote the overall health and well being of the military and civilian workforce that they host and of the families who live there. Adequate levels of military and family housing construction as well as maintenance of real property are crucial to our success. In short, our bases and stations are the launching points for deploying units of the Operating Forces, and they are home to our Marine families.

Finally, our fourth pillar – modernization – is what will assure ready and capable MAGTFs well into the future. Our modernization efforts must continue the reversal of the procurement recess of the 1990's. Our Fiscal Year 2000 budget you passed last year is a step in the right direction. We are continuing on that path in the Fiscal Year 2001 budget, but the overall pace of modernization remains a concern. With our Operating Forces confronting block obsolescence in critical ground and aviation platforms, replacing these systems with their more capable, planned follow-on platforms is critical; the sooner, the better.

Over the past decade, we have dedicated the priority to our people and our aging legacy systems by deferring investment in our other two pillars - infrastructure and modernization.

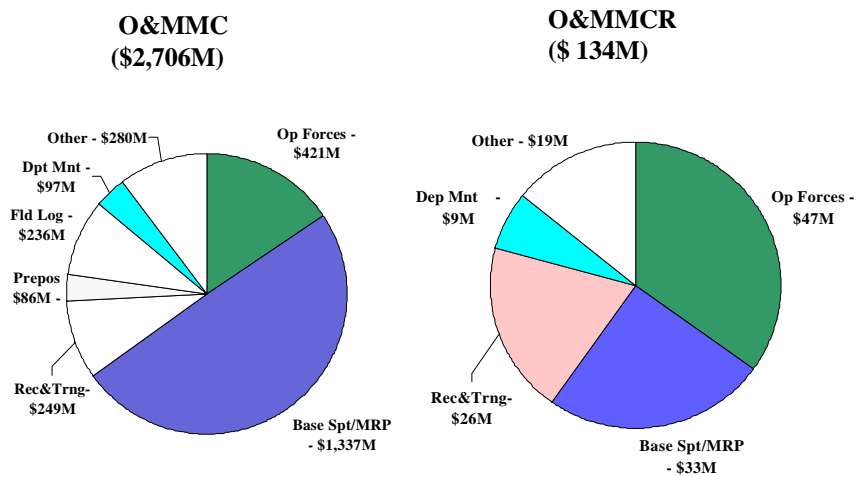
However, this deferral of infrastructure and modernization has led to a near-term readiness challenge as our aging ground equipment and our facilities have consumed more and more of our scarce resources further limiting our investment in infrastructure and modernization. Thus, my comment earlier on "measured risk" was made not to sound an alarm, but rather to candidly voice some urgency, and underscore the opportunity, to address all the pillars as a synergistic whole and build upon the progress we have made to date.

I would now like to address our Operation and Maintenance Marine Corps (Active and Reserve) and ground Procurement Ammunition, Navy and Marine Corps requirements for Fiscal Year 2001.

OPERATION AND MAINTENANCE (O&M)

The Operation and Maintenance, Marine Corps (O&MMC) budget request for Fiscal Year 2001 is \$2.7 billion; the Operation and Maintenance, Marine Corps Reserve (O&MMCR) budget request is \$134 million. These amounts represent a five percent decrease from the Fiscal Year 2000 column of this budget request. As I mentioned earlier, this committee and others have been instrumental in providing adds for readiness and infrastructure, and Fiscal Year 2000 was no exception. Unfortunately, the support from Congress does not carry over from one year to the next and is the primary reason for the real program decrease in the Fiscal Year 2001 budget request. As indicated in the chart below, approximately seventy-five percent of our O&M

FISCAL YEAR 2001 O&M



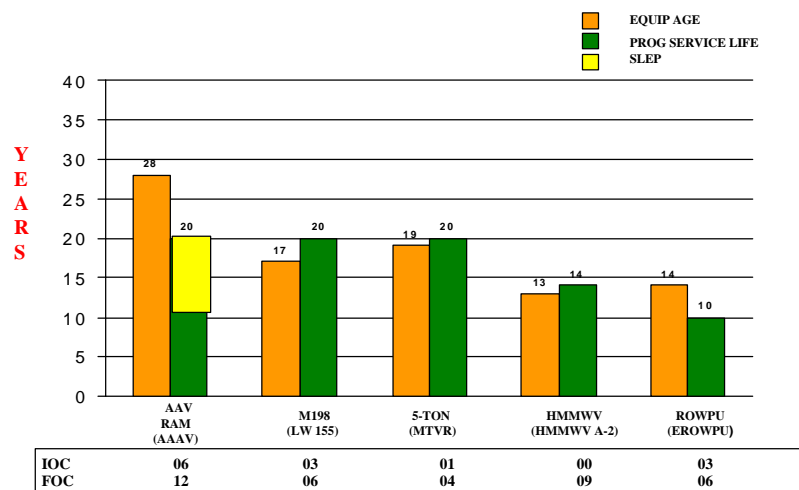
accounts finance the direct support of our Operating Forces, our base and station infrastructure, and our recruiting and centralized training efforts. O&M finances the day-to-day operations of our Operating Forces, the operation and maintenance of our bases and stations, depot maintenance, recruiting and training, and virtually every other activity one might associate with maintaining a ready and capable Marine Corps.

OPERATING FORCES. The Operating Forces are the heart of the Marine Corps.

They constitute the forward presence, crisis response and fighting power available to the warfighting CINCs. Funding for the Operating Forces includes: individual and unit training of our Fleet Marine Forces, their day-to-day operations, maintenance and repair of organic ground equipment, and the replenishment and replacement of both individual and unit equipment. About two-thirds of all active duty Marines are in the Operating Forces.

A major challenge faced by our Operating Forces is maintaining our fleet of aging equipment. Our equipment is breaking down more frequently and is requiring additional resources in terms of dollars and maintenance time to repair. For example, between 1997 and 1999 the average cost per repair action has increased 13 percent. Similarly, our average labor hours per repair action have increased 36 percent. Despite these trends, the Marine Corps has maintained a high level of readiness in our Operating Forces. However, hard work is quickly becoming over work and maintenance down time equates to a lack of availability of equipment for training that intuitively will ultimately affect readiness. Complicating the picture, as indicated in the chart below, much of our ground equipment is approaching or has exceeded its

AGING GROUND EQUIPMENT



planned service life. In short, the Marine Corps is faced with block obsolescence for many of our critical ground systems. While replacements are planned and underway, as can be seen in the chart, it will be several years before sufficient quantities are delivered to achieve even an initial operating capability (IOC).

Aging equipment also affects our depot maintenance program. Our backlog of depot maintenance has grown, as we have had to extend principal end items past their normal service life until replacement systems can be fielded. We have mitigated this growth as much as possible by forgoing additional fifth echelon repair when safety allows us to factor the fielding of replacement items. However, in those cases where replacements systems will not be available soon, we are required to perform unplanned depot rework on already old systems.

INFRASTRUCTURE SUPPORT. Our bases and stations are the "fifth element" of our MAGTFs. They provide the barracks and houses where our Marines and their families live, the training ranges on which they sharpen their skills, and the bases from which they deploy. Funding for infrastructure support spans a myriad of services to include: utilities, fire protection, environmental compliance and maintenance of real property. Given our constrained resources, we have not been able to do as much as we should in terms of adequately financing bases and stations. The current backlog of maintenance and repair at bases and stations has stabilized at approximately \$650 million through the Future Years Defense Program (FYDP). While the backlog is no longer growing, we have been unable to finance our goal of ultimately reducing the backlog to \$100 million.

Concerning base operations, we are constantly striving for ways to be more efficient. One of our principal tools is competition through the A-76 process. By competing various base operations functions, we are anticipating saving a minimum of 20 percent of the cost of those

functions. To date, we have announced studies affecting approximately 3,000 civilian and 700 military billets. While results will not be known until the end of Fiscal Year 2001, we are hopeful that, through this process, we will find more efficient ways to accomplish many of these functions. Our Fiscal Year 2001 budget finances the return of approximately 2,100 Marines to the Operating Forces, including those Marines freed up through the A-76 program.

TRAINING AND RECRUITING. Annually, the Marine Corps must access and train approximately 40,000 active and reserve Marines to maintain the young, aggressive force that is our trademark. Recruiting has become much more challenging as the quality young men and women we need have many equally attractive civilian educational and employment opportunities available to them. Accordingly, it is essential that adequate resources be provided for our recruiting and advertising efforts. To date, through the combination of adequate resourcing of our recruiting and advertising program and the dedication and long hours of our recruiters, we have continued to successfully achieve our recruiting goals, in both quality and quantity, for 56 consecutive months.

Similarly, adequate resourcing of our training program is essential to ensure Marines with the right skills are provided to the operating forces at the right time.

Our formal schools program continues to be both demanding and rewarding. It includes recruit and officer acquisition training, specialized skill training and professional development.

Highlighted in the Fiscal Year 2001 budget is the continuation and expansion of our distance learning program; however, more still needs to be done in this important area of training support.

PROCUREMENT AMMUNITION, NAVY AND MARINE CORPS (PANMC).

The readiness of our Marines to perform their primary mission depends both upon

adequate preparation in the form of annual training, and upon adequate levels of combat ammunition once a conflict begins. We are requesting \$134 million for ammunition procurement in Fiscal Year 2001. Although this is a reduction from the Fiscal Year 2000 level of \$192 million, the current budget maintains our commitment to fully fund annual training requirements, as well as the Combat Requirement (CR) of the War Reserve Munitions Requirement (WRMR). The reduction can be attributed to several factors. First, like the O&M accounts, we benefited from Congressional plus ups in Fiscal Year 2000; these additions do not carry forward into the Fiscal Year 2001 request. Second, this budget reflects significant price decreases in small arms ammunition, as well as a net decrease to training requirements resulting from a thorough review of all ammunition related training by the Ground Training Ammunition Requirements Group (GTARG). This budget fully funds annual training requirements and, with only a few exceptions, reaches 100 percent of Combat Requirement by the end of the Future Years Defense Program.

UNFUNDED PRIORITIES

As General Jones discussed in his 9 February letters to the Chairman and Ranking Minority Member of the Full Committee, the Marine Corps' most critical Fiscal Year 2001 shortfalls approximate \$1.5 billion dollars. These shortfalls are balanced amongst our four readiness pillars. They include recruiting and retention initiatives, family housing, barracks and other quality of life projects in support of our Marines and their families. They include support for our legacy systems through depot maintenance, corrosion control, and operating forces support. Bridging modernization through updating our existing aviation and ground platforms continues to be stressed. Concerning our aging infrastructure they include, accelerating both family housing and military construction projects and devoting more resources to maintenance of

real property. Finally, they would quicken the pace of modernization for both our ground and aviation equipment.

In the context of this subcommittee's oversight, specific shortfalls in the O&M accounts include addressing: maintenance of aging ground equipment, initial issue, corrosion control, recruiting and advertising support, maintenance of real property, as well as increased financing for depot maintenance. The Commandant, in his list of unfunded priorities, also addressed the need to accelerate the procurement of ground ammunition.

SUMMARY

Sustaining the readiness of your Corps remains our highest priority. We sustain readiness through unequivocal trust in our people and through prudent provisioning. As stated earlier, our challenge is to properly balance our resources across all four pillars of readiness and accelerate investments in infrastructure and modernization that are required to keep the Corps ready and relevant into the 21st Century. Adequate infrastructure and modernization has become a near-term readiness issue. Measured risk must be replaced by resourcing all pillars as a synergistic whole. Your Marines and their families sincerely appreciate the strong support consistently shown by this Committee and Congress in the past. We appreciate your continued support.