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CHAIRMAN, COMMITTEE ON
ARMED SERVICES
COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS
COMMITTEE ON INDIAN AFFAIRS

United States Senate

May 20, 2016

Dear Colleague:

Last week, the Senate Armed Services Committee reported the *National Defense Authorization Act for Fiscal Year 2017* (NDAA) with a bipartisan vote of 23-3. This legislation includes major reforms to the Department of Defense that can help our military to rise to the challenge of a more dangerous world both today and in the future—including systemic improvements to the military health system, continued reforms of a deficient defense acquisition system, and significant steps to modernize the decades-old organization of the Department to meet a new set of strategic challenges. At the same time, I write to you today to describe one challenge that the committee could not address—the dangerous mismatch between growing worldwide threats (and the huge demands they impose on our military) and arbitrary limits on defense spending in current law.

The *Bipartisan Budget Act of 2015* (BBA) provided our military service members with important and much needed relief from the arbitrary caps on defense spending in the *Budget Control Act of 2011*. The BBA was a credit to the congressional leadership, and many of us supported it as a necessary compromise that provided our military with vital resources for fiscal year 2016, but was more constrained in the resources it could provide for fiscal year 2017. The NDAA that the Armed Services Committee reported last week conforms to the defense spending levels for fiscal year that were established in the BBA and requested by the President. However, as the Chairman of the Armed Services Committee, I owe you and the rest of my colleagues a candid assessment of the consequences that the current caps on defense spending are imposing on our military.

Specifically, the defense funding level set by the BBA is \$17 billion below the amount that the Department of Defense and our military leaders planned for in last year's Future Years Defense Plan. We are asking our military to do more next year than this year—more in Iraq and Syria, more in Asia, more in Europe to deter Russia, and more in Afghanistan, since the President altered his troop drawdown plan last October—but in constant dollars, defense spending for fiscal year 2017 is actually less than fiscal year 2016. The chiefs of our military services have identified a total of \$23 billion in military requirements for fiscal year 2017 that they could not afford under the BBA. These shortfalls in military capability amount to \$100 billion above the defense spending caps in the BCA over the next four years.

These resource limitations have left each of our military services underfunded, undersized, and unready to meet current and future threats. The Army has been reduced by 100,000 soldiers since 2012, bringing the Army to a size that Army Chief of Staff General Mark Milley testified has put the Army at “high military risk.” As the size of the Army has shrunk, readiness has suffered. Just one-third of Army brigade combat teams are ready to deploy and operate decisively. Indeed, just two of the Army's 60 brigade combat teams are at the highest level of combat readiness. To buy readiness today, the Army is being forced to mortgage its future readiness and capability by reducing end-strength and delaying vital modernization programs.

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By any measure, the fleet of 272 ships in the Navy today is too small to address critical security challenges. Even with recent shipbuilding increases, the Navy will not achieve its current requirement of 308 ships until 2021, and there is no plan to meet the bipartisan National Defense Panel's unanimous recommendation for a fleet of between 323 and 346 ships. Yet, a shrinking fleet operating at a higher tempo has forced difficult tradeoffs. For example, the last five carrier strike group deployments have exceeded the Navy's preferred duration, which takes a heavy toll on our sailors, ships, and aircraft. The Navy is unable to continue years of deferred maintenance and no longer able to provide constant carrier presence in the Middle East or the Western Pacific.

By the end of this fiscal year, the Marine Corps will be reduced to 182,000 Marines, even as Commandant of the Marine Corps General Neller testified last year that the optimal size for the force is 186,800. Facing a shortage of eight amphibious ships, the Marine Corps has been forced to examine options for deploying forces aboard foreign vessels. Likewise, Marine Corps aviation is in crisis. Pilots are not getting the training hours they need to maintain their skills, and a recent media report detailed how Marines are scavenging spare parts from other aging aircraft and even a museum piece, just to keep pace with the operational demand amid resource shortfalls.

Similarly, the Air Force is the oldest, smallest, and least ready in its history. The combination of relentless operational tempo and misguided reductions in defense spending in recent years has depleted readiness. Today, less than 50 percent of the Air Force's combat squadrons are ready for full-spectrum operations, well below the Air Force's stated requirement of 80 percent. The Air Force does not anticipate a return to full spectrum readiness for another decade.

These and other arbitrary cuts to our military forces and capabilities are occurring while threats to our nation are growing around the world. The cap on defense spending for fiscal year 2017, as revised by the BBA, is only modestly higher than what was imposed in 2011. Since then, we have seen Russian forces invade Ukraine, the emergence of the so-called Islamic State and its global campaign of terrorism, increased attempts by Iran to destabilize U.S. allies and partners in the Middle East, growing assertive behavior by China and the militarization of the South China Sea, numerous cyber-attacks on U.S. industry and government agencies, and further testing by North Korea of nuclear technology and other advanced military capabilities. Indeed, the Director of National Intelligence, James Clapper, testified to the Armed Services Committee in February that, over the course of his distinguished five-decade career, he could not recall "a more diverse array of challenges and crises" than our nation confronts today.

These and other growing threats are forcing our military to devote its already limited resources to new operational missions. For example, U.S. military efforts to deter Russia and reassure allies in Europe have grown from \$800 million last year to \$3.4 billion in this year's budget request. The number of troops deployed and the pace of military operations in Iraq, Syria, Libya and elsewhere in the Middle East continue to grow and grow. And in Afghanistan, the President chose to maintain a higher level of U.S. troops than the Department of Defense budgeted for due to deteriorating conditions on the ground. However, these and other growing demands on our force have occurred with no commensurate increase in resources, so our military is being forced to raid funds that it needs now to restore readiness, maintain equipment, and modernize its equipment.

While continued efforts to eliminate unnecessary defense spending is vital, we should be under

no illusion that this alone will yield the levels of resources that our military requires. Secretary of Defense Robert Gates cut dozens of weapons programs as part of a \$178 billion efficiencies initiative during his tenure. The *Budget Control Act* has mandated almost \$200 billion in additional defense spending cuts over the past six years. And just last year, the *National Defense Authorization Act for Fiscal Year 2016* enacted important reforms that, according to the Senate Budget Committee, “reduced direct spending over each enforcement window, with an overall savings of \$1 billion over 10 years.” The Armed Services Committee remains focused on pushing critical reforms that can make better use of the dollars that the nation spends on defense, but as Secretary Gates has said, “the proverbial ‘low-hanging fruit’...have not only been plucked, they have been stomped on and crushed. What remains are much-needed capabilities.”

Many of these much-needed capabilities would have to be cut or harmfully reduced if the defense budget for fiscal year 2017 remains at the levels mandated by the *Bipartisan Budget Act*. In particular, I am concerned that the necessary resources would not be available to reverse the following budget-driven cuts that the Department of Defense was forced to make:

- **Cutting F-35As and C-130Js.** Despite facing a shortfall of hundreds of fighter aircraft in the next decade, the Air Force cut the procurement of F-35As by five in fiscal year 2017 and by 45 over the next five years. The Air Force also cut three C-130J transport aircraft from its budget request.
- **Downsizing Our Navy.** The Navy will not reach its stated requirement for 308 ships until at least 2021, and there is no plan to meet the bipartisan National Defense Panel’s call for a fleet of 323 to 346 ships. Yet, the Navy plans to prematurely lay-up an additional five *Ticonderoga*-class cruisers this year, essentially cutting our cruiser fleet in half.
- **Cutting a Littoral Combat Ship.** Among other ships, the Navy has cut the procurement of one Littoral Combat Ship for fiscal year 2017.
- **Retiring the Navy’s 10th Air Wing.** The Navy’s air wings go hand-in-hand with the size of the aircraft carrier fleet, which is legally mandated to be 11 aircraft carriers. Yet, the Navy plans to cut an air wing and operate a total of nine next year.
- **Reducing Navy Rotorcraft purchases.** The Navy plans to cut its procurement of AH-1Z/UH-1Y Vipers and Venoms, MV-22 Ospreys, and the MQ-8 Fire Scout.
- **Cutting Army UH-60 Blackhawks and AH-64 Apaches.** Army aircraft are aging and in dire need of replacement. Unfortunately, in order to absorb the shortfall, the Army will be cutting the UH-60 Blackhawk procurement by 24, and AH-64s by 9, delaying the modernization plan beyond 2028.
- **Cancelling Over 50 Military Construction Projects.** The budget request cut \$1.1 billion in military construction affecting projects in states such as California, Maryland, South Carolina, Virginia, Arizona, Hawaii, Florida, Kentucky, and New York.

- **Underfunding Facilities Sustainment, Restoration, and Modernization (FSRM).** Despite delaying these projects for years, the budget request once again cuts facilities maintenance across the board for each of the military services. The current budget only funds on average 74 percent of the military's FSRM requirements. The upkeep of these facilities, such as airfields, are a necessary component of readiness and enabling our forces.
- **Cutting Missiles and Ammunition.** The Army, Navy, and Air Force, are planning cuts in missile production, such as Mk 48 Torpedoes, AIM-9X Air-to-Air Missiles, Evolved Sea Sparrows, and SM-3 interceptors, and ammunition.
- **Delaying Nuclear Modernization.** A top priority one year ago, the budget request further delays nuclear modernization, including the ICBM replacement and the B-61 nuclear bomb tail kit.

In addition, I am concerned that a defense budget for fiscal year 2017 at the BBA levels would prevent the Senate from providing resources to address the military's unfunded requirements and to fund other programs necessary to respond to current and future threats, including:

- **Rebuilding Readiness of Our Military.** In 2013, sequestration had a devastating impact on the readiness of our force – a reality the military has been trying to repair ever since. However, the combination of artificially constrained defense spending levels and a constantly increasing operational tempo has set back these efforts. As previous examples illuminate, military readiness remains dangerously low. What is worse, current plans to fix this problem are estimated to take five to ten years. Our troops are being deployed into combat operations today, and any delay in rebuilding readiness due to artificial budget constraints is completely unacceptable. The military services have identified over \$7 billion in readiness related items in their Unfunded Requirements List for fiscal year 2017 alone. The committee has attempted to address this shortfall in the NDAA, but much is left to be done.
- **Freezing the Drawdown of the Army.** By the end of the next fiscal year, the Army will be cut down to 450,000 Active-Duty personnel soldiers, down from a wartime peak of 570,000. This budget-driven reduction was made before Russia's invasion of Ukraine and the rise of ISIL. Given the current threats facing the Army and the demands they impose upon our soldiers, the Senate should stop the planned reduction of 15,000 Active-Duty soldiers and 10,000 reserve component soldiers in fiscal year 2017. Freezing the drawdown this year will provide the next Administration the ability to put forward their new plan for the Army, and prevent taxpayers from paying more money to reverse another year of end-strength reductions.
- **Reversing the Drawdown of the Marine Corps.** By the end of this fiscal year, the Marine Corps will be reduced to 182,000, down from a wartime peak of 202,000. However, Commandant of the Marine Corps General Robert Neller has testified that the optimal size for the force to meet current demand is 186,800. At lower end strength levels, Marines have had to deploy more frequently and at an unsustainable level causing

not only a retention a problem but hurting readiness. The Senate should increase the size of the Marine Corps in fiscal year 2017.

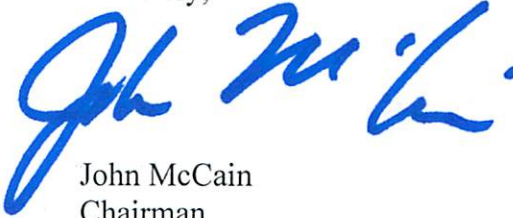
- **Addressing the Navy's Fighter Shortfall.** The number one item on the U.S. Navy's unfunded requirement list is the need for additional F/A-18 Super Hornets to address the current strike-fighter shortfall. We should also be re-examining the requirement gap for EA-18 Growlers, the only electronic attack aircraft in the Joint Force and a major high-end combat asset. Despite being such a clear Navy weapons requirement, the F-18 line is at risk of closing down.
- **Accelerating Navy Shipbuilding.** The Navy has plans to slowly build back up to its total ship requirement of 308 ships. Unfortunately, this modernization plan will peak at the same time as other major modernization plans throughout the military. This convergence of modernization programs, called a bow wave, will either be unaffordable for the military or require a massive growth in defense spending in several years. There is no debate that the country needs a larger more capable Navy. Rather than delay in the face of increasingly competing and expensive priorities and risk the future readiness and capability of our Navy, it is both urgent and prudent to accelerate funding for known requirements, including the *Virginia*-class submarine, the *Arleigh Burke*-class guided missile destroyer, and LX(R) amphibious ship.
- **Providing Defense Military Assistance to Ukraine.** Last year Congress authorized and appropriated funding to provide assistance to Ukraine to resist Russia's invasion and its support for so-called "separatists." The administration requested no further funding for assistance to Ukraine. But this support should continue as long as Russia continues to illegally occupy Crimea and destabilize Ukraine.
- **Increasing Support to Fight ISIL.** The attacks in Paris, San Bernardino, and Brussels underscore the urgent reality of the threat posed by ISIL. In order to support coalition operations underway to roll back ISIL and deprive it of safe haven, additional funding is required to accelerate training and equipping of local partner forces taking the fight to ISIL on the ground.
- **Fully Funding the Afghan Security Forces Fund.** The Department of Defense has underfunded the ASFF that supports Afghan military and police fighting al-Qaeda, the Taliban, ISIL, and other terrorist groups. The budget request does not provide for items including the recapitalization of the Afghan armored vehicle fleet (HMMWV), or necessary logistics contracts for military aircraft.

Last year, former Chairman of the Joint Chiefs General Dempsey described the Future Years Defense Plan as "the lower ragged edge of manageable risk in our ability to execute the defense strategy." One year later, the Senate has been presented a defense budget request that is even less in real dollars. I do not know what lies beneath "the lower ragged edge of manageable risk," but this is what I fear it means—that our military is becoming less and less able to deter conflict, and that if, God forbid, deterrence does fail somewhere and we end up in conflict, our nation will deploy young Americans into battle without sufficient training or equipment to fight a war that will take longer, be larger, cost more, and ultimately claim more American lives than it otherwise

would have. That is the growing risk we face, and we cannot change course soon enough.

For the sake of the men and women serving in our military, I believe the Senate must make a different choice. When the Senate takes up the *National Defense Authorization Act for Fiscal Year 2017*, I am committed to seeking solutions to give our service members the resources, training, and the equipment they need and deserve. We ask a lot of our men and women in uniform, and they never let us down. We must not let them down. As we consider the NDAA on the floor, I stand eager to work together to get our military the resources they need and deserve.

Sincerely,

A handwritten signature in blue ink, appearing to read "John McCain", with a stylized flourish at the end.

John McCain
Chairman