The Committee will be in order.

This afternoon the Committee will hold a hearing on the budget of the United States Army for fiscal year 2014. We will discuss funding for personnel matters; current operations and readiness; research and development; and procurement. The base budget request for the Army for fiscal year 2014 is \$126.1 billion for Military Personnel, Operation and Maintenance, Procurement, and Research and Development. With the additional funds requested for Military Construction and Family Housing; Chemical Agents Demilitarization; and Army Working Capital Fund plus BRAC; the total amount comes to \$129.7 billion for the base budget.

The budget request for Overseas Contingency Operations for fiscal year 2014 has not yet been submitted by the President and we hope to see that request soon.

We are pleased to say "Welcome back" to both of our distinguished witnesses, the Honorable John M. McHugh, Secretary of the Army; and General Raymond T. Odierno, Chief of Staff of the Army.

I believe this is Secretary McHugh's fourth appearance before the Defense Subcommittee as Secretary of the Army.

He is an experienced veteran of Capitol Hill with a wealth of knowledge in national defense programs and funding. He honed his budget skills while serving in the House of Representatives representing the New York State's 23<sup>rd</sup> and 24<sup>th</sup> districts. He served on the Oversight and Government Reform Committee, and the House Permanent Select Committee on Intelligence, and later as ranking member on the House Armed Services Committee.

His experience on congressional committees with oversight of defense issues, combined with his service as Secretary of the Army makes him one of the most well informed officials on Army programs, operations, acquisition, Reset, modernization and restructuring. Our Nation is fortunate to have such a well-qualified person here today to discuss the Army budget request for fiscal year 2014.

General Odierno is the 38<sup>th</sup> Chief of Staff of the United States Army. He is a native of New Jersey. He earned his bachelor's degree at the United States Military Academy at West Point. He has commanded at Division, Corps, and Army levels. Between commands he has served in critical staff positions including assistant to the Chairman of the Joint Chiefs of Staff, and military advisor to Secretary of State Rice.

From 2008 to 2010 General Odierno served as Commander of the Multi-National Force-Iraq, and Senior U.S. military commander in Iraq.

At present he is guiding the Army through the ramping down of Army manpower as units come home from Afghanistan, and he is organizing the Army to support the shift in focus to the Asia-Pacific. His experience in war has prepared him for the challenges of resetting, reorganizing, and retraining our Army for a broad and complex spectrum of military missions. He works to ensure that our Army units have the equipment and training they need to win in battle while caring for the wounded warriors and their families. He has demonstrated throughout 36 years of service that the best way to care for our soldiers is to ensure their mission readiness.

Secretary McHugh and General Odierno, we salute you and the men and women, officers and enlisted soldiers, family members, and civilian employees that you represent.

The Army has shouldered a heavy load in Iraq and Afghanistan. Units have served multiple, extended combat tours, often with too little time to reset between tours. The active component of the Army has been fully committed and the Army National Guard and Army Reserve have stepped forward to help fill requirements.

Although operations are ramping down in Afghanistan, significant troop deployments will continue in the near term.

After multiple combat tours, many soldiers have completed their commitments and returned to civilian life. It is noteworthy however that a significant number of mid-grade officers and Non-Commissioned officers and their families have continued to serve in the Army. They are proud of their achievements in the Army, they are optimistic about the future, and they provide a valuable core of combat experience.

The Administration has directed a shift in focus to the Asia-Pacific area in recognition of the trade, populations and militaries in that vast region.

In response to the focus on the Asia-Pacific, the Army has established unit affiliations and regionally focused training programs while resetting forces as they return from deployment. Army force structure is under review and revisions will be made to posture the Army to counter current threats.

As long as Al Qaeda, the Taliban, North Korea, Iran and other state and non-nation-state actors continue to threaten the international community with weapons ranging from Improvised Explosive Devices, to nuclear and chemical weapons of mass destruction, the Army must be ready to respond.

The expected downward pressure on defense spending has begun. Uncertainty in the budget process, lengthy periods operating under continuing resolution authority and uncertainty as to the application of sequestration reductions have required awkward spending adjustments in a short period of time. Unfortunately, downward pressure on defense spending is likely to continue in the near term, with a top line for defense that may be driven more by affordability than an appreciation of the threat.

We look forward to updates on all of these issues and key acquisition programs including: The Network, Joint Light Tactical Vehicle; Ground Combat Vehicle; and Armed Aerial Scout. We are interested as well in plans for the Stryker vehicles and plans for the thousands of MRAPs that will be returning from Afghanistan.

Finally, the Army continues its series of Network Integration Evaluations at Fort Bliss, Texas. We will be interested in an update on the costs and benefits of the NIE process.

Mr. Secretary and General Odierno, we have an ambitious agenda this afternoon, but before we proceed with your statements, I would like to ask the distinguished ranking member, Mr. Visclosky for any comments that he might have.

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