

Office of the Commandant of the Marine Corps

**Remarks at
American Enterprise Institute for Public Policy Research
(As prepared)**

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February 14, 2013

Ladies and Gentlemen, thank you all for being here today. This is a critical time for our Nation and certainly for the Department of Defense. Never before in our history have the forces of a fiscal crisis and a military manpower reduction collided with an ongoing decade-plus-long conflict. What our Nation is going through now is unprecedented.

As you know, we are currently operating under a continuing resolution, not an approved budget. This fact alone hamstring the services in our ability to execute. We cannot start new programs that were planned to begin in Fiscal Year 2013, we cannot build new facilities and we continue to operate under last year's budget levels. Remember, beginning in 2012, the Department began to absorb \$487 billion in top line budget reductions over ten years. That was in addition to the nearly \$200 billion worth of reductions and efficiencies that Secretary Gates directed before his departure. Now, we face the looming specter of sequestration and the distinct possibility of a yearlong continuing resolution.

As our Nation copes with the current fiscal situation marked by an economy slow to establish consistent and sustained growth, an increasing imbalance between national expenditures and available resources and the continued debate over the national debt ceiling, we are, at the same time, in the beginning stages of rightfully downsizing our military.

We face this uncertainty while we are still heavily engaged in Afghanistan, where a fledgling military and government works to get on its feet and while our military begins to rebalance our forces and implement our new strategy. I submit to you that this is indeed a critical time and our Nation must get it right.

The Defense Strategic Guidance remains a clear articulation of future threats, challenges and opportunities. It is a sound strategy for maintaining U.S. global leadership in international, diplomatic, economic, and security affairs. The Joint Chiefs played an important part in the strategy's development and I continue to support its full implementation today as I did when it was released. Maintaining an open international economic system and a just international order are linchpins of that strategy.

The effects of disruption to the global order are readily observed today in roller-coaster energy prices, fluctuating global markets, economic decline and increasingly belligerent behavior by state and non-state actors alike. These phenomena, coupled with the global competition for resources, a bulging and disaffected worldwide youth population and a seemingly increased occurrence of natural disasters provide a backdrop against which the United States cannot fail to be the global leader.

Failing to provide leadership in the collective security of the global order would have significant economic consequences for the American people. Worse, a lapse in American leadership would create a void in which old threats would be unaddressed, and new security challenges would find room to grow.

The Marine Corps plays an increasingly important part of America's role in the global order and the "new normal" security environment we see today. As its premier crisis response force, we buy time and decision space for our Nation's leaders. In the simplest of terms, we are America's insurance policy, much like your own health or life insurance. We are bought, equipped and trained to be a hedge against the uncertainty; that is why our country has a Marine Corps.

Our ability to be constantly forward deployed allows us to demonstrate national resolve and willingness to deter aggression through forward presence. Teamed with our primary joint partner, the United States Navy, we come from the maneuver space of the sea.

The Marine Corps and Navy team are the essential element in the security of a maritime nation with global responsibilities. The United States relies heavily on the maritime commons for the exchange of commerce and many nations depend on us to maintain freedom of movement on those commons. By maintaining the global commons, today's Navy and Marine Corps are on the scene of crises, preventing regional conflict, countering threats to our interests and to be there for our allies when trouble threatens them. The Navy and Marine Corps team continues to be a very effective hedge against the Nation's most likely risks.

When not actively engaged in combat operations or otherwise deterring a potential adversary, our forces routinely conduct rotational deployments and other bilateral and multilateral training exercises with allied and partner nations. These activities reinforce deterrence, help to build the capacity and competence of host nation forces, strengthen alliance cohesion and increase U.S. influence. These missions are all about trust. Building partners and allies has to be done in person...relationships matter.

In the context of the current fiscal crisis our Nation faces, our ability to be forward deployed, to build international partnerships, to reinforce existing relationships and to respond to a myriad of crises in is jeopardy. We will simply not have sufficient forces to provide stability and influence where they are likely needed most.

So, there should be no misunderstanding...the combined effect of sequestration and a yearlong continuing resolution and will have a disastrous effect on the stability of the global order, the perceptions of our enemies, and the confidence of our allies.

It would be irresponsible to view sequestration solely as a budget issue. Our collective actions in the next months will be scrutinized on a global stage and even the perception of a disruption of our nation's ability to protect its global interests could well have strategic implications.

As I shift gears a little bit here, I want to talk specifically about the Marine Corps and what we are doing in the face of the current fiscal situation. We have begun, both because of the current continuing resolution and in preparation for sequestration, to take what action we can to preserve the readiness of our operating forces. Our Nation's propensity to remain a global leader in what remains a continually challenging world is measured, at least in part, by the readiness of its military.

It is important to this conversation to understand that readiness is the aggregate of the investment in personnel, training and equipment to ensure that units are prepared to perform missions at any given time. Our ability to project a ready force when a crisis erupts is viewed by friend and foe alike. Their reactions, and the impact on the international order upon which our prosperity and security depend, are a direct reflection of the readiness of our forces. *Readiness is the stock in which the Marine Corps trades the most.*

The linkage between resources and readiness is immediate and visible. While I think all can agree that defense resources must be highly scrutinized as our nation finds its fiscal footing, the scale and abrupt implementation of the prospective resource changes inherent within sequestration have the potential for a devastating impact on our readiness. This is not a temporary condition.

While the primary effect on short-term readiness will be observable immediately, the second and third order effects will be seen in the longer-term and may be even more disastrous to a force mandated by the 52nd Congress to be the “*most ready when the nation is least ready.*” Under the current continuing resolution, I have already been forced to realign funds from longer-term activities within the operations and maintenance account to protect the short-term readiness of our combat deployed Marines and those on the forward edge of our Nation’s ability to respond swiftly to crises across the globe.

While these close-in adaptations are possible, the short-term readiness of our current forces comes at the expense of those who will follow in their footsteps. Even when not deployed, Marine units are required to maintain higher levels of readiness, so they can deploy on short notice. Tiered readiness, where resources from non-deployed units are paid forward to ensure that deployed and next-to-deploy units have sufficient personnel, equipment and training to accomplish their mission, is a recipe for a hollow force and is not compatible with the Marine Corps’ mandate.

Over time, tiered readiness leads to an unacceptable degradation in overall unit readiness. To keep our Marines in the field, we are already being forced to reduce depot-level maintenance of our equipment, stunt our reset abilities after eleven years of combat, reduce our participation in training exercises, reduce equipment buys and curtail modernization programs. Despite the constrained funding resulting from the continuing resolution, in the next six months, we will still be able to meet the Marine Corps’ deployed warfighting needs and the training of next-to-deploy forces. Between 6 and 12 months, however, we will continue to decrement readiness accounts with an ever-increasing erosion of home-station unit readiness and force modernization, and we will begin to show small impacts to next-to-deploy forces. Beyond 12 months, we will see a real effect on all home station units and the beginning of impacts to our next-to-deploy and deployed forces. This will clearly mark the beginnings of a slide to a “*hollow force*” we have fought so hard to avoid for decades.

It is important to note that sequestration has significant effects well beyond the current year and will undoubtedly affect our long-term readiness. The Marine Corps manages the long-term health and readiness of the force by balancing resources across five broad pillars: *high quality people, near-term unit readiness, capability and capacity to meet Combatant Commander Requirements, infrastructure*

sustainment and equipment modernization. Maintaining balance across all five pillars is critical to achieving and sustaining Marine Corps readiness.

Actions we are being forced to take to ensure our short-term readiness such as transferring facilities sustainment funding to support operations and equipment maintenance are creating an imbalance across these pillars and will result in both near and far-term readiness shortfalls.

Marine Corps readiness is now at a tipping point in the sense that our ability to rebalance funding from long-term investments to short-term readiness is becoming unsustainable. By the end of calendar year 2013, less than half of our ground units will be trained to the minimum readiness level required for deployment. The impact we foresee on our aviation units is not any better; only two thirds of our aviation combat units will be at readiness levels required for overseas deployment. Decreased readiness will compound in 2014 and beyond if nothing is done to counter the planned sequestration.

We have worked diligently to mitigate the effects of the continuing resolution, slowing the rate of expenditures across our accounts to ensure sufficient funding for the entire fiscal year and to better prepare for the potential effects of sequestration. Our task has been made more challenging by the ever-increasing demand for Marines. From the resumption of the Unit Deployment Program in Japan and the recent establishment of a rotational presence of Marines in Australia to the planned increase of Marine embassy security forces, the increased requirement for Marines around the globe, combined with the reduced funding associated with an annualized continuing resolution has created a Marine Corps operations and maintenance funding shortfall of \$945 million in Fiscal Year 2013 alone.

To preserve the ability to operate throughout the entire fiscal year and prevent immediate reductions in depot workforce, cyber activities, base security, and ongoing training and exercises, we reallocated current fiscal resources from lesser priority funding. We have curtailed all but mission-essential travel and conferences. We have slowed expenditure rates below what is required to maintain our current readiness levels and we have reduced depot funding and facilities sustainment, restoration and modernization spending. We have delayed major contracting actions until later in the fiscal year to give us a hedge against our worst-case fiscal scenario. Had we not taken these actions, we would have exhausted our operations and maintenance resources in early to mid-August with no way to pay for even our deploying and next-to-deploy forces' readiness.

Although barely sufficient to mitigate the immediate impacts of an annualized continuing resolution, these actions are in no way sufficient to cover the additional fiscal impact of sequestration in Fiscal Year 2013. Sequestration is expected to impose nearly an additional billion dollars in resource reductions to the Marine Corps this year. This will drive irreversible readiness impacts, especially when viewed through a long-term lens. The inflexibility of sequestration and discretionary cap reductions in the Budget Control Act of 2011, if allowed to occur, would trigger cascading cuts in our operating budgets through 2021. The arbitrary and indiscriminate cuts about to be imposed simply must be avoided.

Ladies and gentlemen, I want to have time to get to your questions. But, I hope that I have painted a picture that helps everyone understand just what is about to happen within the military if these reductions are allowed to occur. I would venture to say that all of my fellow Joint Chiefs, if asked directly, would agree that we understand military spending needs to come down from the levels we saw just a few years ago. We understand just where the Nation is today fiscally and we are also responsible taxpayers who want to see the government “right the ship.”

What I hope that you take away from today is that the manner in which sequestration and continuing resolution reductions are going to be applied does nothing to help preserve our readiness and our ability to protect the Nation. We also cannot forget the impact to our most precious assets - our highly skilled and highly trained people and their families, uniformed and civilian alike, many of whom risk their lives every day. We owe them all a better result than what is about to happen.

Thank you all for being here today. I look forward to your questions. God Bless the Marine Corps and Semper Fidelis.