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BUILDING PARTNERSHIP CAPACITY AND DEVELOPMENT OF THE INTERAGENCY PROCESS

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES
ONE HUNDRED TENTH CONGRESS
SECOND SESSION

HEARING HELD
APRIL 15, 2008

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BUILDING PARTNERSHIP CAPACITY AND DEVELOPMENT OF THE INTERAGENCY PROCESS

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, Tuesday, April 15, 2008.

The committee met, pursuant to call, at 9:33 a.m., in room 2118, Rayburn House Office Building, Hon. Ike Skelton (chairman of the committee) presiding.

OPENING STATEMENT OF HON. IKE SKELTON, A REPRESENTATIVE FROM MISSOURI, CHAIRMAN, COMMITTEE ON ARMED SERVICES

The CHAIRMAN. Ladies and gentlemen, welcome to our hearing this morning. Two quick announcements. There is a hard stop on this hearing at 12:30. The witnesses turn to pumpkins at 12:30 and we have promised to let them leave at that time. So I urge the five-minute rule be adhered to strictly. And we will also have a break for the witnesses at 11:00. And when that happens, I hope that the audience will stay in their seats for them to repair to the back room for the five-minute break.

So let me officially say good morning and welcome our witnesses to the House Armed Services Committee on Building Partnership Capacity and Developments in the Interagency Process. This is a historic moment, historic because we have two distinguished guests with us. In the history of our country, this has not happened before—the Honorable Robert Gates, Secretary of Defense, and the Honorable Condoleezza Rice, Secretary of the State testifying before a committee, and we appreciate your being with us on this very important topic.

I understand also that Admiral Mullen, Michael Mullen, chairman of the joint chiefs is on hand to help answer your questions, although as I understand it, will not be offering official testimony. Is that correct?

Admiral MULLEN. I actually have a brief opening statement, sir.

The CHAIRMAN. Fine. Thank you. Two years ago this month in April 2006, the House Armed Services Committee held two hearings, one on the interagency process and one the next week on building partnership capacity. Today we have combined both of those topics into one hearing and we will see if that represents progress. These are two very important topics for our committee to explore, and in many ways they are intertwined. Our country faces a more complex security environment today than that of the Cold War. We have seen a growing realization that the Nation's challenges such as fighting the wars in Iraq and Afghanistan, fighting terrorism, preventing the proliferation of weapons of mass destruc-

tion (WMD) require holistic strategies that make use of all the capabilities of all of our government agencies.

Instead, our national security structures remain essentially unchanged from the days of the Cold War. The mechanisms to integrate all of the United States governmental departments and agencies that should play a role in the development of our national security policy and in translating that policy into integrated action are weak if they exist at all. Where they do exist, they are usually the ad hoc efforts of those directly engaged in the challenge of the moment and not the result of a deliberative process designed to achieve a unity of effort that emerges as a natural product of governmental function. Our experiences in Iraq and Afghanistan are forcing solutions on those issues. Just as those conflicts will not be solved by military power, so too is the expertise we most need to make a difference there essentially diplomatic.

Secretary Rice, I commend your efforts—in partnership with those like Secretary Gates—to advocate for adequate funding for the State Department in the President's budget request and in transforming the Foreign Services culture to adapt to the needs of the post-9/11 world. Cultural change takes time and requires sufficient resources. But my view is that some of our problems in Iraq and Afghanistan would have been avoided at the beginning with the right civilian capabilities deployed in sufficient numbers.

In its annual submission of legislative proposals for consideration in this year's National Defense Authorization Act (NDAA), the Department of Defense (DOD) has asked the Congress to consider a set of broad-reaching authorities they call building partnership capacity. Most of these are not new. We have seen them, and in some cases, acted on them. But in many ways, this looks like one of the ad hoc efforts I have mentioned. They are proposed near-term solutions to deal with real problems, but without the discussion we want to see of how these authorities fit into the broader set of tools that have traditionally resided in the State Department.

Last year, this committee set the Department of Defense, particularly the military services, on a course to reevaluate the roles and missions of the Department. The discussion today is also about roles and missions. What is and what should be the State Department's (DOS) role in the training and equipping of foreign militaries and in mustering the resources to prevent conflict? What existing programs and institutions have to be reformed? How do we ensure that the roles and missions that should be resided with the State are funded through the President's budget request?

In some ways, the specific legislative requests seem to indicate that the current authorities and processes governing foreign military assistance today residing within the State Department's jurisdiction are too inflexible to meet current security requirements. It seems to indicate recognition that the national security-related capabilities of civilian agencies, most notably, the State Department, must be strengthened.

In the absence of a national framework for that to happen, the Defense Department is willing to use some of its resources toward that end. In many ways, therefore, these authorities represent the Department of Defense's effort to jump start and take responsibility for resourcing an interagency process. In recent years, this

committee has considered these and similar authorities. While we have not approved them in their entirety, let me be clear, we are very supportive of the goals, the training and equipping of partners who will fight with us or for us and improving civilian capabilities to deal with tough theaters like Iraq and Afghanistan.

We have admitted that there was some concern, though. Some of that concern has had to do with what appears to be the migration of State Department activities to the Defense Department. The State's Foreign Military Financing (FMF) program has put in place a strong system of safeguards and controls through legislation and policy all overwatched by persons of considerable expertise. Why, then, we wonder, was the Department of Defense asking for similar authority. Why can't the FMF program handle it? Some of the concerns revolve around funding issues.

As I have mentioned, Secretary Rice has been challenged in finding additional funding through State's budget. To provide funding from the Department of Defense generally means drawing on operation and maintenance funds. I don't need to tell anyone that those funds are tight and need to go to the Department of Defense operations and maintenance costs. In the end, Congress has tried to provide sufficient authority for the most pressing needs of the Department of Defense while strongly encouraging the Administration to develop a more integrated, interagency approach to building partnership capacity. That you are both back here today in support of greater authority for the Defense Department would indicate that the Administration has not taken that hint.

Do these requests for expanding Department of Defense authorities really represent the future of interagency thinking? I hope not. But where do we go? Whether the Congress acts on these issues, be they the trained equip authority known as "1206" or the authorization for the transfer of Department of Defense monies to the State Department, has been in limited scope and for a limited duration. It is now time to consider whether Congress will extend or expand these programs.

But how? While Congress has acted on these issues as a temporary fix, what is the way forward from here? That is what we hope to hear today. Is the Department of Defense becoming the de facto lead agency in what used to be the State Department's realm? If so, why? How do we see these programs evolving from the ad hoc efforts to fully institutionalized governmentwide solutions? Two years ago, as I said, we had a hearing on this very subject where both then Chairman Hunter and I as ranking member expressed our concerns about these issues. The concerns I venture to say have not changed over the intervening times. Secretary Gates, Secretary Rice you have the opportunity today. From you we hope to hear how the Administration has used those two years to mature its approach on those specific issues. And I will expect you will need to explain to us why or why it hasn't.

Before I conclude, let me take an additional minute to address the testimony this committee heard last week with General Petraeus and Ambassador Crocker. Needless to say, they are among the finest we have in public service, but they are not responsible for taking the broader view that our two Secretaries must take on our national security. I continue to be deeply concerned

that the Iraqis are not taking advantage of the opportunities our troops have provided for them. Moreover, Secretary Gates, I know you also share my concern about the state of our military readiness if they are called upon to fight elsewhere, heaven forbid. I see a desperate need for increased resources in Afghanistan so we don't lose that effort. When we know that the most likely source of attack upon our Nation is coming from the Afghanistan/Pakistan border, I have a hard time understanding why Iraq is priority one instead of Afghanistan being priority number one. With that, I will now turn to my friend, the ranking member from California, Mr. Hunter.

STATEMENT OF HON. DUNCAN HUNTER, A REPRESENTATIVE FROM CALIFORNIA, RANKING MEMBER, COMMITTEE ON ARMED SERVICES

Mr. HUNTER. Thank you, Mr. Chairman, and thanks for holding this very timely hearing. And I would like to join you in welcoming our witnesses, Secretary Gates and Secretary Rice as well as Admiral Mullen, who I understand is here and available to answer questions for members. It seems to me that at first glance, today's topics, building partners capacity and reforming the interagency system, are unrelated. However, I believe that the need for the Defense Department to train and equip foreign forces and to provide funding for stabilization program social security is emblematic for interagency reform.

In recent years, the defense authorization laws have grown the ability of DOD to build the capacity of foreign forces or otherwise stabilize foreign nations through numerous programs. I hope today our witnesses will describe these initiatives, including the three-year section 1206 pilot program that allows DOD to train and equip partner militaries for counterterrorism or stability operations and the three-year section 1207 transfer authority that allows State Department to redirect DOD funds to governance, train and equip other stabilization programs worldwide, and last, the longer term section 1208 program employed by our special operation forces.

As you can see, Congress has recognized the need for the Defense Department to play in this foreign assistance arena. However, I note that Congress enacted many of these programs on a temporary basis. We have always been very conservative about putting these programs in place and we clearly outlined our legislative intent that they serve as stopgap measures. As mentioned during an April 2006 full committee hearing on building partner capacity, we wanted to give the Administration time to address the larger problem of how our ability to train and equip foreign forces and to provide stabilization aid is arranged under the State Department's traditional foreign assistance programs. We wanted to avoid increasing reliance on our Nation's military personnel who we all know have a can-do ethos and are willing to help in this area but who are actively engaged in combat operations and who need every single penny of operation and maintenance and other funding that we are providing them.

For example, I note that with some concern that 10 million of DOD funding was recently used for government and infrastructure

in Nepal to hedge against the risk of communist domination. I am curious which DOD programs received 10 million less funding so that this stabilization project could occur. More broadly, I would like to hear about the U.S. foreign assistance strategy and the steps you have taken in the two years since this committee's foreign assistance hearing to address shortfalls and challenges in the broader foreign assistance program.

It seems to me that the need to train and equip foreign forces and to provide stabilization programs will remain necessary as we continue to fight the global war on terror (GWOT). That said, the long-term answer must reflect an integrated approach to foreign assistance and not simply just a shift in those types of missions to U.S. military forces and that is something this committee is traditionally pushed back against because of this potential for a fairly substantial draw on DOD funding, funding that could come from some other important missions. And I believe that a long-term integrated approach should emerge from an updated national security architecture that is adapted to the full range of 21st century challenges.

Members of Congress have been actively discussing possible reforms in the national security architecture to make the interagency process and structures as efficient and effective as possible. In fact, this committee played an integral role in exploring this issue through both a legislatively required study and the work of our Oversight and Investigation Subcommittee.

So today we are discussing foreign assistance, but reforming the interagency would also have a beneficial impact on a range of other important issues. For example, staffing provincial reconstruction teams (PRTs), deploying civilian personnel abroad, and involving other departments, such as Justice and Homeland Security and overseas endeavors.

So this committee wants to be as supportive as possible in achieving the range of our Nation's national security missions to develop the various elements within the foreign assistance toolbox without damaging the ability of our military to accomplish or assign missions. I think we have got to take a careful look at the role, missions, and relationships among our national security-related departments and agencies and hopefully, Mr. Chairman, this hearing today will help members of this committee to have this conversation. So Mr. Chairman, thank you for holding this hearing. I welcome our guests and I look forward to the testimony.

The CHAIRMAN. I certainly thank the gentleman. Secretary Gates, welcome. And we will proceed from here.

STATEMENT OF HON. ROBERT M. GATES, SECRETARY OF DEFENSE

Secretary GATES. Thank you, Mr. Chairman, members of the committee. I appreciate the opportunity to appear with Secretary Rice and Admiral Mullen this morning. The subject being discussed and debated in this hearing goes to the heart of the challenge facing our national security apparatus. How can we improve and integrate America's instruments of national power to reflect the new realities and requirements of this century? For years to come, America will be grappling with a range of challenges to the inter-

national system and our own security from global terrorism to ethnic conflicts to rogue nations and rising powers. These challenges are, by their nature, long-term, requiring patience and persistence across multiple Administrations. Most will emerge from within countries with which we are not at war. They cannot be overcome by military means alone and they extend well beyond the traditional domain of any single government agency or department.

They will require our government to operate with unprecedented unity, agility, and creativity, and as I have said before, they will require devoting considerably more resources to nonmilitary instruments of national power, which need to be rebuilt, modernized and committed to the fight. Over the last 15 years, the U.S. Government has tried to meet post-Cold War challenges and pursue 21st century objectives with processes and organizations designed in the wake of a Second World War.

Operating within this outdated bureaucratic superstructure, U.S. Government has sought to improve interagency planning and cooperation through a variety of means, new legislation, directive, offices, coordinators, czars, authorities, and initiatives, with varying degrees of success. The recent efforts at modernizing the current system have faced obstacles when it comes to funding and implementation.

Some real progress has been made. One of the most important and promising developments of recent years is the main subject of today's hearing: the U.S. Government's ability to build the security capacity of partner nations. And in summary, the global train and equip program known as section 1206 provides commanders a means to fill long-standing gaps in the effort to help other nations build and sustain capable military forces. It allows Defense and State to act in months rather than in years. The program focuses on places where we are not at war, but where there are both emerging threats and opportunities. It decreases the likelihood that our troops will be used in the future. Combatant commanders consider this a vital tool on the war on terror beyond Afghanistan and Iraq.

It has become a model of cooperation, of interagency cooperation between State and Defense, both in the field and here in Washington, as I hope will be on display here today. Some have asked why this requirement should not be funded and executed by the State Department or that the issue as a matter of State's manning and funding to the point where it could take over this responsibility.

In my view, building partner capacity is a vital and enduring military requirement, irrespective of the capacity of other departments, and its authorities and funding mechanisms should reflect that reality. The Department of Defense would no more outsource this substantial and costly security requirement to a civilian agency than it would any other key military mission. On the other hand, it must be implemented in close coordination and partnership with the Department of State. For a long time, programs like the State Department's Foreign Military Financing were of minimal interest to the U.S. Armed Forces, that our military would one day need to build large amounts of partner capacity to fulfill its mission was not something that was anticipated when the FMF

program began. The attacks of 9/11 and the operations that have followed around the globe reinforced to military planners that the security of America's partners is essential to America's own security.

In the past, there was a reasonable degree of certainty about where U.S. forces could be called to meet threats. What the last 25 years have shown is that threats can emerge almost anywhere in the world. However, even with the plus up of the Army and the Marine Corps, our own forces and resources will remain finite. To fill this gap, we must help our allies and partners to confront extremists and other potential sources of global instability within their borders. This kind of work takes years. It needs to be begun before festering problems and threats become crises requiring U.S. military intervention at substantial financial, political, and human cost.

As a result, the Department came to the Congress three years ago asking to create a DOD global train and equip authority. We knew that the military could not build partner capacity alone. We recognized this activity should be done jointly with State, which has the in-country expertise and understanding of broader U.S. foreign policy goals. For that reason, Defense asks the Congress to make State a co-equal decision maker in law, hence the dual turnkey mechanism. The primary benefits of global training and equip will accrue to the country over 10 to 15 years, but the 1206 program already has shown its value. A few examples.

Providing urgently needed parts and ammunition to the Lebanese Army to defeat a serious al Qaeda-affiliated terrorist threat in a Palestine refugee camp, supplying helicopters, spare parts, night vision devices, and night flight training to enhance Pakistani special forces' ability to help fight al Qaeda in the northwest territories and setting up cordons run by partner nations in waters surrounding Indonesia, Malaysia, and the Philippines that over time will reduce the risk of terrorism and piracy in southeast Asia.

But we need help from the Congress to sustain this program that military leaders from combatant commanders to brigade level say they need, as section 1206 is due to expire at the end of this fiscal year. So we would ask you to make 1206 permanent in recognition of an enduring Defense Department mission to build partner capacity, to increase its funding to $750 million, which reflects combatant commander requirements. And to expand section 1206's coverage beyond military forces to include security forces that are essential to fighting terrorism and maintaining stability. I know members of the committee also have questions about section 1207, which currently allows defense to transfer up to $100 million to State to bring civilian expertise to bear alongside our military.

We recently agreed with State to seek a five-year extension and an increase in the authority to $200 million. A touch tone for the Defense Department is that 1207 should be for civilian support to the military, either by bringing civilians to serve with our military forces or in lieu of them. I would close by noting that seeing these changes through, including the now central mission to build capacity of partner nations, will take uncommon vision, persistence, and cooperation between the military and civilian, the executive and the legislative, and among the different elements of the inter-

agency. Though these kinds of activities and initiatives are crucial to protecting America's security and vital interests, they don't have the kind of bureaucratic or political constituency that one sees, for example, with weapons systems.

So I applaud the Members of Congress who have stepped up to make these issues a priority. Mr. Chairman, I thank you again for the opportunity to testify today and for all this committee has done to support our Armed Forces.

[The prepared statement of Secretary Gates can be found in the Appendix on page 55.]

The CHAIRMAN. Mr. Secretary, thank you for your testimony. Secretary Rice, please.

STATEMENT OF HON. CONDOLEEZZA RICE, SECRETARY OF STATE

Secretary RICE. Thank you very much, Mr. Chairman, Mr. Ranking Member. Thank you very much. I would very much like to thank this committee for the opportunity to testify on this extremely important issue and to do so with my colleague and friend, Secretary Bob Gates. I believe that you have correctly identified the degree to which the challenges of the 21st century require both change within individual departments of our national security apparatus and better and stronger means for interagency action and coordination.

In fact, I believe that the way that we have come to think with the world that we face, is that there are no longer neat categories between war and peace. More often, we are facing a continuum between war and peace, countries with which we are not at war, but which we must make capable of waging counterterrorism operations, countries that have emerged from war but are not yet in a position in which they are stable and in which we are still helping them to fight terrorists in their midsts or insurgencies in their midsts. And this is why the ability of the Department of State and the Department of Defense to work together in these environments is so crucial to our success.

In many cases, we are engaging the fact that the threats to us come perhaps more from within states than between states. Indeed, we learned on September 11th that the most extreme threat to the United States came indeed from a failed State, Afghanistan. And that has changed significantly the security environment in which we act. As I said, this has required great changes in the way that we think about the departments and it requires different thinking about the relationship between our departments and the ability to coordinate them.

Let me note that the Department of State and I thank you very much, Mr. Chairman, for your remarks about the efforts we are making in the Department of State, to transform our department. It has required us to think of ourselves as more expeditionary; it has required us to think of ourselves as a national security agency and President Bush has designated us as such. It requires us to work increasingly outside of capitals, whether in places in which there is growing population or more likely in places in which there are even ungoverned spaces and where the work will be quite dangerous. It has required us to redeploy some 300 officers out of Eu-

rope into places of greater need, to change our assignment processes, to be able to take on higher priority tasks whether they be in Iraq or Afghanistan or in Pakistan.

And we are requesting in this year's 2009 budget from the President increases to both the Foreign Service and to the U.S. Agency for International Development (USAID), 1,100 new Foreign Service officers and 300 new USAID officers. And this reflects the fact that the effort to take the peace dividend in the 1990's did not only cut into our military forces, but it, in fact, cut into our civilian capacity as well. There was a period in the 1990's when we were not keeping pace, even close to keeping pace, with attrition. And so we have a Foreign Service with professional officers of just under 6,500.

I think Bob Gates has said somewhere near the number of people—is it military bands or Pentagon lawyers, Bob? But it is indeed a very——

Secretary GATES. A lot more lawyers.

Secretary RICE. A lot more lawyers than that. But it is indeed a very small professional force. USAID has dropped from highs in the 1980's of nearly 5,000 officers to 1,100 officers currently. And so we have some significant rebuilding of our civilian professional corps to do. We have also changed the way that we train our Foreign Service officers for nontraditional roles. We have increased the number of political officers serving with military commands and we have pushed the pull-out, as they have called, down to ever lower levels of command to help provide civilian expertise to commanders.

I might just mention three points that have been raised in the initial comments. The first is that we have, in the foreign assistance reform that we have undertaken, tried to better integrate the foreign assistance dollars that the United States of America is providing to countries by a more integrated foreign assistance process that is led by a new director of foreign assistance who is simultaneously the head of USAID. Roughly 80 percent of all foreign assistance is provided by those two agencies.

But in the process that we have to construct the foreign assistance budget, we have included the Department of Defense in the construction of that budget from the very first meetings, all the way up to the management review of budget requests that I chair at the end of the process before the submission of the budget to the Office of Management and Budget (OMB) and ultimately to the Congress. And so we have tried by including Defense Department and indeed joint staff representatives in our process to begin to take account of the needs of military commanders, of the need to build partner capacity in our overall foreign assistance approach.

Two other major initiatives that we have undertaken is one to try and deal with the problems of stabilization. We faced this problem in the Balkans. We faced it again in Afghanistan. We faced it again in Iraq. And I think it is fair to say that in none of those cases did we have really the right answer in terms of the civilian component of stabilization. We simply didn't have a civilian institution that could take on the task of providing stabilization in the wake of war or civil war.

As a result, I would be the first to say that our military did take on more tasks than perhaps would have been preferred. And we

began some work when I was still national security advisor to think through how we might build a civilian institution that would be up to the task. We have, as a result, a civilian stabilization initiative. This initiative would create a rapid civilian response capacity for use in stabilization and reconstruction environments. It could be deployed alongside the military with international partners or on its own.

The civilian stabilization initiative consists of three kinds of civilian responders: an active response corps of diplomats and interagency federal employees, who are selected and trained for this capability; a standby response corps of federal employees; and finally a civilian reserve corps of private sector, local government, and civil society experts with specialized skillsets. And I might especially underscore the importance of this last component because it is never going to be possible to keep within the environs of the State Department or really even government agencies the full range of expertise that one needs in state building, for instance city planners or justice experts, or police training experts and so this civilian component to be able to draw on the broader national community of experts, Americans who might wish to volunteer to go to a place like Afghanistan or Haiti or Liberia to help in at a time building we think is an important innovation, the President talked about this in his State of the Union one year ago and we are now ready to put that capacity into place.

We have requested $248.6 million in the President's foreign assistance budget for the construction of that corps. If I may, let me just mention two other elements of our efforts to meet these new challenges. Secretary Gates has talked about the 1206 authorities. We believe at State that this additional military assistance that has become available under section 1206 of the National Defense Authorization Act (NDAA) has proven invaluable. We fully support this and other complementary foreign assistance authorities within the jurisdiction of this committee, most notably, the extension and expansion of 1206 and 1207 authorities. In 1206, we have provided a "dual-key" approach of delivering resources for emergent short-term military assistance needs and counterterrorism activities.

Let me underscore that this is not a substitute for more robust funding for security assistance accounts, but we strongly advocate continuing these important contingency authorities and they are the additional tools that we need to meet emergent, exigent problems that very often emerge out of budget cycle. Secretary Gates mentioned the Lebanon situation.

I think had the United States not been able to respond to the needs of the Lebanese armed forces for immediate military assistance in fighting the al Qaeda-linked terrorists in the Nahr El-Bared refugee camp, we might have seen a very different outcome. In the case that we were able to respond, we saw a Lebanese Army and a Lebanese government, democratic government, able to respond to that exigency. We have created many of these tools as tools that came out of necessity. It is true that it would be very good to have some of these put into more permanent authorities. But let me just say that I am a firm believer that it is often out of exigent circumstances, out of efforts to respond to new contingencies, out of efforts of this kind that we build our best capacity

and that we build our best institutions. I am very much of the view that it is fine to think of trying to plan for the reconstruction of the interagency—the interagency process, but really we have gone a long way in creating new tools of interagency coordination.

They may well have been born of necessity, they may well have been ad hoc in character at first, but whether it is 1206 authorities or the civilian response corps or the work that we have done together in PRTs, I think that history will look back on this time as a time in which necessity was indeed the mother of invention. It is often the case that that which is invented in response to new and real on-the-ground contingencies turn out to be the best institutions for the future. Thank you very much.

The CHAIRMAN. Thank you so much, Secretary Rice.

[The prepared statement of Secretary Rice can be found in the Appendix on page 60.]

The CHAIRMAN. Admiral Mullen.

STATEMENT OF ADM. MICHAEL G. MULLEN, USN, CHAIRMAN, JOINT CHIEFS OF STAFF

Admiral MULLEN. Good morning, Mr. Chairman, Mr. Hunter, members of the committee. It is an honor to join Secretary Gates and Secretary Rice here and offer you my views on building partner capacity. As you know, I have long been committed to this effort, certainly from a philosophical perspective. It was at the core of what we were trying to do across southern Europe and northern Africa during my North Atlantic Treaty Organization (NATO) tour in Italy a few years ago. And it was the very rudder and keel of the 1,000 ship Navy concept that the Navy has pursued for the last few years.

And it is becoming an increasingly critical component of joint operations during the war on terror in Iraq, Afghanistan, the Horn of Africa, and elsewhere around the world. At its core, building partner capacity is about helping solve problems before they become crisis. And helping contain crises before they become conflicts. It is about working with and through our international partners to appropriate security and self-reliance and preclude the sort of conditions that invite the spread of malign influences, ideology, and investments.

Put simply, it is about lifting all boats at the very same time. I have been very public in stating my conviction that not only is the U.S. military incapable of winning this long war all by itself, military means in and of themselves are insufficient to the task as well. Ours must be a broader reach. We need partners on the ground, partners in the interagency, partners in the international community, and partners across the spectrum of nongovernmental organizations. By building partner capacity, we are, in fact, building global capacity to meet modern, complex challenges, which is why today's hearing is to important. We must address now serious shortfalls in the U.S. Government's ability to assist our partners by at the very least extending and expanding our global train and equip and reconstruction assistance authorities.

The Congress can also help by enacting all the authorities contained in the Building Global Partners Act. Without these additional investments, in building partner capacity, I believe we place

at greater risk and imperil our own efforts to defense our own vital national interests. On that score, I want to thank you, Mr. Chairman, members of this committee and the House of Representatives for passing House Resolution 1084 for the establishment of a civilian response capability. It is a vital step forward in this direction and I both applaud and appreciate it. Thank you for your continued support to all of our men and women who serve and their families. I look forward to your questions.

The CHAIRMAN. Thank you so much, Admiral. I will ask one question now and save my other questions until a bit later. But let me ask that the two Secretaries—what are you doing in your department, your respective departments, about bringing about the cultural change to improve interagency cooperation? We have seen in the Goldwater-Nichols effort there was a need for cultural change within each of the services, which has come about. And each of the two departments, by necessity and history, have had cultural differences. So what are you doing, if I may ask, within your respective departments to change or improve the culture which would fit into interagency cooperation better? Secretary Gates.

Secretary GATES. I think that as Condi indicated, necessity is the mother of invention, and I think necessity has contributed to a cultural change in the Department of Defense since 2001 in terms of the need for greater interagency help, and I think the more that we have seen military personnel pressed into service to carry out tasks that they recognize are better performed by civilian experts, even though our folks do a good job of it, they would be the first to admit that when the real experts come in, it is a huge force multiplier. We hear this when we talk to PRT members, and we hear it when we talk to the military in Iraq and Afghanistan themselves.

So I think what you have seen—what has been extraordinary in fact to me in returning to government at the end of 2006 is rather than what I saw for almost 35 years, 30, 40 years since I joined the government, instead of these agencies—instead of the Department of Defense building walls to keep the other agencies out and to guard turf, the military has been out begging practically for greater involvement by not just the State Department, by the Justice Department, Agriculture, Treasury, various other departments of government and has been one of the foremost advocates of strengthening interagency coordination and work in these areas that we are talking about.

So I think that in most respects, the requirements of developments in Iraq and Afghanistan have to a considerable measure had a huge impact on the culture of the Department of Defense in terms of recognition of the need to seek help elsewhere that we have neither the personnel nor the expertise to be able to do all that is needed in these areas.

The CHAIRMAN. Thank you. Secretary Rice.

Secretary RICE. I would add—and I think I would say—much the same for the Department of State. In fact, if you look at where an awful lot of our officers are serving now, they are very often serving in places where they are in close contact with, if not actually embedded with, our military. So I could give you three different

kinds of examples. PRTs in places like Iraq and Afghanistan are obviously the closest collaboration that we have. And when those officers come back from the experience of serving in a PRT, they do have a different view and a different culture about what it is that we do as diplomats as civilian support to counter insurgency operations. But it is not just in the major efforts like Iraq and Afghanistan, but we have had a very successful collaboration in the Philippines. Just recently the ambassador from the Philippines, Kristie Kenny, was back to brief the President on the successful counterinsurgency efforts in Mindanao in the Philippines. This was a place, Mr. Chairman, when we came everybody had said was given over to the Abu Sayyaf group. But through coordination with the Pacific Command (PACOM), with the—with our embassy and really a very strong counterinsurgency effort, we have turned—helped the Filipinos turn—Mindanao around.

And then finally I would say that we have tried to make sure that we are transferring these experiences through joint seminars and courses at the Foreign Service Institute (FSI), at the National Defense University (NDU). I am going to sponsor an effort working with people at the National Defense University to do a lessons-learned, State Department's equivalent of a counterinsurgency manual for how the civilian peace for counterinsurgency has to work.

We are learning a lot on the ground, but we need to take those lessons, capture them, and leave them for future Departments of State. We have increased the number of political officers serving with combatant commanders or with commanders and pushed it down several levels, and finally the training that our people do together for efforts like the PRTs, I think, is having an effect on the culture. Department of State diplomats are beginning, I think, to realize more and more that our work is increasingly not reporting on the politics of another country or spending time with government officials, but it is being out in the field with people, helping them improve their lives, helping them improve their governance, and hopefully creating a network of well-governed democratic states that will not be sources of terrorism and security risks.

The CHAIRMAN. Thank you so much. Mr. Hunter.

Mr. HUNTER. Thank you, Mr. Chairman. Mr. Secretary, Secretary Gates, you said that you understand on an increasing basis that DOD needs to seek help elsewhere. And you mentioned not only State, but Agriculture, Treasury, Justice, all of whom are supposed to be involved now in this major challenge of our time, manifested in the balance in which Iraq hangs. What kind of a grade, unvarnished grade, would you give right now from your perspective to Agriculture, Treasury, and Justice in terms of their participation in the Iraq operation?

Secretary GATES. Mr. Hunter, first of all, I would say that a big part of the problem that we face here is not a lack of will, but a lack of capability. We have just sent a dozen or so—we, the U.S. Government—has just sent a dozen or so Treasury experts to Baghdad to help the ministries execute their budgets better. Various other departments are contributing, but it has been a long start-up time, and part of the reason is that other agencies do not have the deployable capability that they once—that were once con-

tained in the U.S. Agency for International Development (USAID), when at the height of the Vietnam war, USAID had 15/16,000 employees, and they covered all of these skills, and they were all deployable, and they all wanted to serve in developing countries and around the world. So I would give—frankly, give the Departments probably an A for will, but we would have to talk about their repeating the semester when it comes to performance.

Secretary RICE. Mr. Hunter, may I make one comment on this?

Mr. HUNTER. Certainly.

Secretary RICE. I do think it is a matter of capability. And one reason that we need the civilian response corps is to be able to find that capability both inside the U.S. Government but also outside of it. There are going to be a lot of skillsets that we are never going to be able to keep inside the U.S. Government.

The other thing we have done is we have made it possible, thanks to the U.S. Congress, for the State Department to reimburse. These used to be unreimbursable details. And if you are the Department of Agriculture with a committee that may not fully understand why the Department of Agriculture should be doing that, it does help to be able to reimburse, and we now have that capability.

Mr. HUNTER. Well, Madam Secretary, I saw what I thought were a couple of stark illustrations of a difference in attitude toward this challenge in Iraq manifested in the two departments. I looked at the re-up rates, re-enlistment rates of our combat soldiers, guys in the 101st, the 3rd Infantry Division, the first Marine division, and extraordinary re-enlistment rates by the people that are in combat in the theaters, and then I looked at the report that came from the so-called town meeting that State held in which it was difficult for you folks to come up with the last reading of an additional 40 or 42 people to go to the Green Zone for the State Department.

And I looked at the statements that they made in this town meeting where they thought that they would be in grave danger in the Green Zone, a place where our soldiers often consider to be a place where they take rest and relaxation (R&R). And there was a distinct difference in attitude, in culture in terms of engaging in this enormous challenge for our country. And I wonder what you—if you see that difference. And if so, if you have done anything to try to change that culture in State Department because I thought that was a sad commentary when you have tens of thousands of soldiers and Marines laying their lives on the line who are re-enlisting for that combat and you had State Department people standing up and saying they were not going to go to Iraq, that they wanted a different assignment, that they thought they would be in grave danger in the Green Zone. And really a total change from that—from that great spirit that we have seen in the past. And I have lived through the—in this congressional career through the Contra wars and through the Middle East operations in which State Department personnel performed extraordinarily. But I thought that that was a distinct change in the ethics, this ethic of engagement and participation in dangerous and inconvenient places that was manifested in this last couple of months.

Secretary RICE. Thank you, Mr. Hunter. First of all, town halls are self-selecting and I think you will find that was a comment

from a person who said that he felt in danger in the Green Zone. The great majority of that town hall was not even about assignments to Iraq. The last couple of comments were about assignments to Iraq, and I will tell you the blogs were lit up in the Department of State by people who were offended. And I mean Foreign Service officers who were serving not just in Iraq and Afghanistan and Islamabad, but serving in the deep, dark jungles of Guatemala as well, who were absolutely—or the highlands of Guatemala who were absolutely offended by those comments. Foreign Service officers are still serving in dangerous posts. They are still serving in posts where they cannot be accompanied by family. And I had no trouble after saying that I was prepared to direct assignments to Iraq, no trouble in getting not just the right people, but in getting them very quickly for our assignments in Iraq. To be fair, we have had to change some policies in the way that we deal with people, and where their families can stay and so forth. But I am really proud of the response of Foreign Service officers, and if I may just give you one illustration of that. I have now, with Ambassador Crocker, four people who gave up ambassadorships to go and serve in Iraq alongside him. And that is the true spirit of the Foreign Service. And I was deeply offended myself and deeply sorry that these people who had self-selected into this town hall went out of their way to my view cast a very bad light on the Foreign Service.

Mr. HUNTER. Thank you. And just a last question, Mr. Chairman. We have had a battle over the years in this committee with respect to the funding. A lot of us have seen this—the train and equip programs as a funding shift from a legitimate State duty to the Department of Defense. Both agencies now participate in shaping these programs that we have discussed. But as I understand it, DOD is footing the bill. Is that right, Secretary Gates?

Secretary GATES. Yes, sir.

Mr. HUNTER. Do you see any justification for sharing that burden with State rather than DOD taking the entire burden?

Secretary GATES. Well, first of all, on 1206, the projects put forward in 1206 emanate entirely from our combatant commands. We coordinate them with State and with the ambassador in the country where they are going to be applied. But these are needs identified by combatant commanders in a military context and what I would call phase zero of our war planning and contingency planning, and that is before hostilities break out, what you do to try and empower those that are your friends to try and keep the problem under control.

So I think that is entirely military, ought to be entirely within the framework of the Department of Defense. Similarly, with 1207, as I say, we see this as an asset because the civilians that are being deployed forward are being deployed forward to assist in a military situation. And so the amount of money that we have been talking about with 1207 is very modest and the projects themselves in both 1206 and 1207 are very small, and I might add notified to the Congress.

So I think we are very comfortable with both of these programs being in the DOD budget in part because it gives us—in part be-

cause of the origin of the requirement in both case, but second also because of the agility with which we can deploy the money.

Mr. HUNTER. Thank you. Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentleman. Mr. Spratt, the gentleman from South Carolina.

Mr. SPRATT. Thank you all for your testimony. I understand the need for what you are proposing, but I am concerned that there may be as many risks as rewards in this whole process. Let's start with the power of the purse which is the one power that we have that is the source of our authority. How do we as Congress give up the control of this money and give maximum use and discretion—maximum discretion on its use and still maintain some oversight on a timely basis as to how it is being used so we can intercede or at least hold accountable those who are being given these funds for use. How do we wire Congress into this without undercutting the purpose of the program?

Secretary GATES. Mr. Spratt, I believe that principally, as I understand it, each of these projects is notified to the committees as they are approved. So you have transparency into the projects and into the money and the opportunity to evaluate how the money has been used.

Mr. SPRATT. So you would have real-time approval—I mean, real-time notification following approval?

Secretary GATES. That is my understanding of the existing practice.

Mr. SPRATT. Now, how do you maintain an audit trail? For example, if you had to go out and audit and report on all of the Commander's Emergency Response Program (CERP) funds used, would you be able to do that since the beginning of the Iraq engagement?

Admiral MULLEN. Mr. Spratt, I am not sure that we could do that to the level of detail that I think you are asking about. But there is a pretty—we have got controls on this in theater, and they have also been advanced over time in terms of their quality, particularly because of the amount of money that is involved. And because of the importance of the impact of CERP funds in theater particularly.

General Petraeus now describes those funds as the ammunition directed toward success very specifically. So from the controls that we have both in our comptroller shop here in Washington to follow that very closely and then look at that in execution, I am comfortable with it that we are in good shape with respect to that, whether that all comes back to here or not, I just don't know.

Secretary GATES. Mr. Spratt, I could just add that all of the 1206 projects by law comply with foreign assistance, legal safeguards with respect to export controls, human rights, and so on, and there is a 14-day prior notice to the committee.

Mr. SPRATT. What about—not just talking about how the money is doled out and spent, but auditing or reporting on results. How do you keep track of results, of what is working, what isn't working, what should be stopped, and what should be started?

Admiral MULLEN. Well, I would offer—and this is for me personally, anecdotal—but when I am on the ground in Iraq and Afghanistan and speak to commanders, the amounts we are talking about typically that young captains have are in the $50,000 or $100,000—

those kind of funds. The feedback they give me very directly and right up through their chain of command is very, very positive about the impact they have and the difference that it makes in terms of building capacities in towns and cities, restoring buildings, restoring schools, projects like that, beyond also just souring the members of the civilian Concerned Local Citizens (CLC), the Sons of Iraq.

So, from that perspective, universal feedback, when I have been there, is the positive impact of these kinds of funds.

Secretary GATES. I would just add, Mr. Spratt, that, particularly with 1206 monies, we are looking at train and equip of military forces. So we will see the results of the money we invest either by the equipment we give them or, in the case of Lebanon, whether the Lebanese army is successful in defeating the terrorists in one of these refugee camps.

I think that there is pretty real-time feedback because, as I say, principally the 1206 funds are for short-term kind of activities and partner enablement. So we can observe the improvement of the quality of the partners as a result of either the equipment or the training we have been giving them.

Mr. SPRATT. Just in closing, one concern is it seems to me a large part of what you will probably be doing involves recurring funding, but we have basically got ad hoc funding, a lot of ad hoc application of money. Once you get the thing started and running, they need recurring funding. Is that a problem? Do you see that as a problem if this is going to be effective across the board in various regions?

Secretary GATES. I am not sure I understood the question, or heard the question.

Mr. SPRATT. I will submit it for the record. Thank you very much.

The CHAIRMAN. Thank the gentleman.

The CHAIRMAN. Mr. Everett.

Mr. EVERETT. Thank you, Mr. Chairman.

Secretary Gates, Secretary Rice, Admiral Mullen, thank you very much for your long service to this country and to the people who serve under you.

Secretary Rice, I would like to comment on a particular honor you received yesterday down at Maxwell Air Force Base in Montgomery. You got the first-ever honorary doctorate degree there. This is not a small thing. This honorary doctorate degree at Maxwell University has been in the planning stage for three years. It is a singular honor.

The core mission of Maxwell is national security and international relations. They teach this to our military officers. So I was delighted that, in recognition of your work in national security and international relations, you received this first-ever honor.

Of course, a secondary delight to me is a fact that you are a native of Alabama, and I appreciate it from that standpoint.

Secretary Rice and Secretary Gates, you answered in part some questions that I had intended to ask, such as what combatant commands and others across DOD where the State Department officials operate with the other commands; and I guess my question, since you partially answered that, is if conflicts arise—and I am sure there must be—how are these conflicts resolved?

Secretary GATES. If they were to arise—because I am not aware of any that have so far—ultimately, they would be settled between Secretary Rice and myself. What has impressed me is, as these have gone along in the 16, 17 months I have been on the job, I can't recall any of these issues, proposed projects with respect to either 1206 or 1207, being in such dispute that it ever rose to that level.

Mr. EVERETT. Secretary Rice.

Secretary RICE. Yes, we have not had it rise to that level. I think we should give credit, we have very effective deputy level coordination between Gordon England and John Negroponte, and they are very often able to work out any concerns.

Secretary GATES. Also, our bureaucracies know we don't like to fight with each other.

Mr. EVERETT. Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentleman.

The gentleman from Texas, Mr. Ortiz.

Mr. ORTIZ. Thank you, Mr. Chairman.

Thank you both. Admiral, good to see you. Thank you for being with us today.

I hope that maybe you can elaborate on my question a little bit. But, recently, a memorandum of agreement (MOA) was agreed between the Department of Defense and the Department of State regarding civilian contractors on the battlefield. Can you discuss which of your agencies are the lead element, how the guidance is being implemented, and an update on overall execution of the agreement?

I go back to your statement that you made, Mr. Secretary Gates, where you say that, on page two, "The Department of Defense would no more outsource these substantial and costly security requirements to a civilian agency than it would any other key military mission."

But going back to the contractors, I don't think that the contractors—when we have 200,000 contractors in Iraq and 140,000 soldiers, and I think that they have left a bad taste in the mouth of many people. But maybe, going back, maybe you can elaborate as to the memorandum of agreement between both departments.

Secretary GATES. Let me start.

First of all, the memorandum was worked out principally by Gordon England and John Negroponte, our respective deputies, and it was worked out to the complete satisfaction I think certainly of General Petraeus and I believe also of Ambassador Crocker, and we fundamentally changed the way we do business with respect to security contractors in Iraq.

The Multi-National Forces Iraq (MNFI) now has representatives in the operations center where the security details are deployed or where assignments are made for them to be deployed. We have full visibility into when the convoys are leaving, where they are going, and who they are carrying. General Petraeus and his people have the authority to stop one of those to deconflict it if there is something going on that they know about someplace else.

So I would say that while State is still doing their own contracting in an operational sense, the lack of visibility that was part of the problem before the Blackwater incident, as far as General

Petraeus is concerned, that problem has been solved, and he is quite satisfied with the arrangement that exists today.

Mr. ORTIZ. Madam Secretary.

Secretary RICE. I would agree with the comments that Bob has just made.

I would also say that we have some technical fixes as well so that we can monitor and have a record of what has gone on. For instance, in an incident, we have improved the capability of our own diplomatic security agents to be a part of the teams in these complex security operations.

I think it is fair to say we could not do our work without security contractors. We would never be able to have enough diplomatic security agents, and I don't think this is really something the military wants to take on, which would be guarding civilians going, diplomatic personnel going from place to place.

But I do think we have come to a good modus vivendi for working through the problems, and, to my knowledge, at this point it is a system that is much better. I must say we are going to have to monitor and we are going to have to get a report back as to how it is working because there were significant problems with it. And I myself hope that the changes that we made have fully addressed those problems, but I await the first full reports after several months to be certain that that is the case.

Secretary GATES. I would just add, Mr. Ortiz, that I in fact had asked General Petraeus to give me a report after 30 or 60 days, and I have that first report, and he was quite content with the way things were working.

Mr. ORTIZ. Thank you.

Just another short question. You mentioned about the necessity of engaging some of the countries, surrounding countries. Have we started working on that, and what signals? You say that we need to do some engagements, but when do you begin to do these engagements? What signals are you waiting for us to go in there and engage these countries?

Secretary RICE. I am sorry, do you mean in regards to Iraq?

Mr. ORTIZ. We are talking about countries like Syria, Jordan.

Secretary RICE. The neighbors, in effect.

Mr. ORTIZ. Are we doing something now, and what signals are we expecting if another conflict arises before we get involved, before we enter negotiations or contact with those countries?

Secretary RICE. We have, in fact, engaged and continue to engage Iraq's neighbors through a Neighbors Conference. We believe it is best to do this in a multilateral setting where Iraq can represent itself.

I will, in fact, go to one of these meetings next week that is being held in Kuwait. It has a plan of action in terms of borders, refugees, security concerns. It now has a small steering or secretariat that works on these concerns.

So I think Iraq's neighbors are engaged. But we thought it better to do it in a multilateral setting, rather than just bilaterally with the United States.

Mr. ORTIZ. Thank you, Mr. Chairman.

The CHAIRMAN. Thank the gentleman.

Mr. Bartlett from Maryland.

Mr. BARTLETT. Thank you very much, Mr. Chairman.

Secretary Rice, 2 years and 10 days ago, you testified before the Senate Foreign Relations Committee, and you made the following statement: "We do have to do something about the energy problem. I can tell you that nothing has really taken me aback more as Secretary of State than that the politics of energy is, I will use the word, warping diplomacy around the world. It has given extraordinary power to some states that are using that power in not very good ways for the international system—states that would otherwise have very little power. It is sending some states that are growing very rapidly in an all-out search for energy, states like China, states like India. That is really sending them to parts of the world where they have not been before, and challenging, I think, for our diplomacy."

A major headline in the *New York Times* this morning above the fold was that leaders of third-world nations are now complaining that our quest to relieve ourselves from some dependency on foreign oil in producing corn ethanol, which diverted land from wheat and soybeans to corn, doubled the price of corn, nearly doubled the price of soybeans and wheat, drove up the price of rice, a foreign major food of basic substances for poor people around the world. They were complaining that their people were starving because of our quest to relieve ourselves of some of the necessity for foreign oil by moving to corn ethanol.

By the way, then oil was $61.27 a barrel. This morning, it was $112 a barrel, and going up.

What would you say today about energy warping foreign policy, and what does this have to do with building partnership capacity and development of interagency process?

Secretary RICE. Well, the interagency issue here is not really with the Defense Department, but with the work that we do with the Energy Department, the work that we do with the Agriculture Department. We clearly have twin problems. We have an energy problem, and we have a food problem. There are some relationships between them, Mr. Congressman.

Obviously, we are looking hard at what element of this might be related to biofuels, in particular, ethanol. But we also think that a significant part of the food problem relates not from biofuels, but from simply the costs of energy in terms of fertilizer, in terms of transportation costs for food, and that that is in part maybe even a larger part of spiking the food crisis that we have.

As you know, the President yesterday made available some emergency food assistance. I had people together yesterday to look at what we might be able to do in terms of the larger food problem that we face.

Let me just say that one thing that would be very helpful, if you look at problems like transport, is that the President has asked for local purchase of food closer to the source. That would be enormously helpful. That bill is before the Congress, and we would very much like to see it passed.

But as to energy, we are continuing to work on diversification. We are continuing to work on diversification both of supply and supply routes. The President is appointing a special envoy for energy to work with Europeans and Central Asians and others to see

if we can improve the capacity for both production and supply from various sources, not relying simply on one element of diversification, which is biofuels.

Mr. BARTLETT. Do you believe that $110 oil is a temporary problem or is it an enduring problem?

Secretary RICE. I would be well out of my depth to try and comment on the prospects for oil. I will just say that we know that we do have a growing supply problem as large economies like China and India come on line. But we say to suppliers all the time that the health of the international economy should also be of concern to them.

Mr. BARTLETT. The *Financial Times* today reported that one year ago Russia peaked in oil production. Do you think that is significant?

Secretary RICE. That was a very interesting article, and it is significant. What we do know is that the lack of investment in Russian oil fields, many of which are aging, is causing a problem in the depression of production. That is something that I have been interested in, actually, for quite a long time, Congressman, even as an academic.

Russia needs to attract investment into its oil fields and to its gas fields, and this is one reason that we have encouraged the Russian government to have a more market-oriented, less statist approach to the attraction of foreign investment into its oil fields. The more transparent Russia is, the more rule of law there is in governing contracts, the better they are going to do at getting the kind of investment that they need to keep those fields producing.

Mr. BARTLETT. Thank you, Mr. Chairman.

The CHAIRMAN. I would like to call on the gentleman from Arkansas, Dr. Snyder. I might also mention that he made the initial recommendation for this hearing.

Dr. Snyder.

Dr. SNYDER. Thank you, Mr. Chairman.

Thank you all for being here today.

As you all know, there has been a lot of churning in this town for the last year or two on the whole issue of interagency stuff, both within your agencies, within the think tanks, within the Congress, within the war zones. There have been concerns about this. Our Subcommittee on Oversight and Investigation for the last six or eight months has been looking at the PRTs, and we have a report coming out on Thursday that I hope you both will look and—all three of you will look at, Admiral Mullen—and let us know your thoughts. It is all in the spirit of how we might improve the kinds of on-the-ground activities that we all care about.

As part of that, it really brought home to me the issue. I have a constituent who has served in Afghanistan, a veterinarian by training and is now I think winding down a year in Iraq. She emailed us some months ago, and I think her line was something like she sometimes thinks that there's more division between the different agencies of the U.S. Government than there is between us and the Iraqis.

I think that really brought home that issue of here is somebody trying to coordinate with all the different agencies in the U.S. Government and finds the division is so great, which is why, Secretary

Gates, I think you played such an important role in this discussion for some time. Nobody would have been surprised if Secretary Rice had been leading the charge on this, but to have the Secretary of Defense start talking about the need for dramatic increases in funding for USAID, dramatic increases in both numbers of funding for the State Department and Foreign Service Officers, is really important.

I wanted to read a couple of sentences you had from your opening statement, talking about the challenges this country faces in national security:

"They," referring to these challenges, "will require the Government to operate with unprecedented unity, agility, and creativity." I think those are important concepts for us to think about because I don't think we think about that.

I think the agility part of it is very, very important. I think we have a long ways to go. It can't be agile when we fumbled so long in getting the kind of mix of people we want in the PRTs and are still fumbling with that. You talk about the will is there, but not the capability. That is not the kind of agility we need.

What I wanted to ask about is the unity. You all I think are trying very hard to pull in harness together. I think General Petraeus and Ambassador Crocker are trying very hard to pull in harness together. But that is, in some ways, a personality-driven cooperation that doesn't include all the other agencies of the U.S. Government.

My questions are two. First, do we need to have some kind of big Goldwater-Nichols-like reform come out of the Congress? Or is it the kind of thing that needs to be chipped away at by incremental stages of legislation? Do either one of you have any thoughts about that?

Secretary GATES. I think in the short-term that we need to keep chipping away at it.

There has been progress in a lot of areas. We talked earlier about cultural changes in our two departments and the perceived need to work together. But my fundamental premise in the Landon lecture that I gave at Kansas State last November is that we are operating under a structure that was created by the National Security Act of 1947 that helped us fight and win the Cold War, but it is not an appropriate structure for the 21st century.

On a bipartisan basis and at both ends of Pennsylvania Avenue, people are going to have to think about how to restructure the national security apparatus of this government for the long-term in terms of new institutions and new capabilities, and not only new institutions, but figure out a way, frankly, to scrape away a lot of the barnacles that exist on existing legislation, such as Foreign Military Sales (FMS) and various other things that make them just the opposite of agile. They are very difficult, take a lot of time to implement, and so on. So there is a requirement, I think, for fairly dramatic change.

Now the problem is there is often the desire, and we went through this when the Director of National Intelligence (DNI) was created, to use Goldwater-Nichols as a model. The problem is Goldwater-Nichols only works in the Defense Department because at

the end of the day there is one person in charge who can make decisions.

Dr. SNYDER. That leads to my second question. Who is going to be that person in charge when you have multiple civilian agencies?

I agree with you, by the way. I agree it should be incremental. There has been some thought that it should be in the National Security Council (NSC). The problem is we don't know what happens in the National Security Council. Who do you foresee would be the overriding person to head up some kind of interagency approach to national security?

Secretary GATES. One of the things that President Nixon experimented with was super departments, where two or three departments basically were grouped under a single secretary. They still had their own secretary, but one had a lead. I am not sure it ever really worked.

But the point is we have to think freshly and, like I say, I think short-term incremental change, but, long term, there needs to be some fundamental changes in the way business gets done. Frankly, we have led a contract for people to look at that on the outside and begin thinking about it. But the same kind of thought and analysis that went into the National Security Act in 1947 and into the Goldwater-Nichols Act in 1986, I think, needs to go into how do we deal with this world of persistent conflict, failed and failing states, and so on and so forth for decades to come.

Secretary RICE. I would draw a distinction between Washington and the field here. We have to remember that when the United States Government confronts a country, it confronts it, first and foremost, on the territory of that country. That is why you have a chief of mission. In effect, what has happened to our chiefs of missions is they have found themselves with extremely large interagency teams on the ground, and they are now having to find ways to coordinate those interagency teams on the ground because whatever we do back here in Washington, if it doesn't translate onto the ground, if the decisions aren't made on a timely basis on the ground, things are not going to flow properly.

So I think one of the challenges is that the chiefs of mission, who are the face of the U.S. Government to foreign governments, are going to perhaps have to be given greater authority to coordinate and indeed to direct the various agencies that are under them in the field. They have that authority in theory. Sometimes they don't actually have it in practice.

I think we do have to look at the chief of mission. It has become in some places an almost impossible task of coordinating massive numbers of agencies on the ground. And not just having the military there and having Justice there or Treasury there, but we are talking about the Drug Enforcement Administration (DEA), for instance.

Now we have some very successful examples. Colombia has been a very successful example of being able to put all of those interagency teams together to run counterterrorism, counterinsurgency, counter drugs, all while helping Colombia to build, obviously, a budding democracy and a strong, as President Uribe has called it, democratic security plan for Colombia.

So there are examples where this has worked. I mentioned Mindanao, where it has worked. But our chiefs of mission are challenged by the huge numbers of agencies that they are now overseeing.

When it comes to Washington, I actually think you are probably going to have to look at the Department of State as that lead agency. I don't see how else—and it may be that it has to look more like some kind of super agencies Bob has talked about, but I don't see how you keep the coherence of foreign policy, which is more than simply building partner capacity. It is building partner capacity not only with military forces, but, for instance, building partner capacity to deliver health care and to deliver the AIDS programs that we have, to deliver education to the population. Because if a democratic government doesn't deliver that, pretty soon it is going to be out of power. So looking at the totality of what the U.S. Government delivers for a country is going to be important as we think about this national security perspective.

If I may just go to the question of chipping away. I am actually a big fan of chipping away, because I will just repeat, I think we have gotten some real innovations out of this last period. PRTs are one. 1206 authority is another. The civilian stabilization initiative is another.

I might just note that while we now look back in retrospect at the National Security Act of 1947 as having been created out of whole cloth, it was actually created out of pieces that came out of World War II necessities. The Central Intelligence Agency (CIA) was the Office of Strategic Services (OSS). The National Security Council came out of Roosevelt's War Council.

And so, in fact, that was also an evolutionary process, not a radical revolutionary process, when the 1947 Act was created. Institutions most often come into being that way. People look at a cause or a problem, they experiment with forms, and, if those forms are successful, they grow legs, and they become institutionalized.

I think we might want to look, if you do go to this—and I would very much encourage both ends of Pennsylvania to do it—but you might want to look at how the National Security Act of 1947 actually came into being. It didn't come into being out of whole cloth.

Dr. SNYDER. Thank you both.

The CHAIRMAN. And the United States Air Force came out as a result of the Army Air Corps.

Mr. Jones.

Mr. JONES. Madam Secretary, thank you very much. Secretary Gates, Admiral, thank you all for being here.

Madam Secretary, I think I have listened to the questions, I have listened to comments about the interagencies and what we need to do, and programs, and everything that we want to do comes back to money. There is no question.

I look at the fact that the debt of this Nation is growing at about $1.67 billion a day. I just started reading the book: The Three Trillion Dollar War. I have seen the projections of taking care of our injured and wounded for the next 30–35 years. The amount of money is astronomical.

Then I come back home to eastern North Carolina, the Third District. I am pumping gas. People around me are buying gas. In

the year 2001, the gas was $1.42 for 87 octane. It is now $3.36, even higher in some places for the same 87 octane.

This brings me to my point and my question. I was truly outraged by reading an article in *USA Today,* February 6 of 2008. It says, "Allies fall short on our aid pledges." I will read very briefly.

"Foreign countries have spent about $2.5 billion of the more than $15.8 billion they pledged during and after the October, 2003, conference in Madrid, according to a news report by the Special Inspector General for Iraq reconstruction. The biggest shortfall in pledges by 41 donor countries are from Iraq oil-rich neighbors and U.S. allies. The United States so far has spent $29 billion to help build Iraq, and the Inspector General report says Congress has approved an additional $16.5 billion."

I wrote you on February 8, and I did get a response from Mr. Jeffrey Bergner, three pages, very nice. I appreciated the response. But you said through him that you also are concerned. You also indicated that senior U.S. officials continue to urge governments to follow through on these pledges.

My question to you and a concern that I have I think on behalf of the people of this great Nation is that these countries are making a profit on that $3.37 per gallon cost of 87 octane while our men and women are losing their legs and their arms. It is our responsibility as a government to take care of them for the next 30 years.

I will never forget—and I am going to let you answer the question. I will never forget two years ago when Gene Taylor and I went to Walter Reed Hospital, and we happened to see a young man from Maine sitting in a wheelchair, and we chatted with him. Then his mom came in, and she looked at Gene and I, and she had one question. She said, I only have one question for you, Congressman. Is this government going to take care of my son 30 years from now? One of us said, "This government should take care of your son."

But when I look at this growing debt and spending roughly $12 billion a month in Iraq, why can't we make the Middle East, the rich countries, pay their bills to this country? What are you doing and what can you do?

Secretary RICE. Well, I am spending a lot of time making that argument, Congressman, to the countries that are Iraq's neighbors in particular. I might just say that the European Union has generally paid its pledges. I think we have to say that for allies who have done so.

The problem, very often, and let me tell you what they say in response. Since a lot of this is project funding, they say that, in fact, the security environment has made it difficult for them to carry out the actual projects that they had pledged.

We had a problem, for instance, in Afghanistan, where there was a Japanese pledge that they said could not be carried out. What we did was to take that money then and have the Army Corps of Engineers carry it out.

So we are trying different means. But now that we are seeing an improved security situation in Iraq, I am going to redouble my efforts and we are all going to redouble efforts to make sure they are making good on those program pledges. I will go to a Neighbors

Meeting on the 22nd of this month, and I will make the argument, and I will make it on your behalf as well as on behalf of the American people.

I think it is absolutely right. They need to pay their way, and they need to support Iraq. Not only should they support Iraq, but it is in their interest to do so.

Mr. JONES. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

We will have a five-minute break. I would ask the audience to allow those at the witness table to repair to the anteroom. We will take up in five minutes. Thank you.

[Recess.]

The CHAIRMAN. The committee will come to order.

Before I call on Mr. Smith, Secretary Gates, in a matter not directly related to this hearing but I want to raise with you today, to be followed with a letter, but I just thought I would mention it to you.

At the February 6 budget hearing the committee held with you and Admiral Mullen, Mr. McHugh asked how are you going to approach stopping the military-to-civilian conversions. Ms. Jonas, your comptroller, responded that we will clearly work with the Congress to address those. But five days ago, on April 10, our committee received the Administration's proposal to repeal the same military-to-civilian conversions.

I will send you a letter on it, but I wanted to give you a heads-up and not ask you about it, because that doesn't relate to this hearing.

Mr. Smith, please.

Mr. SMITH. Thank you, Mr. Chairman.

I want to follow up on what Dr. Snyder was talking about on coordination, how we sort of bring all of this together, because we are dealing with a big, comprehensive, ideological struggle that has many components and involves many different countries. To some degree, it is like a counterinsurgency in several dozen different countries.

I visited in the southern Philippines to see what they were doing down there. So there is a huge development piece, certainly a military piece, and the challenge is how do we bring all of that together in a coordinated fashion. I think this hearing is very appropriate.

The one idea I wanted to sort of float by and see what both of you thought is we have sort of coordinated our efforts on the tracking of high-value targets, and so did the direct-action piece of this big comprehensive struggle, I think in a very good way. And there is many different pieces to that as well.

But we have used the National Counterterrorism Center. To some extent, we have used other pieces that we won't get into. Some of it is top secret.

Secretary Gates, you know how they coordinate that. They really did a good job by picking out some people to coordinate it and then getting all the key players to buy in and participate. In that instance, it is dozen of different agencies as well. Granted, this one pulls in even more. I think of that as a model. On a daily basis, all of those different players get briefed and sort of know what is going on in the high-value-target world.

What I have always thought is that we need the same thing for the broader strategy, for strategic communications, for development, to sort of have a picture every day of the several dozen different countries that this struggle is playing out in and what is happening and who is involved in what and how those resources are divided up. We just need somebody to coordinate that.

I am curious again to follow up on how you think that would play out, because I think I kind of agree with Secretary Rice that logically that fits in the State Department. When you are talking about foreign aid development, diplomacy, all of the different pieces there, it seems to have more pieces that are in their area and then some that cross over.

The problem is, to be blunt about it, Secretary Gates has the money. You mentioned the 1990's and how we sort of did our peace dividend. After 9/11, we clearly responded militarily. You can look at the Defense Department budget from September 12, 2001, forward, and you can see we got the threat and responded. It has not happened in the State Department on a development of diplomacy level.

I guess the two questions are, one, what level of funds do we need to do? Is it realistic to say now we are going to make that commitment on these other pieces, in addition to the military piece? In factoring that in, how do you see who you would pick to coordinate? I guess I would be curious if Secretary Gates thinks my analogy to what we are doing on the direct-action piece works at all in terms of a coordination model.

Secretary RICE. Thank you.

First of all, on budget resources, obviously, I would love to have the Defense Department budget. It is not going to happen. We recognize that.

Mr. SMITH. Even 10 percent of it, maybe.

Secretary RICE. I think I don't even have 10 percent of it. That is right.

But we have had a significant increase in foreign assistance. The President has tripled it worldwide, quadrupled it in Africa, doubled it in Latin America. And recipients, obviously, like Afghanistan have been significant—and Iraq, for that matter—significant recipients of counterinsurgency foreign assistance, where we are going into an area and building after an area has been cleared of terrorists. So we have increased it.

What we have not kept pace with, frankly, is the platform for the State Department in terms of people. We have spent a lot of money on buildings, but we really have allowed the numbers—now Secretary Powell had a diplomatic readiness initiative, which added a significant number of officers. They were almost immediately swallowed up by the big efforts that we have in Afghanistan and Iraq.

Mr. SMITH. If I may, I think that is why a lot of this stuff has fallen to DOD. My subcommittee has jurisdiction over the Special Operations Command, and a lot of those soldiers got involved in some of this stuff we are talking about because, again, they had the people.

Secretary RICE. I think that is exactly right. It is why I think one of the answers, again, is to go to a kind of civilian response corps, which would be, in effect, a kind of equivalent of the Reservists or

National Guard, that you could call people up as you need them, rather than trying to keep them on the payroll. But we also have to increase the pure numbers of serving Foreign Service Officers, serving USAID officers.

I think it is an interesting question. I was in the NSC when we created the National Counterterrorism Center, and it is an important innovation. I think the problem in kind of taking it as a model, for instance, for how we might engage, let's say, the country of Pakistan or the country of the Philippines is it is such a complex set of calculations. It is not just the counterinsurgency piece. It has to build out to building government capacity, for instance, to deal with the problems that are causing the rise of the counterinsurgency, whether those are governance issues or justice issues or poverty issues.

So I suspect that what you are going to find is that that does have to be done by the chief of mission and by the Department of State. I have found that the National Security Council can play that role at the strategic level of policy guidance in an effective way. The minute it tries to get down into a more operational level, it gets into trouble.

I have been National Security Advisor. Bob has been Deputy National Security Advisor. You must, I think, keep the authority and responsibility in the same place, and because the National Security Advisor is not a confirmed officer, does not have the authority, and therefore does not have the accountability for those programs, I think it would be a mistake to have more than a kind of policy coordinating role in the NSC. But I would suggest that is where that policy coordination really ought to be.

Mr. SPRATT [presiding]. Mr. Saxton.

Mr. SAXTON. Thank you, Mr. Chairman.

Secretary Rice, Secretary Gates, Admiral Mullen, thank you for being with us today. We all appreciate it very much.

This is a complex issue, as we all know, particularly given the lay-down of our bureaucracy, if you will.

When General Caldwell, Commander of the Combined Arms Center at Fort Leavenworth, was here last month, he mentioned that he was having some difficulty in getting civilians from the interagency community to take part in the command and staff college training opportunities that existed. He offered to pay all expenses, and still he couldn't sway the civilians or the organizations that they work for to train with future leaders of the Armed Forces.

Assuming that that would be good, I assume it would be good, if one feature is to reform how agencies educate, train, assign, and promote their personnel, then what incentives can departments and agencies offer career professionals to pursue interagency education, training, and interagency experience?

Secretary RICE. First of all, I am a big supporter of these kinds of opportunities. What we have lacked, at least in the Department of State, is a people for training float, if you will. We run people through so fast just to get them back out to the field so that we can fill the positions that we have got, that we really don't have the time to spare them for training. No good organization lives with the fact that you really can't have people on a training cycle

of the kind that gives them interagency training or proper language training.

A significant portion of the new positions that the President is requesting is so we can create a training float so that people can actually spend the time training. Right now, I don't even have enough people to fill the positions. I am at some 10 percent freeze on positions, 10 percent unfilled positions frozen out in the field. That is after having pulled every single diplomat I can out of Europe to go someplace else.

I think this is, again, evidence of a too-small civilian capacity to really engage in the interagency piece, the language training, the proper training that is necessary. I know that it is something that is very much valued by our officers. They love to go and do this kind of training. We just need to be able to provide them the opportunities.

Mr. SAXTON. Thank you, Madam Secretary. I am sure that what you say is very true, and I guess there are many of us here who think not only does State have too few people that give us too few capabilities, but, as you know, we are building additional capacity in the armed services as well. So it is a new world, a new era, and we need to make changes to accommodate our capabilities to those new demands. So thank you very much.

Thank you, Mr. Chairman.

Mr. SPRATT. Ms. Sanchez.

Ms. SANCHEZ. Thank you, Mr. Chairman, and thank you all for being before us today.

Secretary Gates, in your written testimony you cite two commands as examples of positive changes toward effective interagency cooperation: U.S. Africa Command (AFRICOM) and U.S. Southern Command (SOUTHCOM). I think that it is great that we are trying to do that. My question is, clearly, that SOUTHCOM and AFRICOM are areas of responsibility that aren't facing the type of conflict that we have in U.S. Central Command (CENTCOM). Are there plans in place to implement this interagency structure in CENTCOM? And, if so, what sort of timeframe do you have for that and what challenges do you think you will see when you are trying to put them in a command that has a war in it? And what do we need to do in order to make sure that we have this in a place like CENTCOM, and are there other commands where you want to place that type of interagency team in place?

Secretary GATES. Let me say a word and then ask Admiral Mullen to join.

Part of the problem that we face ties right in with the last question that Secretary Rice answered, and that is we have a significant need for civilian representation, interagency representation in AFRICOM above all, but also in SOUTHCOM. Part of the challenge that we are facing is that the other agencies just don't have the spare people to give us.

Now the deputy—one of the two deputy commanders of AFRICOM will be a State Department ambassador. This is a new model. So I would say the need first is to try and fill the positions in AFRICOM.

Southern Command has, over a period of years, developed a large interagency presence, but there is a real squeeze in terms of the

availability of people. All of our commands are becoming more interagency. But I would tell you that our priority right now is on AFRICOM and then on SOUTHCOM.

But let me ask Admiral Mullen.

Admiral MULLEN. Ma'am, the two commands you specifically spoke of, how we would do this in Central Command and, in fact, in both Iraq and Afghanistan we have put an awful lot of people from other agencies out there, not the capacity we would like, and that really is in phase four of what we call sort of the various phases we go through in our operations, by and large, stabilization.

So it is implemented there, but not to the degree that we are restructuring or standing up AFRICOM and in fact changing Southern Command, with a lot of the same kinds of activities except it is preventive. It is the phase zero kinds of things, and they are not exactly the same kinds of things that we do. But, clearly, that is the kind of sea change that is going on right now that we think is going to be very representative of the future.

The other command that we have done an awful lot of interagency work and stood up is in Northern Command (NORTHCOM) in Colorado Springs, where that is inherently interagent, almost immediately as we stood up, because of its mission. I think it is representative of where we need to be now and also where we need to go in the future.

There was a question on career paths earlier. How do you provide the education? Leaders have to incentivize this for people to not just come and do it but also succeed. All that I think speaks to the kinds of changes that have to occur across many areas, including how we attract and retain our people across the entirety of government.

Ms. SANCHEZ. Thank you, Admiral.

Just in the last few minutes that I have, I sent you a letter, Secretary Gates, about the incidents with female contractors who are sexually assaulted in Iraq. You sent me back a letter; and in it you said you are in the process of working with our commanders to improve the necessary implementation procedures for the Uniform Code of Military Justice (UCMJ) application, et cetera. You said there were still some significant gaps and inconsistencies.

Can you tell me what are the inconsistencies and significant gaps and how do you plan to correct them? Or do we as a Congress have to help in order to make sure that we have some accountability to our women contractors in Iraq who are being raped by contractors, such as where we had the KBR contractors do it to Jamie Leigh Jones?

Secretary GATES. I don't know the date of the letter that I sent. I have subsequently sent out to the commanders around the world, including to General Petraeus, a memorandum telling them how to proceed with the use of the Uniform Code of Military Justice against civilian contractors working for the United States Government and that they have the authority under the law that you all gave us a couple of years ago to carry out a criminal investigation against a civilian and to bring charges against a civilian contractor. And, in fact, I think there has been one such arrest just in the last two or three weeks.

What we don't know is how the courts are going to look at bringing a civilian in under the Uniform Code of Military Justice, and so the gap that exists is on the other law that is more apt. And I should say we also give the Justice Department the opportunity to intervene on one of these cases and take it away from the commander if they choose to prosecute.

The concerns I think that we have is the McGee law has some gaps in it. It is the one where there probably needs to be a further examination by the Congress to see if there are gaps where it can be applied more easily to contractors.

Ms. SANCHEZ. Thank you, Mr. Secretary. Maybe we can work together. We want to make sure we have this cover for when this type of situation happens.

I thank the chairman for indulging the extra minutes.

The CHAIRMAN [presiding]. Thank you.

Mr. Forbes.

Mr. FORBES. Thank you, Mr. Chairman.

Let me, first of all, thank all three of you for the jobs that you do. We know you have very difficult jobs, and you do they them very, very well.

There is a legitimate argument to be made that in Congress we sometimes do not have the capacity, maybe the will to focus in and laser on priorities as quickly as we need to do and maybe get the funding there where it ought to be. A good example, we talk about readiness, and we still bottle up a supplemental and delay the passage of that.

With all of its blemishes and all of its warts, the processes that we go through does at least end up with a situation where we are voting on funding and we have a degree of openness about where that funding is. Oftentimes, we worry about shifting within agencies from one program to the other, which might be different than what we establish.

So when we look at interagency reform and we look at things that we want to do, most of us support very strongly information on planning coordination. But when we start shifting the funding, it at least raises some questions, and the three questions that I have to throw out to any of you this morning is this:

Should there be any limit on the amount of funding that we can switch from DOD to the Department of State? If so, what is that monetary limit and why should we have the limit, one.

Number two, we consistently hear testimony that it is not just State and DOD, but other agencies that we need to be involved as well in what we do, and should we be able to shift that funding on an equal basis between all of those agencies?

Then the third thing is, we mentioned the fact that our combatant commanders are the ones that are basically going to make these calls. We know that they are appointed by the President, confirmed by the Senate. But the question is, historically, when they have come in to us with requirements and the requirements that they have talked about, they have been military requirements. How do they get their hands around the requirements that they are going to be recommending now? What definition do we give them to help structure the requests that they are making when they are talking about requirement needs now?

Secretary GATES. Let me tackle the first couple and ask Admiral Mullen to take on the third.

First of all, it certainly is my impression that there are very clear limits on the resources that can be transferred from the Defense Department to the State Department. As an example, under 1206, as I indicated earlier, any of those transfers and those specific projects have to be notified 14 days in advance to the Congress so you all have complete visibility into the transfer that is being made and the amount of money that is being made and why it is being made.

Mr. FORBES. Just because that notice comes here doesn't give us the same play over it that we would have in a particular authorization bill or something that would be coming.

Secretary GATES. But it does give the Members and the staff, above all, complete visibility into the process in terms of accountability and an ability to raise questions about those things if they have those questions. We get those questions all the time.

So I think that there are limits. I think we can't transfer—I am no expert in this, but I don't think we can transfer money to any other department without notification to the Congress and going through a significant process up here. So I think that is really—just as we are coming up here for a request in 1207 for the authority to be able to transfer up to $200 million to the State Department for 1207 and for $750 million authority for 1206, those are specific caps, and you would know under those caps what those transfers were being made for.

So it seems to me that, in terms of your responsibility, you have the information to hold us accountable.

Admiral.

Admiral MULLEN. As far as the requirements themselves are concerned, what the combatant commanders have seen is the value of this kind of 1206 building partnership capacity, military training and equipping; and it has spanned the very different kinds of capabilities: tactical communications, maritime security, night vision kind of flying opportunities. The Secretary mentioned that in Pakistan. The full spectrum.

They see also the agility with this funding, to be able to make it happen very quickly, and that is, I think, very encouraging to those that they are engaged with routinely. Combatant commanders have historically come in for a vast array of requirements. Typically, they never get the full list, even as they see it. That is the case even now in 1206. As it has been asked to be expanded from I think $500 million to $750 million, the combatant commanders could actually come in and see other areas of application to spend more money.

So I think to a certain degree we are in a growth timeframe because they see the value of it. I trust their judgment in this because they are in the field, they are engaged with these countries routinely, and they see where those needs are. It is in that building and the speed with which they can do it where this kind of money is so valuable.

So I am comfortable with the requirements process. It is still early. We will go through that. They do that fairly rigorously. It depends on what part of the world we are talking about. But I am

comfortable with what they do in the country, as well as with their staffs, as far as validating these requirements.

The CHAIRMAN. I thank the gentleman.

The gentlelady from California, Ms. Tauscher.

Ms. TAUSCHER. Thank you very much, Mr. Chairman.

Secretary Rice, Secretary Gates, Admiral Mullen, thank you very much for being here. And thank you to the men and women that you serve with all around the world.

I guess the biggest surprise for me after September 11, looking at a new, unconventional world of where asymmetrical threats and places of chaos are such a threat to us, is how labor-intensive it is. We came out of the 20th century believing that we had invested in smart systems and smart platforms and lots of things, and the truth is it is about people. And I think that what we are finding is that we don't have enough people across the board.

We clearly have a readiness issue in our military. We need to have more people. Madam Secretary, you don't have enough people, certainly, to represent us both diplomatically and with programs. And then, across the board, we look like we don't have enough people.

I will never forget co-chairing with my colleague from Ohio the Congressional Defense Review (CDR) that was mirroring the Quadrennial Defense Review (QDR) a couple of years ago, and combatant commander after combatant commander would come in and say, "I have done everything I am meant to do." We have done a very good job in the military, but where are the civilians? Where are the people from the Agriculture Department that are meant to come and talk to the Afghanis and tell them, "Not poppies; winter wheat"?

So I guess my question is this: People are expensive. They are very expensive. What are we doing to attract and retain the right kind of people?

What are we doing to make sure that they understand that, very much like in the old joint world, Admiral Mullen, before the joint world became certified as the way to be promoted, what are we doing to tell the newer people that we are hiring and middle-management people that the way to go is to make this interagency process work, that this is the way to get promoted, this is the way to be a leader, this is the way to be a Secretary?

And how are we building the training programs and allowing people to go into those systems in a way that gives them the kind of robust training and the tools that they need to go forward in this very labor-intensive environment?

Secretary GATES. I will begin, and then Secretary Rice can pick up.

I was smiling because when I first got an interagency detail from Central Intelligence Agency (CIA) to the National Security Council (NSC) in 1974, I was told there probably wouldn't be a job for me in CIA when I came back. It turned out there was, but just barely.

And the reality is, until the real joint world came along in the military—or I would say the rest of the government, to a large extent, has been like the military before Goldwater-Nichols, in terms of the attitude toward joint duty. If you are not here in the trench, you are not working. If you are over there working for somebody

else's agency, you are off our payroll, we are not interested, and you are not going to get promoted besides.

One of the things that I did when I was Director of CIA—well, when I headed the analytical side, I said, if you don't have a rotation in a policy agency, you can't be promoted to a GS–15, because you are over here doing intelligence and you don't have a clue how it is used in the interagency process. And I tried to put that in place for the clandestine service when I was Director. That lasted until the day after I left office—actually, maybe the hour.

But the point is I think there really has been a sea change in the last 15 years. And I think that most people understand that their futures—they look at the military, and they look at the number of positions—for example, that State Department officers are serving in the combatant commands (COCOMs) and places like that—and I think at least in these two Departments, there is a real understanding of that and the culture has changed. I would be surprised if it has changed anything like that in the other Departments—in most of the other Departments of Government.

Secretary RICE. I would agree with that.

I think that at State there is an additional reason for people to want to have some kind of interagency experience. It has always been the case with the National Security Council, increasingly with the Defense Department. But if you are going to be a deputy chief of mission (DCM) or an ambassador, you better understand the interagency. Because, as I said, most of our embassies now, when I go out to do an embassy meet-and-greet, as we call it, and I look around, some significant portion of those people in the audience are actually in uniform or they are DEA agents or perhaps Federal Bureau of Investigation (FBI) agents or perhaps from the Justice Department. And so learning to manage an interagency process really means understanding the perspective of having been outside of your own department.

What we really have to work on is really two elements. One, better training for people. For instance, the PRTs now train together for six weeks or so. That is really good. And people who come back from those experiences have a different view of interagency work.

The other piece, though, is that we need people from different perspectives and different backgrounds. And so the State Department is going to need to look at mid-career, entry-level people. It is great to get the Foreign Service officers (FSOs), 25, just out. But people who have had experiences in business, people who have had experiences in the military, people who have had experiences in nongovernmental organizations, we are trying to recruit some of those mid-career people into the Foreign Service.

Ms. TAUSCHER. Thank you, Mr. Chairman.

The CHAIRMAN. Admiral Mullen.

Admiral MULLEN. Just one brief comment, Mr. Chairman, on this.

I really think that the people issue is the biggest issue we have in DOD long-term—how are we going to recruit them, how are we going to retain them? They are the most important resource, and they are becoming more and more expensive. And we can have the greatest missions in the world and the greatest stuff in the world, and it is not going to work without them. And that is one we have

to tackle and, I think, be predictive about, as opposed to reactive about, which we aren't very good at.

And I was sitting, actually, down in Key West not too long ago with a young lady from an agency who has been down there assigned to the task force down there, and she had come from one of the headquarters here. And she looked at me at the end—she had been there about a year—and she said, "We should have done this 10 years ago." And she was in an agency that she knows, 10 years ago, wasn't talking to anybody. And that was a real message for me and, I think, indicative of what we have to do.

The CHAIRMAN. Thank you.

Before I call on Mr. Wilson, let me ask a very quick question. And Admiral Mullen, I know, will recall the beginnings of Goldwater-Nichols, how, number one, it was fought by those with four stars on their shoulders within the Pentagon and then how some services dragged their feet as best they could, but it is finally the culture within the military. But it was forced upon the military by the Congress of the United States. And, to the credit of the military, it is working and working very, very well, but it took a while to do.

So let me translate that into, should we come up with, at the end of the day, whether it be piece by piece or as a solid piece of legislation that does basically the same thing, that says, "Thou shalt do interagency work"? How will the cultures—plural—accept this? Would this be a replay of the various services as a respondent to Goldwater-Nichols, or is there a difference?

Either one or both of you.

Secretary RICE. Mr. Chairman, I believe that interagency work is essential, and I think it is beginning to permeate our culture, at least at State, that it is essential.

And as I said to Representative Tauscher, if you are out in an embassy—I think we tend to think of Washington, but our people mostly serve abroad. And if you are out in an embassy, you are in an interagency environment. If you are a Deputy Chief of Mission, you are in an interagency environment. And so I think what we have to do is to capture that experience.

But if we are going to have people here in Washington who can go to the Command and General Staff College and to other places, we are going to have to be able to provide us with the training float to spare those people to go for that training.

But I do believe that a sense of the importance of the interagency is there in our culture. You may not get it in some of the other agencies; that may take more time. But I sense it, and I believe it is there in State.

The CHAIRMAN. Good. Thank you.

Secretary Gates, do you have any comments?

Secretary GATES. Well, I am torn between incentives and disincentives. In other words, frankly, when I was at CIA, the leverage that I used to cause people to get interagency experience was basically to tell them that they wouldn't be promoted beyond a certain level if they didn't have it. It is not unlike the promotion process in the military where, if you don't have joint experience, there is only so far you can go, where it is a prerequisite for obtaining certain ranks and positions. So that is one aspect.

The other is to try to figure out, which I think—I think the incentive part of it is in some ways more complicated, in terms of how you cause people to see it in their own advantage to look for these opportunities, and so you build a culture where people are looking for the joint experience or the interagency experience.

But I think for the Congress even to weigh in almost philosophically about the importance of interagency experience could have a salutary effect.

The CHAIRMAN. Thank you.

Mr. Wilson.

Mr. WILSON. Thank you, Mr. Chairman.

And, Madam Secretary and Mr. Secretary, Admiral, thank you very much for being here today.

I believe that we are in a global war on terrorism, as you all have identified, a global counterinsurgency. To protect American families, it is just crucial that we deny the terrorists the abilities to create breeding grounds for terrorism or safe havens. And, working together, I believe you are making quite a difference.

And, Madam Secretary, in particular, I want you to know how grateful I am for the work of the United States Agency for International Development (USAID). I never cease to be amazed. Their annual report—I wish the American people could see, in dozens of countries all over the world, where there is a natural disaster, USAID is there right away, providing aid, helping countries provide infrastructure, working as we see at the country briefs. The dedicated people you have in State Department, it would warm your heart how much they care about the people that they are serving, in working with the Peace Corps.

I have seen it firsthand. In 2005, I was in Muzaffarabad. And, Mr. Secretary, it was extraordinary. I ran into a constituent of mine, a young Pakistani-American corporal in the Marine Corps, and they were up there providing care for persons who had been in the earthquake in northern Pakistan. And with his perfect Urdu, he was able to truly project America as we know it, a country that cares about people around the world.

And then I was able to visit in Darfur, in Sudan, in the USAID tents, the food being provided. Additionally I have seen the PRTs working together in Jalalabad and also at Khost. And I was most recently at Asadabad and with a young Navy lieutenant. He was talking about building a bridge for the people of Asadabad. You would think he was talking about the birth of his own child, he was so excited and so proud to show us what they were doing.

And I have seen also, in Iraq, the Commanders' Emergency Response Program (CERP) activities in Mosul. One of my sons served for a year in Iraq, and his greatest pride, indeed, was to provide water tanks to the villages, to help in a small way to work with the project to distribute 2 million bookbags to the children of Iraq, additionally with medical clinics.

So I see progress all around.

But I do share the concern of Congressman Jones that we have countries in the neighborhood of Iraq, many of them very, very wealthy, and it is in their interest, Madam Secretary, as you indicated, that they truly deliver on the commitments they have made but even more so.

So, again, how is this going to be brought to their attention?

Secretary RICE. Well, it is going to be brought to their attention by continuously bringing it to their attention, Congressman. This is actually a subject for discussion every time I am with those countries.

And as the security environment improves, there will not be, perhaps, the concern that they cannot carry out the projects that they need to carry out.

Frankly, the Iraqis are quite capable of funding a lot of their own activities, and I think the reconstruction assistance now is about 10 to 1, them to us. But it doesn't mean, for instance, they wouldn't be helped tremendously by debt relief by some of these countries. All of the Paris Club countries—the United States, France, Britain, now Russia—are in a position of discounting that debt. But we haven't gotten the same response from some of the countries in the region.

So those are the kinds of things that we go after them about all the time. It is most in their interest. That is why we have a neighbors conference, and I will be delivering the message again. And thank you; I can deliver the message directly from the Congress of the United States when I go to Kuwait.

Mr. WILSON. Well, it is good business and good security for them.

And, Mr. Secretary, the foreign military financing (FMF) programs, to me, can be so helpful. I was in Ghana and so impressed by the developing military there and our association.

Are there other examples of progress in Africa?

Secretary GATES. Well, I think FMF is a good example of a longer-term solution to the kinds of issues that we are talking about with 1206 and being able to do it in the short-term. And we have had some experience using 1206 in Africa and providing some training and so on, and I think it is a great short-term, initial way to get into the programs with some of these folks.

Mr. WILSON. And is it helping them also with the latest equipment, so that it can be interrelated with other——

Secretary GATES. Generally, the kinds of things that we provide are pretty—you know, are small boats, are radios, some trucks and things like that. It is pretty simple stuff that they need—and training and professionalizing them. Those are really the needs that most of these countries have.

Mr. WILSON. Thank you.

Secretary GATES. Even though they would all like to have F–22s.

The CHAIRMAN. Thank you.

The gentleman from New Jersey, Mr. Andrews.

Mr. ANDREWS. Thank you, Mr. Chairman. Good morning.

Madam Secretary, Mr. Secretary, Admiral, thank you for your service. Thank you for your time this morning.

Two states that pose significant issues for our country today for different reasons have a common problem in their recent history with our country, and that is Iran and Pakistan.

Frankly, the standing of the American people and the American image in both countries is very different, but to the extent that there is disfavor toward the United States in each country, one of the reasons is our association with unpopular oppressive rulers. There are Pakistanis who have negative opinions of the United

States because of the real and perceived actions by General Musharraf. And although I understand our standing within Iran is rather good, there are still some Iranians who are bitter toward the United States because of our support for the Shah over the decades.

In that context, Mr. Secretary Gates, I want to ask about your recommendation of expanding section 1206 coverage beyond military forces to include security forces.

Now, I read this as saying your intent is to be sure that we bring peace and stability to troubled places. I don't read a word in there that would talk about anything offensive or oppressive to the citizens of those countries.

But what kind of criteria or safeguards do you think we should consider putting in to limit the use of section 1206 coverage for something other than military forces? In other words, aren't we setting up the possibility that we will create in other places the kind of ill will we have created toward ourselves in the two states I mentioned, because we are seen as subsidizing and encouraging oppressive behavior toward people of those countries?

Secretary GATES. I think that the reason for broadening it beyond military to security services is simply because many of the countries that we work with and that we potentially will work with organize themselves differently. So that in Liberia, for example, the Coast Guard that is helping us with maritime surveillance and so on is not a part of their military. In Pakistan, the Frontier Corps is not a part of the military. So it is really those kinds of institutions that we are talking about.

And, as I say, there is a notification process in terms of accountability where you all can see who we are giving this money to and what we are doing. And they also have to meet the human rights requirement.

Mr. ANDREWS. I appreciate that, although let's posit this circumstance. Let's posit an emerging growing state that has an orthodox military structure and an interior ministry. And let's say that the interior ministry is dominated by a minority, religious or sectarian group and has some problems with the majority group.

Should there be substantive criteria, not simply notification but substantive criteria, before we would use 1206 coverage for that interior ministry?

Secretary RICE. Well, I think, Congressman, we have tried—first of all, do have the human rights vetting provisions that we use to make certain or to attempt to make certain that the equipment and training that the United States does would not be used for internal repression in one way or another. And we have not always been able to assure it. Certainly there have been some cases. But we have not been shy about cutting off assistance if those human rights abuses are found, even down to a unit level, in some cases.

We are not talking about standard police forces here. I think we are talking more about forces, paramilitary forces in some cases, that may come into being in terms of counterterrorism operations.

But I wouldn't know how to establish criteria that are universal. I think this is really going to be more of a case of——

Mr. ANDREWS. Madam Secretary, I don't know that they need to be universal. And, frankly, my question is more of an institutional separation-of-powers question than it is about any particular case.

We are, I think justifiably, reluctant to say that the Congress can be notified that these funds are going to be used for interior ministries but not have some substantive criteria to understand whether that human rights vetting process you talked about is in fact happening, how thorough it is, how credible it is.

I don't envy the job of anyone who had to deal with Iran in the 1960's and the 1970's or Pakistan in these times. It is difficult. But I do understand that there is a record here that shows that our position and therefore our security is sometimes weakened and jeopardized because of the use of oppression by people that we have associated with or funded.

It is a difficult problem, but I do think it is one the Congress needs to play a substantive role and not simply an advisory one.

I see my time has expired. I thank you.

The CHAIRMAN. I thank the gentleman.

Mr. Franks.

Mr. FRANKS. Well, thank you, Mr. Chairman.

And thank all of you for being here, and especially the folks that go out and put themselves on the line for our freedom. I always want to express gratitude for that.

Mr. Chairman, the purpose of the meeting called here was to hear testimony on efforts to build the security capacity of partner nations in the ongoing development of the interagency process. And I think the fact that the divergency that is represented on the dais of the panel here is an indication that development of the interagency process is occurring.

So I have just one question that I hope all three of you can address, related to the security capacity of partner nations.

Secretary Rice, you stated on page 12 of your testimony that, quote, "We are working closely with the Department of Defense on a number of strategic policy issues. The Gulf Security Dialogue integrates foreign policy and military dimensions with our allies and partners in the Gulf."

And, Madam Secretary, I wanted to specifically talk about Saudi Arabia. And I want you to know, this is not a catch-you question. I believe there is an answer—some answers to it, but it is a paradox to me, and that is our relationship with Saudi Arabia.

First of all, the government of Saudi Arabia is failing in some areas related to the prevention of terrorist financing. They are one of the largest financiers of terrorism in the world. And they continue to indoctrinate their students with anti-Western and anti-Israeli beliefs in their textbooks throughout the education system. They remain intolerant to religions other than Sunni Islam, and they forbid political dissent. And moreover, their borders, sharing 500 miles of border with Iran, are a particular problem, given that they are not doing well in securing their border enough to do anything to help in the effort of stabilizing Iran.

And, of course, we have just sold Saudi Arabia some significant equipment, ostensibly to help them counter Iran, but in their statements, they don't suggest that that is their intent with the equipment. And I don't want to question any one of these things in par-

ticular, but, all together, there seems to be a general indication that Saudi Arabia has not demonstrated to the United States their desire to propagate freedom and tolerance like we are hoping they will do.

And in the long-run, I guess the question really is this: How is our partnership with a government like Saudi Arabia advancing our national security objectives?

And, Madam Secretary, if you would go first, and I hope we can get the other two perspectives in too.

Secretary RICE. I think it is absolutely the case that, prior to 2000 and before 9/11 and really, frankly, before the bombings in Riyadh in May of 2002, I think that it could be said that Saudi Arabia was not as effective—or was not very effective in fighting terrorism. I think there has really been a change in Saudi Arabia on this fact. The government has been very aggressive. They have, in fact, killed a lot of al Qaeda operatives in Saudi Arabia. They have arrested scores more. I think our people would tell you we have very good counterterrorism cooperation.

Now, on financing, yes, it is a more complicated picture, and I think there it is not so much the government as the inability to control certain elements that are funding through private sources. And we have been very—pressing them a lot on some of these foundations and non-governmental organizations (NGOs) that we believe continue to pass terrorists funding.

But I believe that you are getting a major effort from Saudi Arabia. As to the regional dimension to that, though, I am absolutely certain that without strong defense capabilities for our Gulf allies, they will not be able to resist Iranian penetration, aggression, and the considerable spread of Iranian activities into the Gulf region. It is something that really does frighten them. And they see their own national interest as being linked to ours in resisting that, even if sometimes it is not in the rhetoric.

But as to matters of democratization in Saudi Arabia, you are right, that is going to be a long course. We continue to hope for better. Some small things have changed, but the larger course of Saudi Arabia, I think, on this score is still to be determined.

Mr. FRANKS. Thank you.

Admiral Mullen, would you like to take a shot at it, I mean, from the military perspective?

Admiral MULLEN. The military-to-military engagement has been strong and continues strong, and it is a key part of this whole Gulf Security Dialogue. And I have watched the members of this evolve tremendously in recent years. Obviously there is great concern now because of the tension created by Iran. And that balance, I think, is needed not just in the near-term but in the long-term. And Saudi Arabia has an awful lot to do with achieving and sustaining that balance.

Mr. FRANKS. Mr. Chairman, would Secretary Gates be allowed to answer the question?

The CHAIRMAN. Go ahead.

Secretary GATES. I would just add one sentence to what has already been said, and that is you look for small signs. And one of the things that I found interesting recently was a call by the king for an interfaith dialogue, inviting representatives of all of the reli-

gious faiths to get together and talk. And I think there is a concern on his part at the way Islam is being portrayed around the world and a desire to—he has had a dialogue with the Pope on these issues. And I think, you know, you take signs of progress where you can find them.

Mr. FRANKS. Thank you, Mr. Chairman.

Thank all of you.

The CHAIRMAN. Mrs. Davis.

Mrs. DAVIS OF CALIFORNIA. Thank you, Mr. Chairman.

And thank you to all of you for being here and for your service.

I wanted to follow up on both the organizational ends. And, Secretary Rice, you talked about both ends of Pennsylvania Avenue, and I think there is a responsibility on both ends.

And I wonder if you could address the organization of the executive branch. You talked about National Security Council, an advisor. Perhaps that is not the best umbrella, coordinating umbrella, because of a number of factors, including accountability and a host of others.

How do you feel that the executive branch can be best organized in order for the Congress to be able to reflect that organization?

We talk a lot about having a committee of cross-jurisdictions. I think the frustration may be that we haven't had an executive branch organized in a way to actually have that interaction, to have that kind of engagement.

And, you know, if you could—I know that perhaps you don't like to tell Congress how to do its job—but how do you see a Congress organized in the way that could be more reflective and responsive to what you think an executive branch should be doing in this area?

Secretary GATES. I am going to take the lead on this one, because I may say some things that Condi wouldn't say. And I don't want her to get into trouble with her committees.

First of all, I served on the NSC staff under four Presidents. And often the temptation, when there was an interagency issue, was, let the NSC do it. So the powers and role of the NSC has waxed and waned over the years. And generally when it has waxed and they have gotten into operational difficulties, they have ended up getting the President into difficulty. I can remember two, in particular, President Carter and President Reagan.

And my view is that, just as the Chief of Mission represents the United States in a foreign capital, and although CIA would bridle at that at times, I think the relationship actually has worked very well.

I think that the State Department is the proper place to oversee all of the elements of American foreign policy, and where there is accountability and where there is operational authority and the ability to persuade or work, coordinate others.

The NSC clearly has a role in policy formulation and coordination and so on and so on. But part of the problem that the State Department has is that it can never be empowered—let me phrase it is a different way. The State Department does not have the authority, the resources, or the power to be able to play the role as the lead agency in American foreign policy. And the Congress has not been willing, decade-in and decade-out, to give the State De-

partment the kind of resources, people, and authority that it needs to play its proper role in American foreign policy.

Now, that is a strange thing for a former Director of CIA and the Secretary of Defense to say, but I think that is the reality. And so I think that—I mean, the Secretary and the President have some proposals up here that would significantly strengthen the Foreign Service, strengthen the Department of Defense. As far as I am concerned, it is a start. They don't have the extra field planning, the way the military does, any more than they have a training float of people.

So these issues need to be addressed if you think that the institutional solution is for the State Department to have the lead in the way American foreign policy is implemented.

Mrs. DAVIS OF CALIFORNIA. I appreciate that, Mr. Secretary. And I agree wholeheartedly on the float issue, the need to have rehearsal time in working together, which, obviously, we haven't had those people.

But I also would think, I mean, the pressure has been to fund the military because we have two wars going. So I think that the desire to do that, perhaps historically you haven't seen that. I think now there is an interest in doing that, but there is also the question of where that funding comes from.

And I would think that, you know, there are continual questions that are being asked. The Center for Strategic and International Studies (CSIS) asked, you know, in their report—that I think is a good one, and I hope you have had a chance to see that—you know, how realistic is it to expect that robust civilian capacity will emerge and be funded?

Secretary GATES. I would just say, ma'am, that, first of all, compared to the resources of the Department of Defense, the dollars required to accomplish these objectives in the Department of State are pretty small by comparison. The Department of State, essentially—I may be off on the numbers somewhat, but the State Department budget is about $34 billion. That is less than the Defense Department spends on health care. And so, if you gave State Department an across-the-board 10-percent increase in resources, you are still talking about a relatively modest amount of money.

Mrs. DAVIS OF CALIFORNIA. A follow-up question about the interagency too, I mean, Commerce, Agriculture. So do you see that that would also help that?

I will leave it there.

Secretary RICE. If I may just add, I think that the—we have had requests before the Congress for the last three years for an increase in the Foreign Service. And I am hoping that this time—because we have made the request bigger. It was 230 and 230, and it apparently didn't get people's attention. I am hoping that the 1,100 will be funded and the 300 for USAID.

We are never going to have a Department that is big enough to do the kind of thing that we have done in Iraq or that we are doing in Afghanistan. That is why, again, I hope that the civilian response will also be funded because there you can draw on people in waiting, if you will. When we did the reconstruction in the Balkans, it was a sort of United Nations mission, and, frankly, it didn't work very well in places like Bosnia and Herzegovina. Then

we did Afghanistan, and we did a kind of "adopt a ministry." The Germans did one thing, the Italians another. We are paying for that with incoherence today in the civilian effort in Afghanistan.

In Iraq, it was transferred to the Defense Department because they had the people and you wanted unity of command. I think we saw some shortcomings then in reconstruction in Iraq.

What we need is a civilian agency that is sized for immediate contingencies, like a Liberia or a Haiti, but can be expanded accordion-like by pulling on expertise in the population at large. And I think this is a really good innovation, if we can get it funded and fully authorized.

The CHAIRMAN. I thank the gentlelady.

Mr. Wittman.

Mr. WITTMAN. Thank you, Mr. Chairman.

Madam Secretary, Mr. Secretary, Admiral, thank you for joining us today. We appreciate all of your hard work.

I notice, in your efforts to build partnership capacity here, that recently there is a developing collaborative effort between State Department and the U.S. Joint Forces Command in developing some online courseware in supporting integrated operations.

And I would be interested if you would elaborate a little bit on that and talk about what may be the goals of this effort. And then, collectively, how would the respective Departments measure its effectiveness as going forward and building this capacity?

Secretary RICE. Yes, we are trying to do this, both in online courses and also the Foreign Service Institute has been looking at its curriculum.

I was at Joint Forces Command about two years ago or so, and they had at that time a serving political advisor (POLAD), as we call them, who was very interested in trying to capture some of the lessons we were learning from these joint operations. People tend to think of the PRTs, but you also have to think about what we have done in Colombia, what we have done in Mindanao, what we have done in places that are not always on the radar screen. And I think that the development of these courses will be very important.

Now, I would suggest that we will evaluate them the way I would evaluate a course if I were at Stanford: Are people actually learning from them? There will be student evaluations. I think at some point we are going to have to look back at this entire effort and have outside evaluation of these courses.

But I believe this is really a significant improvement in our ability to work with the military. Yesterday, when I was at Maxwell for the very nice honor that they bestowed on me, I said that this is a test of the Department of State learning to work better with the military and vice versa. And we are getting enough experience now that we are going to have to do a formal evaluation of lessons learned and a formal evaluation of how well we have done. And here we are light-years behind the military in doing that kind of work, and we are going to have to make it happen.

Admiral MULLEN. I am very encouraged by it. It is still relatively new. Just my own experience, in command in Naples as a North Atlantic Treaty Organization (NATO) commander at the four-star level, I had a political advisor. Literally, I could not have func-

tioned as a commander. It would have done me no good to go to work on any day had I not had that kind of advice. But I didn't grow up that way, and we haven't grown up that way. So now embedding it further, there are State Department employees now participating in exercises. All of that is headed in the right direction.

I also just spent some time with an ambassador designee who just left as a political advisor to one of our combatant commanders, and his experience there as a POLAD was extraordinary. And he said it will impact his view of how he becomes an ambassador, should he be confirmed, in ways that he hadn't even imagined. And it is planning and it is the kind of integration and the kind of collaboration that he learned in this job as well. So it goes both ways.

We have, I think, 50 or 55 military members assigned to the State Department. We need to make sure we reach in and assign them well in the future and take advantage of that.

So all of that is working, but we are still, I think, in the relatively early stages of where we need to go, long term.

Mr. WITTMAN. Thank you, Mr. Chairman. I yield the balance of my time.

The CHAIRMAN. Thank you.

The gentleman from Georgia, Mr. Marshall.

Mr. MARSHALL. Thank you, Mr. Chairman.

Thanks to all of you for being here today and for your leadership.

Secretary Gates, Admiral Mullen, it is particularly refreshing to hear how strongly you feel we should increase the capacity of State. As you have noted, Mr. Secretary, it is kind of odd to have a Secretary of Defense saying exactly that, but I think it is terribly important given the kind of threats that we face now and will face in the future.

I would like to talk a little bit about Iraq and Afghanistan specifically, particularly Iraq. Countries that have an awful lot of their wealth based on oil struggle to have a democratic or representative government. It doesn't happen very often. So that presents quite a challenge for us, just given their circumstances to start out with, if what we are seeking for them and for us and for the world is a representative government in Iraq.

And then you combine with that our history, which, as I understand it, has not been one of great success with regard to these efforts to build nations that are representative governments. If you look at the past pattern by the United States, we are excellent at building security forces, militaries, et cetera. We pale on the political end of it. We are not able to create quickly enough a class at will or a political aside to which the security forces remain. A charismatic civilian leader who works closely with the military ultimately winds up taking over.

And I am concerned that the same thing might happen to us where Iraq is concerned. It has the embarrassment of riches where oil goes, and individuals fight like heck to get control of those kinds of riches in countries like Iraq. Afghanistan, on the other hand, is quite poor and has challenges caused by the fact that it is quite poor and resource-poor.

It seems to me that we ought to be educating—and this is just sort of my view—that we ought to be educating Iraqis, particularly the politicians, those who would like to see a representative gov-

ernment, the religious leaders, about these challenges and asking them to think about how Iraq can avoid having another Hussein or a Musharraf or a Putin as its leadership in 5 years or 10 years. Certainly it is in our interest to educate them along these lines and to help them think through how they avoid that happening.

I have thought also that it was probably wise for us to think about having our military intertwined with the Iraqi military or Iraqi security forces generally for the foreseeable future, in ways that make it less likely that the military will take over, that the security forces will take over.

And my question is this, and I am going to ask that it be answered for the record. I don't think that this is a Crocker-Petraeus kind of thing. I think they are too buried in day-to-day, month-to-month challenges that make it difficult for them to step back, look at our history, look at the uniqueness associated with efforts to build nations in circumstances like this, and come up with a strategy. I think this has to be at the Secretary level. I think this has to be done here.

And what I would like—and I talked with Mr. Skelton just a minute ago about what would be the appropriate timing for a report to us, getting back to us in writing—what are we doing about this? What are the two Departments that—obviously State and Defense are the two Departments to work on this. Is there a team thinking through these issues, looking at our history, looking at efforts like this and identifying this—if it is not a problem, let us know that it is not a problem; we don't have to worry about it. If it is a problem, then what are we doing to make it less likely that we wind up with some autocracy or oligarchy or whatever it is that typically winds up plaguing these kinds of countries and certainly has plagued in the past our efforts to do these sorts of things? It would be exactly the opposite of the result that we would like to see and that Iraqis generally would like to see.

It seems to me that we have to have a strategy in place and to-do lists and specific things to be done. To me, at the very least, educating Iraqis, probably thinking about being intertwined. And, frankly, thinking that in our Status of Forces Agreement (SOFA) or what have you, they would be interested in having exactly that happen—would be things that should be considered.

But I am not the person that should be thinking through this; I think you all should. So two weeks, get back with what we are doing and what is the to-do list, who is doing it, et cetera?

Secretary RICE. We will certainly get back to you about the significant institution-building efforts, but, absolutely, we will get back to you.

Mr. MARSHALL. Okay. Thanks. I didn't want to take any more than my five minutes. I was going to give my little spiel here in hopes that I am clear and in hopes that this can lead to a great report.

Thank you.

The CHAIRMAN. Thank you very much.

And if you would get back for the record, we would certainly appreciate it, within two weeks, the gentleman suggests.

[The information referred to can be found in the Appendix on page 81.]

The CHAIRMAN. Dr. Gingrey, also from Georgia.

Dr. GINGREY. Mr. Chairman, thank you.

Chief Mullen, Secretary Gates, Secretary Rice, we thank you very much for the time you have spent with us this morning.

My colleague from Georgia, Mr. Marshall, gives me kind of an excellent segue into my question that I am going to direct to you, Madam Secretary. I don't disagree with what he is saying at all in regard to what we end up with, and we want to make sure that it is the best that we can get.

And in your testimony, Secretary Rice, you discuss challenges in assisting states in not only ending conflict but certainly establishing stable, civil societies and developing the means to care for those citizens and participate in the community of nations. And then you went on and you compared Colombia, where they were 10 years ago and where they are today. And I think it is right remarkable, the fact that President Uribe has done what he has done in the face of so much hostility in that region.

I would like for you to elaborate on that distinction, because I do think this sort of relates to what Mr. Marshall had to say almost in reverse, and then also why it is so important that Congress go ahead and pass the Colombia Free Trade Agreement as soon as possible.

Secretary RICE. Thank you.

Well, Colombia is a success story, and it is a story of a state that was pretty close to a failed state in 2000. It is a story of the partnership that the United States has engaged with the Colombian people and the leadership. And it is a bipartisan story, starting with Plan Colombia, which helped them to build them the capacity to help defeat the terrorists. It is the story of not just military and police assistance, but also economic assistance to start to put the country on a more prosperous footing. And then it is the story of a political leader who is a strong, strong ally of the United States, who came to power determined to give his people, as he calls it, democratic security.

And if my counterpart from Colombia was sitting here, the foreign minister of Colombia, you would be sitting with somebody who was held in captivity by the Revolutionary Armed Forces of Colombia (FARC) for six years and is now the foreign minister of Colombia. And that shows something about how far that country has come. I was in Medellin. It used to be synonymous with trouble and Pablo Escobar, and now it is a prospering, safer city.

Now, we have to do the last step. When you help bring a country that far, you can't then abandon them and say, "But we don't actually want you to have economic prosperity that comes from free trade." And if we turn our back on the Colombians, who have gone so far and done so much and are strong allies—in a part of the world, by the way, where I am always told, "What is wrong with the American image in Latin America? Why can somebody like the Venezuela President make headway with countries that should be friends of America?" Well, I can assure you we will do no greater harm to our ability to have an image of being a friend of the people of Colombia and a friend of Latin America than to fail to pass that free-trade agreement. That would do more harm than we could ever do in cutting off assistance or anything else, because the

whole region is watching to see whether or not being a friend of America matters.

Dr. GINGREY. Madam Secretary, I could not agree more. And, as I say to my colleague, in regard to getting it right in Iraq and how important that is, no question about it. We have gotten it right in Colombia, and now we are on the verge of pulling the rug out from under that great effort.

So I appreciate your work there. And maybe my colleagues will see the light of day and understand that that is so important. It is not just a matter of balance of trade and removing those 35, 45 percent tariffs that we are paying to export our goods to Colombia and their goods coming into this country tariff-free; it is the security of this country and the security of the hemisphere.

So I really appreciate your great work there. And, again, I hope and pray that this Congress will see the light of day in regard to that sooner rather than later.

And I thank you for your testimony.

The CHAIRMAN. The gentleman from Pennsylvania, Mr. Sestak.

And, sadly, 12:30 will arrive very, very shortly, and we will have at least two members who will be unable to ask questions. But if you have questions for the record, feel free to give them to us.

Mr. Sestak.

Mr. SESTAK. Thank you, Mr. Chairman.

Mr. Secretary, to some degree, I have kind of watched the Department of Defense move toward more functional lines for unity of command: 1958, with the establishment of the unified commanders; more recently with the establishment of Special Forces Command. And those organizations—but they, kind of, tend to have a function.

And as we have you come to Congress—and, as you point out, Secretary Rice has to go from here to talk about something, from here to another committee—what is your recommendation for how Congress should be better organized in order to address this issue and even to provide adequate oversight of any future change in the interagency process?

And I didn't know if functions was an important issue or not of oversight of an organization.

Secretary GATES. It is a really good question, and it is one that I have actually thought about a fair amount. And I had some recommendations when I retired as Director of Central Intelligence for how congressional oversight of intelligence could be improved.

My worry is that Congress has no way to holistically look at the different pieces of national security. And we have been talking here today about how does the executive branch coordinate better, integrate better, exchange people, become more holistic in its own approach in how we deal with national security issues.

And the problem is that Secretary Rice has the Foreign Affairs Committees, Admiral Mullen and I have the Armed Services Committees, Homeland Security has someplace else, the Intelligence Committees are someplace else. These are all integral parts of the interagency we have just been talking about.

And while there may not be any way that is politically possible to change the committee structure itself in any fundamental way, perhaps there is a way to create some kind of an overarching joint

committee where there are representatives from each of these committees, each of these authorizing committees, so that a certain body of senior Members of the Congress have the overview of what is going on in State Department and intelligence and in the military, in particular those three, so that the leadership of the Congress can look to whatever that number of people is for an integrated look at the balance of resources going one place or the other.

Mr. SESTAK. Thank you. I do think it is important we try to at least mirror what we are asking of you.

My second question had to do—when the Commander in Chief back in the 1990's said there is really no more foreign policies and domestic policies; there is really only one national security policy.

And as I watch as the authority request came across, Ms. Secretary, that, as you go into 1206, you have to give concurrence to the authority. Again, I will come back to the issue of unity of command, even if it is a more functional approach. But you have coordination authority in 1207. And 1207 gives Explosive Ordnance Disposal (EOD) efforts to Lebanon, Haiti, Somalia, Trans-Sahara, Nepal.

Should you have—is the example of authority approval—since there is really just one national security policy. You kind of established the first-line-of-offense, so to speak, diplomacy. Should the model of concurrence by you be the model that we should have also for 1207 and all the other attendant authorities that have come across? Because there is a score of them, as you know.

Secretary RICE. Well, in practice, it has not been a problem, in practice.

Mr. SESTAK. If I may, Mr. Gates made a very insightful comment. Your bureaucracies know you get along. It might not always be Mr. Gates, and it hasn't always been Mr. Gates. So it hasn't been a problem, but as you look down the road——

Secretary RICE. Well, it is something to keep an eye on. But we have thought of 1207 as a civilian support to essentially militarily essential missions. So I think that is why the authority has worked the way that it has. Whereas 1206 spoke to what had been more traditionally a State Department function, which is the train and equip, because obviously you want it to be a part of a broader foreign policy effort toward a particular state. And it has all of the ramifications.

But it is something we should look at. I think, at this point, because we consider it to be civilian support to military operations, we have been comfortable with the authority.

Mr. SESTAK. If I could follow up, the only reason I brought it up is, like, in Somalia, it has to do with justice reform.

Was that the bell?

Thank you very much.

The CHAIRMAN. Please answer the question.

Secretary RICE. I am sorry. You were——

Mr. SESTAK. That is all right. I was just going to follow up. Since I saw something having to do with justice reform or police reform, I did not know if the final authority should be DOD, particularly when you are getting into places. But I think you have answered it for right now. It is something to look at.

Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentleman.

Secretary Gates, on a related subject, the Guard Empowerment Act calls for a four-star chief of the National Guard Bureau. Would you, for the record, furnish us with the status of that effort which was in our last bill?

Secretary GATES. Yes, sir. I will just tell you very—we will give you an answer for the record. Just in one sentence, we are in the process, in accordance with the statute, of going out and seeking the input of each of the Governors.

[The information referred to can be found in the Appendix on page 81.]

The CHAIRMAN. We certainly appreciate that.

There is no way to thank you enough. This has been a historic hearing with excellent testimony.

And, Admiral, thank you for being with us.

And, Secretary Gates, Secretary Rice, thank you for your service and your testimony.

Mr. HUNTER. Mr. Chairman.

The CHAIRMAN. And Mr. Hunter will say good evening formally.

Mr. Hunter.

Mr. HUNTER. Thank you, Mr. Chairman.

Mr. Chairman, thanks for having this hearing, I think excellent exercise.

I would just say that I think, Secretary Rice, you made a very accurate statement when you said that, out of these ongoing contingencies and operations, reforms will come about that will have a salutary effect on both services.

You have two major operations going on right now, Iraq and Afghanistan. And I think in many areas we see the need for reform, for change, for seeing what works and moving ahead with it quickly. And especially Afghanistan, Mr. Secretary, the command and control situation, rules of engagement, other areas, at this point need a review, need a good scrubbing. I hope we can work with you in the coming weeks to effect some changes there.

Thank you very much, Mr. Chairman. Excellent hearing.

The CHAIRMAN. Thank you.

History is made by testimony such as yours. Thank you.

[Whereupon, at 12:34 p.m., the committee was adjourned.]

A P P E N D I X

April 15, 2008

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

April 15, 2008

FINAL FOR SUBMISSION

SECRETARY OF DEFENSE ROBERT M. GATES
TESTIMONY BEFORE THE
HOUSE ARMED SERVICES COMMITTEE
APRIL 15, 2008, 9:30 A.M.

Mr. Chairman, Congressman Hunter, members of the committee.

I appreciate the opportunity to appear with Secretary Rice this morning.

The subject being discussed and debated at this hearing goes to the heart of the challenge facing our national security apparatus – how we can improve and integrate America's instruments of national power to reflect the new realities and requirements of this century.

For years to come, America will be grappling with a range of challenges to the international system and to our own security – from global terrorism to ethnic conflicts, to rogue nations and rising powers. These challenges are by their nature long-term, requiring patience and persistence across multiple administrations. Most will emerge from within countries with which we are not at war. They cannot be overcome by military means alone, and they extend well beyond the traditional domain of any single government agency or department. They will require our government to operate with unprecedented unity, agility, and creativity. And as I have said before, they will require devoting considerably more resources to non-military instruments of national power, which will need to be rebuilt, modernized, and committed to the fight.

Over the last 15 years, the U.S. government has tried to meet post-Cold War challenges and pursue 21st century objectives with processes and organizations designed in the wake of the Second World War. The National Security Act that created most of the current interagency structure was passed in 1947. The last major legislation structuring how America dispenses foreign assistance was signed by President Kennedy. Operating within this outdated bureaucratic superstructure, the U.S. government has sought to improve interagency planning and cooperation through a variety of means: new legislation, directives, offices, coordinators, "tsars," authorities, and initiatives with varying degrees of success.

I have addressed these issues both in speeches at Kansas State and more recently at the Center for Strategic and International Studies, and have discussed them in meetings with members of Congress. I'm encouraged that a consensus appears to be building that we need to rethink the fundamental structure and processes of our national security system. Towards that end, and due to the initiative of the Congress, the Department recently awarded a contract to an independent, nonprofit group to produce a study that will consider how we might re-craft the National Security Act of 1947 for the 21st century. I look forward to seeing the result, which perhaps will form the basis of debate and even legislation in the next administration.

Though recent efforts at modernizing the current system have faced obstacles when it comes to funding and implementation, some real progress has been made. One of the most important and promising developments of recent years is the main subject of today's hearing – the U.S. government's ability to build the security capacity of partner nations.

In summary, the Global Train-and-Equip program – known as Section 1206 – provides commanders a means to fill longstanding gaps in an effort to help other nations build and sustain capable military forces. It allows Defense and State to act in months, rather than years. The program focuses on places where we are not at war, but where there are both emerging threats and opportunities. It decreases the likelihood that troops will be used in the future. Combatant commanders consider this a vital tool in the war on terror beyond Afghanistan and Iraq. It has

become a model of interagency cooperation between State and Defense – both in the field and in Washington, D.C., as I hope will be displayed here today.

Some have asked why this requirement should not be funded and executed by the State Department. Or that the issue is a matter of increasing State's manning and funding to the point where it could take over this responsibility. In my view, building partner capacity is a vital and enduring military requirement – irrespective of the capacity of other departments – and its authorities and funding mechanisms should reflect that reality. The Department of Defense would no more outsource this substantial and costly security requirement to a civilian agency than it would any other key military mission. On the other hand, it must be implemented in close coordination and partnership with the Department of State.

For a long time, programs like the State Department's Foreign Military Financing were of minimal interest to the U.S. armed forces. That our military would one day need to build large amounts of partner capacity to fulfill its mission is something that was not anticipated when the FMF program began. The attacks of 9/11 and the operations that followed around the globe reinforced to military planners that the security of America's partners is essential to America's own security. As borne out by Afghanistan, Iraq, and in other theaters large and small, success in the war on terror will depend as much on the capacity of allies and partners in the moderate Muslim world as on the capabilities of our own forces.

In the past, there was a reasonable degree of certainty about where U.S. forces could be called to meet threats. What the last 25 years have shown is that threats can emerge almost anywhere in the world. However, even with the plus-up of the Army and Marine Corps, our own forces and resources will remain finite. To fill this gap we must help our allies and partners to confront extremists and other potential sources of global instability within their borders. This kind of work takes years. It needs to begin before festering problems and threats become crises requiring U.S. military intervention – at substantial financial, political, and human cost.

As a result, the Department came to the Congress three years ago asking to create a DoD global train-and-equip authority. We knew that the military could not build partner capacity alone. We recognized this activity should be done jointly with State, which has the in-country expertise and understanding of broader U.S. foreign policy goals. For that reason, Defense asked the Congress to make State a co-equal decision maker-in-law.

I would also note that Section 1206 should not be considered duplicative of, or a substitute for, how the State Department conducts Foreign Military Financing programs. Historically, the FMF account has been used by State to build relationships and nurture access over a period of many years.

As I said earlier, the cooperation of DoD and State on Section 1206 has been excellent. All projects are decided jointly – both in the field through combined approval by the chief of mission and the combatant commander, and in Washington by the secretaries of State and Defense.

The primary benefits of global train-and-equip will accrue to the country over 10 to 15 years. But the 1206 program has already shown its value. Examples include:

- Providing urgently needed parts and ammunition for the Lebanese Army to defeat a serious al Qaeda-affiliated terrorist threat in a Palestinian refugee camp;
- Supplying helicopter spare parts, night-vision devices, and night-flight training to enhance Pakistani Special Forces' ability to help fight al Qaeda terrorists in the Northwest Territories; and

- Setting up cordons run by partner nations in waters surrounding Indonesia, Malaysia, and the Philippines that, over time, will reduce the risk of terrorism and piracy in Southeast Asia.

Furthermore, if we stay committed to these programs in a determined, strategic way:

- We will strengthen the nine-country Trans-Sahara Counterterrorism Partnership in northern Africa, to box in the al Qaeda network;
- We will assist African nations to develop their capacity to monitor and control their own coastlines and sovereign waters; and
- We will build a forward defense line in the Caribbean for the southern portion of the United States.

But we need help from the Congress to sustain this program that military leaders – from the combatant command to the brigade level – say they need, as Section 1206 is due to expire at the end of this fiscal year.

I would ask you to:

- Make 1206 permanent in recognition of the enduring DoD mission to build partner capacity; and
- Increase its funding to $750 million, which reflects combatant commander requirements.

We must also expand Section 1206's coverage beyond "military forces" to include "security forces." As currently written, 1206 can only be used for the military, even though constabulary, coast guard, border guards, and similar units often perform the functions essential to fighting terrorism and maintaining stability. While security forces abroad come under many different names and categories, they often look like our own military forces. The Department does not seek to train "beat cops," but we cannot impose our institutional arrangements on our partners.

It is also important to remember that our competitors, antagonists, and potential adversaries are not standing still when it comes to extending their influence through security assistance. If we don't build the capacity of our own partners, then others may either exploit their vulnerabilities or look for ways to co-opt them.

I know the committee also has questions about Section 1207. Whereas 1206 is a DoD-State Department program with DoD lead, Section 1207 is a State Department-DoD program with State lead. They each engender interagency cooperation through the dual "turn key" mechanism. Congress authorized both programs through the Defense Department because they meet important military requirements: 1206 building partner security capacity and 1207 deploying civilian resources alongside of, or instead of, U.S. troops.

According to Section 1207, Congress has allowed DoD to transfer up to $100 million to the Department of State to bring civilian expertise to bear alongside our military. This would give the Secretary of State additional resources to address security challenges and defuse potential crises that might otherwise require the U.S. military to intervene.

Although 1207 is not as mature as 1206, the authority has already been used with some effect in developing local police capacity in Haiti's Cite Soleil and clearing unexploded ordinance in Lebanon. In Colombia, State and Defense crafted a lean, effective program to address basic health, education, and infrastructure needs in areas reclaimed from local insurgents.

We recently agreed with State to seek a five-year extension and an increase in the authority to $200 million. A touchstone for the Defense Department is that 1207 should be for civilian support for the military – either by bringing civilians to serve with our military forces or

in lieu of them. As with Section 1206, this authority is "dual key" and fills critical gaps in our national security processes that will accrue to the benefit of future administrations. In some ways, 1206 and 1207 are ad hoc responses to structural deficiencies. But until substantive changes are made, they are terrific interagency partnerships that deal with the real world we face.

Before taking your questions, I'd like to say a few words about the broader topic of effective interagency cooperation. As I mentioned earlier, over the last seven years, we have seen a number of positive changes. Some examples:

- Under National Security Presidential Directive 44 (NSDP-44), DoD supports the State Department Coordinator for Reconstruction and Stabilization in the development of a planning framework for the entire federal government;
- AFRICOM has been established and Southern Command reorganized, heralding a new approach to integrating civilian agencies and perspectives into the traditional military command structure. In fact, one of two deputy commanders for AFRICOM will be a State Department officer, and State is doubling the number of Foreign Service Officers assigned to military headquarters overall;
- A National Security Professional Development initiative provides incentives and opportunities for military officers and civilians to gain experience and receive training in other departments;
- In Iraq, DoD is working with Treasury and other agencies to undermine support for the insurgency through the Iraq Threat Financial Cell – an effort that has disrupted or eliminated several sources of terrorist support.

I would also, once again, give my strong support to the State Department's Civilian Stabilization Initiative in State's Fiscal Year 2009 budget request. This initiative will improve America's ability to respond to instability and conflict by funding a corps of civilian experts that can deploy with the U.S. military.

From the military's perspective, virtually any campaign we undertake today or in the near future is unlikely to succeed without civilian involvement and expertise. As we have seen with the Provincial Reconstruction Teams and other efforts, including even a few properly placed civilian experts, has become what the military calls a "force multiplier." Past experiences have also shown that military campaigns and contingency plans improve greatly with civilian input.

I should note, however, that we do have to be realistic about how much even well-funded and well-integrated civilian agencies, or well-trained and equipped allies, can do to reduce the demands on the U.S military. Nearly every major deployment of American forces has led to a military presence and mission to maintain a basic level of stability, reconstruction, and governance. It has been this way in virtually every conflict going back to the Mexican-American War, through World War II and Vietnam, and is likely to continue in the future. At least in the early stages of any conflict or post-conflict situation, military commanders will not be able to shed these tasks. Our military must retain and institutionalize the lessons learned from operations in Iraq and Afghanistan, and incorporate them into our core doctrine and procurement priorities – as the DoD has already begun to do.

I would close by noting that seeing these necessary changes through – including the now central mission to build the capacity of partner nations – will take uncommon vision, persistence, and cooperation – between the military and the civilian, the executive and the legislative, and among the different elements of the interagency. Though these kinds of initiatives are crucial to protecting America's security and vital interests, they don't have the kind of bureaucratic and

political constituency that one sees with, for example, a major weapons system. So I applaud the members of Congress who have stepped up to make these issues a priority.

Mr. Chairman, I thank you again for the opportunity to testify today, and for all that this committee has done to support our armed forces. I look forward to your questions.

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Testimony of Secretary of State Condoleezza Rice
Before the House Armed Services Committee
With Secretary of Defense Robert Gates
April 15, 2008

Chairman Skelton, Ranking Member Hunter, Members of the Committee:
Thank you for the opportunity to appear before you today with my friend and colleague Bob Gates. Our joint testimony is both symbolic and practical: symbolically, it reflects our deep commitment to addressing jointly the unprecedented challenges to national security and foreign policy we face today; practically, it recognizes the contributions that the Department of State and the Department of Defense each make to our security partnership. Our ability to defend American interests and to project American values depends on the resources we receive, the authorities we have to use these resources, and the success with which our two departments cooperate in sharing those resources and authorities. In our view, this is a successful and growing partnership.

Since 2001, this Administration has begun the long-term effort of rebuilding and transforming American diplomacy for the challenges of a new era. This transformation can be seen in various ways. On the one hand, globalization – the growing interdependence among peoples and governments and the rapid international movement of information, of capital, of technology and of people -- is empowering those states that can seize its benefits. At the same time, globalization is revealing the weaknesses of many states, their inability to govern effectively and to create opportunities for their people. Many of these states are falling behind. Others are simply failing. And when they do they create holes in the fabric of the international system where terrorists can arm and train to kill the innocent, where criminal networks can traffic in drugs and people and weapons of mass destruction, and where civil conflict can fester and spread and spill over to affect entire regions. Just think of the Afghanistan of 2001.

Perhaps our greatest foreign policy challenge, now and in decades to come, then, stems from the many states that are simply too weak, too corrupt, or too poorly governed to perform even basic sovereign responsibilities, like policing their territory, governing justly, enabling the potential of their people, and preventing the threats that gather within their countries from destabilizing their neighbors and, ultimately, the international system.

In response to these unprecedented challenges, our foreign policy and national security strategy must be guided by the objective to work with our many international partners to build and sustain a world of democratic, well-governed states that respond to the needs of their people, that reduce widespread poverty, and that conduct themselves responsibly in the international system.

We will not meet the challenges of the 21st century through military or any other means alone. Our national security requires the integration of our universal principles with all elements of our national power: our defense, our diplomacy, our development assistance, our democracy promotion efforts, free trade, and the good work of our private sector and society. And it is the State Department, more than any other agency of government, that is called to lead this work.

President Bush has designated the State Department as a national security agency. And to fulfill this mandate, transformational diplomacy requires a civilian-led, whole-of-government approach to the challenges of our time. Already, our diplomats are showing and have shown that with adequate funding and support, they can lead this kind of effort.

That is the essence of transformational diplomacy, and we measure our success in the progress countries make in moving from war to peace, despotism to democracy, poverty and inequality to prosperity and social justice. This mission will require our diplomats to be active in new places far beyond the walls of foreign chancelleries and American embassies. It will also require them to work with new partners, not only with a nation's government but also its local leaders and civil society, its entrepreneurs and its NGOs.

To address these challenges, we have redeployed diplomats from European posts and from Washington to countries of greater need and in response to conflict and opportunity. In our FY 2009 budget request, we have sought to increase the size of our diplomatic corps to address significant reductions experienced in the 1990s, requesting 1100 new positions for the Department of State and 300 new positions at the U.S. Agency for International Development. We are training our diplomats for non-traditional roles, especially in stabilization and reconstruction activities and in outreach to underserved areas in countries of growing importance and influence. These changes have made the Department more capable and ready to handle reconstruction and development tasks linked to security concerns and undertaken in concert with the Department of Defense.

Transformational Diplomacy refers not only to the reallocation of our resources, but also to a new approach to addressing the foreign policy challenges posed by unstable states and regions that are too weak or too poorly governed to meet the needs of their populations. Some states are failing, or have already failed, due to internal political, economic, or social dysfunction. The challenge we have faced since 2001, and that we will face going forward, is to find the appropriate means to assist these states in ending conflict, in establishing stable civil societies, and in developing the means to care for their citizens and participate in the community of nations.

In this vein, consider for a moment the importance of Colombia. This is a country that many feared was very near being a failed state at the beginning of this decade. It was a country where bombings in the capital were routine, where the government was unable to control large areas of its territory due to the FARC or the paramilitaries, and where the foreign minister was held six years in captivity by the FARC and where three United States citizens and others are held hostage under deplorable conditions. Colombia has come a long way under President Uribe and his program for democratic security. We have supported him and his predecessor in doing this through Plan Colombia and its follow-on programs, a coordinated set of political and security initiatives that has had bipartisan support. As a result, President Uribe is a very popular leader in Colombia, because he has brought his people security and he is devoted to human rights and to

furthering the democratic enterprise. I was in Medellin in January with a Congressional delegation. Medellin used to be synonymous with Pablo Escobar and trouble. It is now a thriving city in which Colombian citizens believe they can be secure. Our continued assistance to Colombia through the benefits of a free trade agreement will continue this progress. I urge you to take up and pass the Colombia Free Trade Agreement implementing legislation.

In the State of the Union address in January 2007, the President also outlined his vision for a Civilian Response Corps, which would shoulder the responsibility to work with states recovering from conflict and instability. We envision the State Department in the 21st century working with our many partners, at home and abroad, to build and sustain a world of democratic, well-governed states that respond to the needs of their people, reduce widespread poverty, and conduct themselves responsibly in the international system.

This is a considerable challenge to our agencies. We will not always be able to pursue these goals in stable places; absent security, our objectives will remain elusive. But neither can we meet these challenges through military means alone. In order to fulfill the State Department's national security responsibilities, transformational diplomacy requires a civilian-led, comprehensive approach to the challenges we face, and effective civil-military partnerships where U.S. forces are on the ground in places like Iraq and Afghanistan and in other places where we will undoubtedly have to operate in the future.

The President's National Security Strategy requires a balance of diplomacy, development, and defense. If we are to succeed in combining the efforts of our civilian and military agencies, we will have to confront the problems presented by the enormous disparity in our respective resources. To this end, we agree on the need for greater capacity in the State Department and the U.S. Agency for International Development to allow for effective civilian response and civilian-military partnership.

Our civilian response resources and mechanisms will be ineffective if they remain under-funded. Secretary Gates spoke eloquently in a speech several months ago in Kansas, when he called for a dramatic increase in spending on the civilian elements of foreign policy that underpin our national security. If we are to coordinate the tools of our national power and align our civilian and military response capabilities, the Department of State and the U.S. Agency for International Development will need significantly more resources for transitional short term foreign assistance, long-term development, targeted strategic communications, and effective stabilization and reconstruction programs. Funding is also needed for sustainable economic and security assistance programs designed to promote economic growth and political stability in viable democratic states. The President's FY2009 request is directed at these very needs.

To realize the vision of transformational diplomacy, America will also need to continue to forge a partnership between our civilians and our military. Our goal of fostering country progress will not always occur in peaceful places. Without security there can be no development, and without development there can be no democracy. Indeed, one of our most urgent national security challenges will remain the work that we do to support nations that are trying to lift themselves out of conflict, as we have done in Bosnia and Kosovo, Haiti and Liberia, and now in Afghanistan and in Iraq.

Further, America will remain engaged for many years in a new global confrontation unlike anything that we've ever faced. Leading security experts are increasingly thinking about the war on terrorism as a kind of global counterinsurgency. What that means is that the center of gravity in this conflict is not just the terrorists themselves, but the populations they seek to influence, and radicalize, and in many cases, terrorize. So our success will depend on unity of effort between our civilian and military agencies. Our fighting men and women can create opportunities for progress and buy time and space. But it is our diplomats and development professionals who must seize this opportunity to support communities that are striving for democratic values, economic advancement, social justice, and educational opportunity. It is by nurturing the prospect of hope that we defeat the purveyors of hate.

Civilian Stabilization Initiative

Among the means we are developing to respond to these challenges in general, and in particular, to failed and unstable states is the Civilian Stabilization Initiative. This initiative will create a rapid civilian response capability for use in Stabilization and Reconstruction environments that could be deployed alongside of our military, with international partners, or on their own. The Civilian Stabilization Initiative will consist of three kinds of civilian responders: an Active Response Corps of diplomats and interagency federal employees selected and trained for this capability; a Standby Response Corps of federal employees; and a Civilian Reserve Corps of private sector, local government and civil society experts with specialized skill sets. Following a decision to take action, we aim to deploy trained and equipped Active Response Corps members to a conflict zone within 48-72 hours of notification. The larger force of Standby and Civilian Reserve Corps members could be mobilized within two months. These civilians would operate under the Interagency Management System for Reconstruction and Stabilization, which provides a structure to unify U.S. Government efforts in a stabilization crisis. The President's budget includes $248.6 million in FY09 to launch this capability.

We are also urging Congress to fund our Civilian Stabilization Initiative, an idea that finds its greatest supporters among our men and women in uniform. In recent years, we have tried two different approaches to post-conflict stabilization and reconstruction missions. Both have had their strengths and many weaknesses. One was in Afghanistan, where many countries adopted elements of the effort to build Afghan capacity. These were welcome efforts, but I have to tell you that we are still living with the incoherence of the effort. We see another approach was taken in Iraq where a single U.S. Government department, the Defense Department, found it difficult to harness the full range of our capabilities to conduct development and reconstruction in a counterinsurgency environment. The truth is that there was no single department, no institution in the U.S. Government, capable of doing these tasks.

The answer is the Civilian Response Corps. This expeditionary group will be led by a core team of diplomats that could, say, deploy with the 82nd Airborne within 48 hours of a country falling into conflict. These first responders would be able to summon the skills of hundreds of civilian experts across our federal government, as well as thousands of private volunteers – doctors and lawyers, engineers and agricultural experts, police officers and public administrators. Not only would a Civilian Response Corps take the burden of post-conflict reconstruction off the backs of our fighting men and women, where it was never supposed to be in the first place; this civilian organization could be deployed in times of peace, to strengthen weak states and prevent their collapse in the future.

Section 1206 Authority

The Department of State's security assistance authorities are remarkably flexible. They provide an excellent means to carry out foreign assistance priorities with allies and friendly, like-minded nations with whom we work in bilateral and multilateral efforts to advance international peace and security. The additional military assistance that has become available under Section 1206 of the National Defense Authorization Act (NDAA) has proven to be an invaluable complement to State's existing authorities. I fully support this and other complementary foreign assistance authorities within the jurisdiction of this committee, most notably, the extension and expansion of Section 1206 and 1207 authorities. These two complementary authorities serve common purposes. In Section 1206, we have a new, "dual-key" approach to delivering resources for emergent short term military assistance needs and for counterterrorism activities. While not a substitute for more robust funding for our security assistance accounts, I strongly advocate continuing these important contingency authorities, which represent a new approach and additional tools for responding to foreign policy and national security challenges.

Secretary Gates has just spoken about Section 1206 of the 2006 NDAA, which created a unique three-year authority permitting DoD and State jointly to plan, execute, and oversee up to $300 million annually in bilateral and regional military-to-military

programs. These programs support opportunities to develop foreign military forces' capacity to conduct counterterrorism operations or to support stability operations. Embassy country teams and regional combatant commands jointly formulate projects. As a "dual-key" program, the Secretaries of State and Defense must both approve the proposed projects. In FY 2006 and FY 2007, Section 1206 funding was reprogrammed from DoD's Operations and Maintenance account. In FY 2008, DoD will be funding this program at $300 million.

In FY2006, Secretary Gates and I jointly approved 8 programs in 11 countries totaling approximately $100M. In 2007, we approved 39 programs in 47 countries totaling $280M. Our staffs are currently reviewing project proposals for FY 2008 that total more than $900 million. The growth in the use of this program clearly indicates the value placed on this collaboration by Washington and by our commanders and chiefs of mission in the field. The program offers a means to respond to ongoing needs as they arise outside of our foreign assistance budgetary process.

Section 1207 Authority

Section 1207 of the FY 2006 NDAA has been a particularly welcome addition to the USG arsenal of supplemental foreign assistance authorities. It permits the Secretary of Defense to transfer up to $100M per year to the State Department for furnishing timely infusions of critical reconstruction, security, and stabilization assistance. This program serves as a crucial emergency tool, tiding us over until longer term assistance can be provided. Working with the Defense Department, we have used this wisely, cooperatively, and quickly, for essential reconstruction and stabilization programs designed to enhance recipient countries' capacity for maintaining stability, and minimizing risks of lapsing into conflict and crisis.

A key focus of the 1207 program has been stabilization assistance, which has required strong interagency coordination. The State Department's Coordinator for Reconstruction and Stabilization, Ambassador John Herbst, is responsible for all coordination of reconstruction and stabilization activities, and for the Civilian Stabilization Initiative of

which I spoke earlier. He is also responsible for managing, on my behalf, the 1207 process, in close coordination with DoD and USAID. The 1207 mechanism calls for the type of interagency coordination that is part and parcel of an enhanced U.S. civilian response capability to imminent and actual crises – a capability made possible in part by the Coordinator and his supporting staff and by State, USAID, and Defense's renewed commitment to strengthened coordination in this and other realms.

For FY 2006, we undertook a $10 million pilot project for the transfer authority, reacting quickly to the crisis in Lebanon to train and equip police forces and to increase emergency demining. With DoD's cooperation, we built on that experience in FY 2007, and transferred $99 million in funding for projects in Haiti, Somalia, Colombia, Yemen, Mauritania, Mali, Niger, Malaysia, Indonesia, and the Philippines.

Let me mention a few uses of 1207 which were particularly timely and effective in responding to urgent needs for building civilian capacity within foreign governments -- an important counterpart to building military capacity under State military assistance and Section 1206 authorities.

In Colombia, the Initial Governance Response Plan (IGRP) under the Center for Coordination of Integrated Action received $4 million to enable the government to strengthen its credibility and legitimacy in recently recovered areas through small, community driven projects. These activities increase the willingness and capacity of communities to cooperate with the government, and increase the capacity of the government to exercise timely, credible, and responsive civil functions in areas brought under civilian authority.

In Haiti, $20 million in 1207 funds are being used to support the Haiti Stability Initiative (HSI). HSI focuses on Cité Soleil, Port au Prince's most dangerous slum and a constant source of instability, where violent gangs had driven out governmental institutions, including local officials and the National Police, following the departure of President Aristide in 2004. By the end of 2006, joint UN peacekeeping (MINUSTAH)/Haitian

government anti-gang operations reestablished control over Cité Soleil and created a growing sense of stability. The gangs, however, continue to have a diminished but potentially destabilizing presence there. HSI is working to address the sources of conflict and violence in Cité Soleil through an interdisciplinary, multi-agency project closely combining aspects of security and development. It has been a catalyst for increased participation by other Donor nations.

We are currently in the process of assessing FY 2008 proposals from embassies around the world. In doing so, we are looking to maximize the impact of these resources by meeting the most critical short term reconstruction and stabilization needs.

Both Secretary Gates and I view the continuation and expansion of the 1207 program as a wise and essential investment. We strongly urge that the program be authorized for FY 2009 and beyond.

CT Collaboration

Interagency counterterrorism collaboration is extensive and effective. Our departments co-lead the Technical Support Working Group of the National Counterterrorism Research and Development Program. Through this program we develop cooperative CT technology agreements with friendly nations. From its inception two years ago, the Department's Regional Strategic Initiatives (RSI) bring together Chiefs of Mission and senior representatives from the Department of Defense and other agencies in key theaters of terrorist operations abroad to develop and implement coordinated counterterrorism strategies that use all elements of U.S. national power. Operating through the State Department's Coordinator for Counterterrorism, the RSIs and the strategies they produce are fully integrated into the National Counterterrorism Center's strategic planning efforts. The Department is also directing CT public diplomacy efforts through the Counterterrorism Communications Center (CTCC), an innovative interagency body that coordinates strategic communications in the War of Ideas. Operating under the auspices of my Under Secretary of State for Public Diplomacy and Public Affairs, the CTCC is staffed by communications professionals in public affairs, public diplomacy, and

psychological operations, from State, DoD, and the intelligence community, to insure synchronized communications efforts.

Global Initiative to Combat Nuclear Terrorism

We remain deeply concerned by the growing risk of nuclear terrorism and are determined to combat this threat. The Department is working closely with DoD and other Departments and Agencies in implementing the Global Initiative to Combat Nuclear Terrorism launched by Presidents Bush and Putin in July 2006. The expanded participation of over 66 partner nations in the Global Initiative demonstrates the strong desire of the international community to combat nuclear terrorism and the readiness to strengthen our capacity to prevent the acquisition of nuclear materials and know-how by terrorists.

Interagency Counterinsurgency Initiative

The Interagency Counterinsurgency Initiative, a joint State-Defense-USAID effort, provides a policy focus on insurgency and counterinsurgency. Based on experience in Iraq and Afghanistan, the Initiative develops policies and capabilities to enable the USG and our allies to deal more effectively with destructive and increasingly transnational armed insurgencies that threaten regional stability and international security.

Interagency Policy Coordination

The State Department provides foreign policy input into military planning processes through regional and functional expertise offered to Defense and military planners. These inputs help inform a range of strategic DoD guidance documents, contingency plans, and force planning scenarios, benefiting both military and diplomatic goals. We are actively participating in DoD's new Global Posture Executive Council, which will manage the global defense posture, and senior State officials now routinely attend high-level military planning conferences. In addition, State initiated and is collaborating closely with DoD on Project Horizon – an innovative alternative futures project that has convened 13 agencies to explore ways to improve long-term, whole-of-government strategic planning. State and DoD now co-lead the derivative Project Horizon

Interagency Strategic Planning Group, a grassroots network of strategic planners working to improve alignment of interagency planning processes, lexicons, and goals.

Likewise, we increasingly include DoD in foreign assistance and diplomatic planning, both in Washington and in our embassy country teams, to ensure that our diplomatic, development, and military activities are coherent and effective. We conduct annual security assistance roundtables with DoD to ensure that our out-year budget requests take full account of DoD priorities. The Office of the Director of Foreign Assistance and its staff regularly engage DoD as we develop foreign assistance budgets.

We are working closely with DoD on a number of strategic policy issues. The Gulf Security Dialogue integrates foreign policy and military dimensions with our allies and partners in the Gulf. Likewise, our recent diplomatic advances in Europe with regard to Missile Defense are a key example of successful State-Defense collaboration. We maintain a regular schedule of bilateral political-military talks across the globe that guide Status of Forces Agreements and basing negotiations that are key to our national interests and national security. We also have a very close working relationship with the Defense Department to ensure that key American defense technology shared with our allies is properly protected.

Global Peace Operations Initiative

The President's Global Peace Operations Initiative (GPOI) was developed jointly by State and DoD, and is now carried out at State using our authorities and resources, with the goal to train 75,000 new non-U.S. peacekeepers worldwide. To date, GPOI has trained over 36,000 military personnel from 40 countries, over 31,000 of whom have deployed to 18 peacekeeping operations around the world. An important component of GPOI is the international Transportation and Logistics Support Arrangement, designed to assist countries to deploy and sustain their peacekeepers. Within GPOI, the Center for Excellence for Stability Police Units (COESPU), headquartered in Italy, has a "train the trainer" approach which aims to improve the quality and participation of stability police

units in international peacekeeping. Over 1,000 trainers from 26 nations have been trained in the Center's three years of operation.

Combatant Commanders

State is also working closely with Defense on the stand-up of the new U.S. Africa Command, where senior State officials have leadership positions. We likewise work with each of the other combatant commands to support and augment the many diplomatic and development initiatives underway in critical regions of the world.

POLAD Program

One of the best examples of close State-Defense cooperation is our long-standing Foreign Policy Advisor (POLAD) program, with senior diplomats serving as personal advisors to top commanders. POLADs amplify our ability to deal with challenges overseas and gain international support for our national security goals. Over the last two years we have doubled the number of POLADs, and are now assigning POLADs to forward-based and operational commands, including Iraq and Afghanistan. With DoD's strong support, we are requesting in FY 2009 an additional 50 POLAD positions. We are also assigning officers to POLAD positions earlier in their careers and at lower levels in the military hierarchy to maximize the exposure of young officers from both State and Defense to each others' cultures and missions. The Department is also taking significant steps, through the new POLAD Reserve Corps, to provide responsive short-term regional and functional expertise to DoD operational missions, exercises, wargames, experiments, and training engagements. We recognize the importance of interagency cooperation at all levels and the tangible benefits of working together early and often with our military counterparts. In that vein, we employ roughly 50 military officers in key positions at State as part of the State-Defense Exchange program. Our collaboration includes participation in a variety of joint training and education programs at both military and civilian institutions, including the Foreign Service Institute.

Nonproliferation

The Departments of State and Defense have also worked cooperatively in the area of nonproliferation. Through programs using the authorities and resources of each agency, we have successfully collaborated on State Department Nonproliferation, Antiterrorism, Demining and related programs. These have been key to our national efforts to enhance export controls and border security, improve biological and chemical security, engage scientists with dual-use expertise, assist nations to fill gaps in their ability to prevent nuclear smuggling, and respond to other fast-breaking non-proliferation opportunities. The Administration's Global Threat Reduction programs, on which the State and Defense Departments collaborate, help to reduce the threat of terrorist or proliferant state acquisition of weapons of mass destruction.

Conclusion

The programs I have outlined reflect the close cooperation that exists between the Departments of State and Defense. We will continue to review these programs to ensure that they serve our security purposes. We will also seek to develop new opportunities to work cooperatively to meet emerging challenges.

Thank you. I would be pleased to respond to your questions.

DOCUMENTS SUBMITTED FOR THE RECORD

April 15, 2008

JUL 0 2 2008

Dear Mr. Marshall:

Please find attached the documents requested when Secretary Rice and Secretary Gates appeared before the House Armed Services Committee April 15, 2008 hearing on Interagency Cooperation. You asked a series of questions regarding the future of Iraq and requested a joint report from the Departments of State and Defense. The attached report addresses your questions in four thematic sets. Additionally, we have attached existing reports produced by the Departments of State and Defense as well as by the U.S. Agency for International Development that may be helpful to you in addressing the various range of needs in Iraq. A copy has been delivered to Chairman Ike Skelton.

As Chairman Skelton noted at the conclusion of the hearing, the United States Government is making significant progress in the area of interagency cooperation. While your Committee is familiar with the work that is being performed in the field, there is also noteworthy interagency cooperation here in Washington in the form of multiple working groups and interagency meetings that occur on a regular basis. These groups provide the type of long term planning and contemplation to which you referred in your questions.

Some of these groups include:

- Iraq Policy and Operations Group (IPOG) — A State Department contracted organization that serves as the Executive Secretariat for the Iraq Interagency community.

- Policy Coordination Committees (PCC's) — the main day-to-day forum for interagency coordination of national security policy. The Iraq Steering Group is an Iraq specific PCC attended at the Deputy Assistant Secretary level.

The Honorable
Jim Marshall,
Committee on Armed Services,
House of Representatives.

- Interagency Working Group on Iraq — (also known as sub-PCC's) Interagency coordination at the office director level that are category specific such as the Security Working Group, Coalition Working Group and Rule of Law Working Group.

We hope this information is useful to you. Please do not hesitate to contact us if we may be of assistance to you on this or any other matter.

Sincerely,

Jeffrey T. Bergner
Assistant Secretary of State
Legislative Affairs

Robert Wilkie
Assistant Secretary of Defense
Legislative Affairs

WITNESS RESPONSES TO QUESTIONS ASKED DURING THE HEARING

April 15, 2008

RESPONSE TO QUESTION SUBMITTED BY MR. SKELTON

Secretary GATES. As required by statute, the Department has requested nominations from the Governors, and those nominations are due to the Department by May 31, 2008. After reviewing these nominations and considering the Military Department Secretaries' recommendations, I will make a recommendation to the President. [See page 49.]

RESPONSE TO QUESTION SUBMITTED BY MR. MARSHALL

Secretary RICE. Please see the following response sent to Congressman Marshall and Chairman Skelton in a letter signed by Assistant Secretary of Defense for Legislative Affairs, Robert Wilkie and Assistant Secretary of State for Legislative Affairs, Jeffrey Bergner on July 2, 2008. [The letter can be found in the Appendix on page 77. Attachments referred to in the letter were not available at the time of printing.] [See page 45.]

QUESTIONS SUBMITTED BY MEMBERS POST HEARING

April 15, 2008

QUESTIONS SUBMITTED BY MR. SPRATT

Mr. SPRATT. Secretary Robert Gates and Secretary Rice, on the basis of your testimony, it appears that much of the funding that would be derived from Sections 1206, 1207 and 1208 would be channeled into international commitments that are open-ended and typically addressed in an ad hoc manner. A prevalence of unknown variables would support the presumption that many of these commitments will require persistent national attention and recurrent funding in order to be satisfied. Do our open ended partnership capacity building, train and equip, and stabilization and reconstniction commitments compromise our strategic or diplomatic flexibility in any way? Would more focused or discrete applications of these funding lines enable us to address a broader range of achievable and affordable international objectives?

Secretary GATES. The authorities in Section 1206, 1207, and 1208 each meet fundamentally different objectives. None of them, however, compromise US strategic or diplomatic flexibility. Quite the contrary, they increase this flexibility by providing more resources for the Secretary of Defense and Secretary of State to meet needs in critical areas where traditional diplomatic or military authorities have been insufficient.

Far from being open-ended commitments unduly influenced by diplomatic engagements and expectations, each of these programs is based on strategic priorities to meet US-identified capability gaps. Our intent is to apply resources strategically to achieve discrete national security objectives. Since these programs are not guaranteed to any one country—and are instead distributed based on the merits of the projects for any given year—they discourage partners from assuming such assistance is entitled. We coordinate our programs closely with State to ensure appropriate de-confliction with traditional State Department programs, like FMF and IMET, which require multi-year funding commitments and meet broader foreign policy objectives. When coupled with the Secretary of State's foreign policy toolkit and applied strictly to military capability gaps, we can positively affect capacity building efforts.

Investments from all three programs provide a low-cost, high return instrument for early action that can save the United States substantial money over time. As partners take on more of their own security burdens, or deploy effectively alongside U.S. forces, we reduce near-term stress on our own military and the potential for future U.S. military interventions. Similarly additional civilian assistance in establishing the promise of increased stability means fewer requirements for U.S. forces for missions best conducted by civilian agencies. Such assistance allows us to address an unstable situation before it becomes a crisis.

Mr. SPRATT. On the basis of your testimony, it appears that much of the funding that would be derived from Sections 1206, 1207 and 1208 would be channeled into international commitments that are open-ended and typically addressed in an *ad hoc* manner. A prevalence of unknown variables would support the presumption that many of these commitments will require persistent national attention and recurrent funding in order to be satisfied. Do our open ended partnership capacity building, train and equip, and stabilization and reconstruction commitments compromise our strategic or diplomatic flexibility in any way? Would more focused or discrete applications of these funding lines enable us to address a broader range of achievable and affordable international objectives?

Secretary RICE. Sections 1206 and 1207, coordinated between DOD and State, are available to address urgent crises or opportunities that could not have been foreseen in the regular foreign assistance planning process. They generally fund discrete projects intended to build partner capacity, rather than open-ended commitments. Where additional funding may be required, the regular foreign assistance budget planning process takes this into consideration. These mechanisms do not hinder our strategic or diplomatic flexibility; rather, they enhance our flexibility to respond to crises or opportunities in ways that our normal processes cannot sufficiently address.

QUESTION SUBMITTED BY MR. MARSHALL

Mr. MARSHALL. Secretary, General Petraeus recently came before the House Armed Services Committee to brief us on the progress of President Bush's troop escalation in Iraq. As Commander of Multinational Forces in Iraq, it's General Petraeus' job to focus on Iraq. Secretary Gates, it is your responsibility to see the big picture. Media accounts have suggested that there is a great deal of disagreement within the Department of Defense about General Petraeus' conclusions. One report from about six months ago stated that an internal Pentagon working group was putting together a report that would recommend a very rapid reduction in American forces—as much as two-thirds of the existing force very quickly—while keeping the remainder there. An unnamed DOD official was quoted as saying, "There is interest at senior levels [of the Pentagon] in getting alternative views [to Petraeus]." I think there's an interest in Congress in getting both sides of the story from the Pentagon as well. My question to you Secretary Gates is when will Congress see this report and can you tell us anything about it? Specifically: Who ordered it to be written and who was involved in writing it? Has it been completed, and if not when do you expect it to be completed? What are its exact recommendations? If DOD will not provide the report to Congress, what are the department's reasons for withholding such information? Has the report been presented to General Petraeus, you, or the President?

Secretary GATES. Contingency planning is a routine part of overall military strategic planning processes. With reference to your specific question, the Joint Staff Director of Plans and Policy was tasked by the Chairman of the Joint Chiefs of Staff to develop multiple force-planning options regarding troop levels in Iraq, which were then briefed to General Petraeus. The Director's input was one of many used by the Chairman to provide military advice to the Secretary of Defense.

The Department has a long-standing practice and policy that operational plans, including contingency plans, are not releasable or routinely shared with Congress or with other parts of the Executive Branch. A number of time-proven reasons for this policy exist, including operational security, the requirement for continuous update and modification of plans to account for changing security conditions, and the need to protect an operational commander's ability to modify operational plans based on the changing operational environment.

QUESTIONS SUBMITTED BY MR. CONAWAY

Mr. CONAWAY. How much training would be involved in standing up the Civilian Response Corps? How is their ability to deploy quickly going to be maintained? Who's going to manage this effort? When activated/deployed will they maintain a status as a contractor or government employee?

Secretary GATES. The Department remains committed to supporting the establishment of the Civilian Response Corps (CRC) and encourages congressional funding to ensure the program achieves its full potential. The responsibility for establishing the CRC is assigned to the Department of State. Composition of the CRC does not include employees or contractors of the Department of Defense. As a result, DoD's role is that of supporting the State Department, primarily by sharing our extensive knowledge and expertise of training, deployment, sustainability, and management issues, achieved through decades of experience for this type of capability. To date, DoD has assisted the State Department across a range of CRC issues. These include the development of a training strategy which leverages the many DoD educational and training institutions' current curricula and knowledge base. DoD is also assisting in highlighting logistical considerations as well as resource requirements for maintaining a CRC deployment capability in the out years. This includes identification of a training and deployment facility, of which several existing DOD locations are under consideration.

I defer to the Department of State for further details on the CRC.

Mr. CONAWAY. How much input has DOD had in the FMF process historically and how much today? Is DOD providing enough perspective/insight to make this effective? Please explain.

Secretary GATES. Historically, DOD has had a reasonable amount of input to the FMF process, working closely with State to determine recommended budget allocations. Initially, the institution of the "F" Process at the State Department limited DOD's involvement in the formulation of the FMF budget. There has recently been a marked improvement in DOD's access to the "F" Process, and we expect that such collaboration will continue to improve.

Each year DOD goes through a rigorous requirements gathering process for FMF. FMF requests are formulated by Security Assistance Officers in the field, and are

then reviewed by the Joint Staff, the Defense Security Cooperation Agency and OSD. These submissions are the basis for our input to State on the military requirements for Security Assistance. DOD is continually improving the processes by which we identify and compile FMF requirements in order to ensure that we provide the necessary perspective/insight to State. We are hopeful that increased collaboration and improved processes will lead to more robust and even more effective FMF and IMET budgets in the future.

Congressional earmarks on FMF can often render a carefully constructed budget less effective from a strategic standpoint. Fiscal Year 2008 is a perfect example of this phenomenon. Out of a total FMF budget of $4.5 billion, only approximately $80 million was fully discretionary. With such a small amount of FMF funding completely free of earmarks, in either the appropriation itself or the accompanying committee report, we are hard pressed to meet worldwide requirements for long-term capacity building. We are strongly supportive of the Administration's request for an increased FMF budget for Fiscal Year 2009.

Mr. CONAWAY. How much training would be involved in standing up the Civilian Response Corps? How is their ability to deploy quickly going to be maintained? Who's going to manage this effort? When activated/deployed will they maintain a status of contractor or government employee?

Secretary RICE. All members of the Civilian Response Corps (CRC) will be U.S. Government employees. The Corps will be comprised of personnel representing eight different USG departments or agencies.

The Corps will be managed by the Department of State's Office of the Coordinator for Reconstruction and Stabilization (S/CRS). S/CRS collaborates and works closely with the eight participating agencies through the Reconstruction and Stabilization Policy Coordinating Committee.

The interagency reconstruction and stabilization training strategy for the Civilian Response Corps incorporates five training phases.

1. Orientation Training—all Corps members will undergo a 2-3 week program that will establish baseline knowledge and skills required to operate effectively in a reconstruction and stabilization environment.
2. Annual Specialized Training—Active Component members will receive up to eight weeks of Annual Specialized Training. Standby Component members will receive up to two weeks of Annual Specialized Training. Prior to deployment, Corps members with specific positions (e.g. Police Advisors, Lead Interagency Planners, etc.) will receive mandatory Annual Specialized Training to effectively perform their jobs.
3. Pre-deployment Training—all Corps members are required to take Pre-deployment Training that includes health, safety, first-aid, security, and mission-specific curriculum prior to consideration for mission deployment. Active Component members will undergo Pre-deployment Training immediately following Orientation Training to maintain constant operational readiness for quick reaction deployments.
4. In-theater Continuity Training—to provide any additional training needed to maintain continuity of operations, Corps members will receive In-theatre Training, as appropriate and feasible, with their assigned organization, and/or those people with whom they are likely to work.
5. Re-integration Training—all Corps members returning from deployments are required to undergo Re-integration Training to ensure adequate support and facilitate their readjustment to life back in the United States.

Although not yet fully developed, the Reserve Component would undergo similar training to that provided for the Active and Standby components.

To quickly deploy Corps members, S/CRS, in collaboration with USAID, will maintain a master database of all members which will track medical and security clearances, completed training, immunizations, and other relevant information. S/CRS will work with partner department and agency Response Corps Coordinators to ensure that all Active Component members are deployable upon 48 hours notice, and that all Standby Component members are deployable on 30 days notice. To maintain operational readiness, S/CRS and USAID will purchase and supply equipment, including fully armored vehicles, for rapid deployment.

Mr. CONAWAY. How much input has DOD had in the FMF process historically and how much today? Is DOD providing enough perspective/insight to make this effective? Please explain.

Secretary RICE. DOD is actively involved in all aspects of the security assistance process, especially for FMF. In fact, the depth and breadth of DOD interaction in

the State Department's foreign assistance budget process for the past 2 years has been unprecedented.

The State Department conducts interagency regional "roundtable" discussions to address security assistance objectives and priorities on an annual basis. Participation from DOD typically includes the Office of the Secretary of Defense, Defense Security Cooperation Agency, Joint Staff, and the combatant commands. These discussions serve as the framework for developing the security assistance budget requests which ultimately must be weighed against other assistance priorities.

The State Department, after receiving DOD's input at the beginning of each budget cycle, determines where the needs and requirements are and what USG priorities should be. Once security assistance funds are appropriated, DOD plays an active role in recommending allocations and implementing security assistance programs. In consultation with the State Department, DOD continues to refine its input to the process in order to ensure that validated, prioritized needs for military assistance are effectively conveyed.

QUESTIONS SUBMITTED BY MRS. GILLIBRAND

Mrs. GILLIBRAND. Secretary Gates, can you begin to use the Reserve Components more for reconstruction efforts because of their civilian experiences versus their military training? For example, we are sending Guard members to Afghanistan who have agricultural experience. Can we begin to expand their training to complement the Civilian Response Corps?

Secretary GATES. Using the Iraqi Provisional Reconstruction Team model that we successfully employed, we will continue to ask for volunteers from our Reserve and National Guard Components, including our retired Reserve members, to use their civilian expertise and experience in support of the various reconstruction requirements that would complement the Civilian Reserve Corps activities in Afghanistan.

Because of the very limited training time available for Reserve Component members, we must continue to focus on preparing them to perform in their designated military skill and meet their readiness requirements. However, that does not preclude the Department from preparing a reservist who has volunteered for a particular assignment based on his or her civilian skill or experience so he or she can safely and effectively carry out that assignment.

Mrs. GILLIBRAND. What does "victory" in Afghanistan look like? Does it not require greater troop levels from the US and NATO allies? How can we more effectively combat corruption there? We need an Inspector General at a minimum there do we not'? How do we use our leverage more effectively to inspire a greater commitment from our NATO allies"?

Secretary RICE. As you know, our commanders have requested additional troops for Afghanistan, and meeting this need is a priority for this administration. President Bush has ordered two deployments—next month a Marine battalion that was to be deployed to Iraq, and early next year an Army brigade—which combined will add 8,000 new troops to our forces in Afghanistan. In all, the number of American troops in the country has increased from less than 21,000 two years ago to nearly 31,000 today. But we are not alone. During the past year, the United Kingdom, France, Poland, Bulgaria, Romania, Australia, Germany, Denmark, the Czech Republic, and others have sent additional forces to support the NATO mission in Afghanistan. Over the past two years, the number of non-U.S. Coalition troops—including NATO troops—increased from about 20,000 to about 31,000. We continue to appeal to our 26 Allies and 14 partners and last week at the NATO Defense Ministerial in Budapest, Secretary Gates urged Ministers of Defense to do even more.

In addition to more troops, we need to give Allied commanders on the ground more flexibility so they can use their forces most effectively. We understand the political constraints under which our Allies operate, but less flexibility requires more troops and prolongs the mission. We continue to appeal to them to lift these caveats. Also, last week in Budapest the Defense Ministers directed ISAF troops to conduct counter-narcotics interdiction operations for the first time. Afghanistan produces most of the worlds opium that is used to make heroin and it is estimated that the Taliban receives $100 million annually from the illegal drugs trade.

ISAF is also working closely with the Afghans to build up their defense forces. Recently, the Afghan government requested and the Joint Coordination and Monitoring Board approved an increase in the Afghan National Army from 80,000 to 122,000 soldiers. With our support, the Afghan National Army has made great progress in the past several years and is seen as the most competent, professional and trusted institution in Afghanistan. It is increasingly capable of independently planning and carrying out missions—from July to August the ANA has taken the

lead in 62% of all operations. We are currently engaging nations around the world, not only those who have troops in Afghanistan, to contribute to the sustainment costs of the ANA. The stability of Afghanistan is in the world's interest, and we are asking capitals for their support of the ANA. On the Afghan National Police (ANP), the Focused District Development (FDD) is off to a great start and is succeeding in improving police professionalism. FDD utilizes successful techniques from our training missions with the Afghan Army, and we continue to expand the program. Since the beginning of 2008, over 11,000 of the roughly 78,000 police have graduated from training programs.

Although we are committed to ensuring a robust fighting force in Afghanistan, the military angle is only one part of the solution in Afghanistan. Since the fall of the Taliban much has been accomplished. Afghanistan has a democratically-elected President and parliament, and next year they will hold the second round of national elections. Countless development projects have been undertaken; roads, hospitals and schools have been built. More Afghans have access to basic medical attention and education than ever before. This progress is impressive, but the Afghan government needs to be even more responsive to the needs of its people in order to turn the tide. And, the Afghan people need to believe they have a stake in their country's future. Good governance and security are required components for economic growth, and our assistance is necessary to help the Government of Afghanistan expand out to the provinces and the districts the progress made in at the national level in Kabul.

The Provincial Reconstruction Teams (PRTs) have been very successful, and we are looking at how we can expand and improve upon them. We are also considering increasing our support for provincial governors, to give them more ability to identify and direct assistance dollars in a way most relevant for their communities. In all these ways, we and our Allies and partners are working to ensure that military progress is accompanied by the political and economic gains that are critical to success in Afghanistan.

Regarding corruption, it is endemic in Afghanistan and exists in all aspects of society. Large influxes of cash from the drug trade, international investment, U.S. and international assistance programs, and a lack of accountability at the ground level are all contributing factors to the prevalence of corruption in Afghanistan. A Special Inspector General for Afghanistan Reconstruction (SIGAR) has been appointed to ensure accountability during the period of U.S. involvement in the reconstruction of Afghanistan. SIGAR has a highly specialized mission, and reports to both the Secretary of Defense and the Secretary of State on its independent and objective oversight of Afghanistan reconstruction. It is focused on promoting economy, efficiency and effectiveness, as well as preventing and detecting waste, fraud and abuse in reconstruction programs and operations supported by the Afghanistan reconstruction funds. The Special Inspector General, Arnold Fields (Maj. General Retired), was sworn in 22 July 2008. Partial funding for the SIGAR was allocated in September and October 1, 2008. Its first quarterly report to Congress is due on October 30, 2008.

Additionally, the U.S. is working to develop a more coherent response to corruption with three areas of focus (elaborated below):

1) Improved internal accountability to ensure that USG funds are spent on assistance programs and not diverted to enrich warlords or corrupt politicians.
2) Assistance to the Afghan Government to improve their ability to investigate corruption charges, prosecute corrupt officials, and reduce and eliminate street level corruption among police, judges and low level government officials.
3) Coordinate with our NATO allies, military and civilian contractors and other major players in Afghanistan to ensure that they are implementing similar controls against corruption.

Improved Internal Accountability: In order to improve internal accountability, the Department of State established the Afghanistan, Iraq, Jordan Support Group (AIJS) to assist with all Bureau of International Narcotics and Law Enforcement (INL) contracts issued in Afghanistan, Iraq and Jordan. AIJS has improved contract management and the dispersion of funds on these critical contracts, and also has been able to more accurately track the funds expended by Department of State contractors in the region to ensure that all funds are being used for their intended purpose. In addition, INL's justice assistance reform projects are carefully designed to target gaps in the Afghan criminal justice system, with a mixture of training, mentoring, administrative reform, and direct assistance to ensure that funds are being spent in the most appropriate and effective way.

Assistance to the Afghan Government: INL, through their Justice Sector Support Program (JSSP) and Corrections System Support Program (CSSP) have worked directly with the Afghan government to implement policy, programmatic, personnel, and administrative reforms intended to reduce and eliminate corruption in key areas of the Ministry of Justice (including the Central Prisons Directorate) and Attorney General's Office. This includes Priority Reform and Reorganization (PAR), a comprehensive personnel reorganization that ensures all positions are appropriately planned and filled, through a competitive process, by the most qualified candidate. This is a foundational reform to help ensure that all justice practitioners nationwide are competent, trained, and that they receive a living wage (an incentive to stay away from petty corruption). Also, INL is working with the Attorney General's Office to establish ACE, the Anti-Corruption Enforcement Unit made up of specially vetted prosecutors who are trained to investigate and prosecute corruption and financial crimes cases.

INL's on the ground programs have also established a case tracking and management system to promote a transparent, fair, efficient, and secure process for criminal investigations, prosecutions, trials, and incarceration. This review effort is being implemented right now to review all prisoner cases, augment sparse records, and immediately release prisoners who are being held after their sentences have been completed. This new system will reduce opportunities for government officials to extort money from defendants, potentially at every step of the criminal justice process.

The Supreme Court recently released a review of all corruption-related efforts in Afghanistan, and the newly-appointed Attorney General appears to be committed to efforts to reduce corruption nationwide. President Karzai has recently established a "High Office of Oversight" to combat corruption within the Afghan government, although the details of implementation of this decree have yet to he worked out. INL and Department of Justice support the Criminal Justice Task Force, which has prosecuted a large number of low and mid-level defendants charged with drug trafficking and narcotics-related corruption. However, the Afghan government still has a long way to go, and has not, as of yet, demonstrated the political will to slow down corruption at the highest levels or go after any corrupt officials in politically sensitive positions.

Coordinate with the International Community:

The U.S is working closely with NATO allies, particularly the U.K. and Norway, to develop anti-corruption measures. (In particular, we are partnered with the U.K. and UN on the ACE project, and the U.K. and Norway on the CJTF project). Anti-corruption was a focus of documents adopted by the international community and Afghan government at the Rome Conference focused on justice reform in July 2007. Anti-corruption is also a main focus of the National Justice Sector Strategy, which outlines reform needs and commitments over the next five years. We encourage NATO and other allies to continue and increase funding for the entire justice sector, including anti-corruption.

Mrs. GILLIBRAND. How can we get better oversight and accountability over US funds provided to Pakistan? Should we have an Inspector General?

Secretary RICE. The U.S. Government provides assistance to Pakistan through the U.S. Agency for International Development, Department of State, and Defense Department programs, all of which are subject to longstanding oversight and accountability mechanisms, through their respective Inspector Generals. These Inspectors General coordinate closely regarding oversight projects in Pakistan and have published a comprehensive joint audit plan for South West Asia. Additionally, the State Inspector General's office already has an office dedicated to the Middle East and South and Central Asia to focus on high-cost, high-risk programs. Creating a new Inspector General position specifically for Pakistan is not necessary.

With regard to the Coalition Support Fund program, in April 2008, the Department of Defense Inspector General completed an investigation of Department of Defense oversight and administration of the Program. This report is currently being finalized and readied for publication.

Mrs. GILLIBRAND. Should we be able to direct funding to reconstruction and civilian investments such as healthcare, education and economic development?

Secretary RICE. In late 2007, the U.S. Government shifted much of its Economic Support Fund (ESE) assistance for Pakistan from direct budget support to project-specific funding for healthcare, education, and economic development. During fiscal years 2005-2007, the U.S. Government provided $200 million per year in direct budget support to help the Pakistani Government implement economic reform measures and increase its spending on education and health. In fiscal years 2008 and 2009, however, assistance will be provided to support specific education and health projects, instead of direct budget support.

Our assistance priorities in Pakistan will continue to be promotion of democracy, economic development and growth, and security. We view these activities as a long-term partnership with the Government of Pakistan, its people and institutions.

As part of this goal, we look forward to working with Congress and the new Pakistani government on expanding U.S. assistance for Pakistan's continued democratic, economic, and social development. We believe the restoration of democracy in Pakistan provides an important opportunity to demonstrate our long-term commitment, expand U.S. programs, and help the Pakistani people and new civilian government meet the challenge of transforming Pakistan into a prosperous, democratic, and stable international partner committed to delivering good governance and combating violent extremism within its borders.

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