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SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2007

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UNITED STATES SENATE

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

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SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2007

TUESDAY, FEBRUARY 27, 2007

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The committee met at 2:55 p.m., in room SD–106, Dirksen Senate Office Building, Hon. Robert C. Byrd (chairman) presiding.

Present: Senators Byrd, Inouye, Leahy, Harkin, Mikulski, Kohl, Murray, Dorgan, Feinstein, Landrieu, Reed, Lautenberg, Nelson, Cochran, Stevens, Specter, Domenici, Shelby, Gregg, Bennett, Craig, Hutchison, Brownback, Allard, and Alexander.

OPENING STATEMENT OF CHAIRMAN ROBERT C. BYRD

Chairman BYRD. The committee will come to order.

Senator Cochran, members of the committee, welcome. Thank you for your interest in this critical topic for our time.

Secretary Gates, Secretary Rice, General Pace, the committee appreciates your appearance before this committee, as we address the President's fiscal year 2007 supplemental request.

On February 5, the President submitted to Congress, a $103 billion emergency supplemental request, related to the global war on terror (GWOT). And for additional assistance for the victims of Hurricane Katrina.

I look forward to working with the Senator from Mississippi, and all of the Senators, on meeting the needs of the victims of Hurricane Katrina.

Our hearing today focuses on the administration's $99.6 billion supplemental request for the global war on terror. Predominantly for ongoing operations in Iraq and Afghanistan, through the remainder of fiscal year 2007. The administration's $99.6 billion request is in addition to the $70 billion appropriated by Congress in September 2006 for the global war on terror.

This supplemental request also begins the process of expanding the size of the United States Armed Forces by accelerating two Army brigade combat teams, and establishing one new Marine Corps regimental combat team.

Funds are included for reconstituting depleted equipment for existing forces, for training and equipping Iraqi and Afghani military and police units. In addition to the $99.6 billion covered by this request, Congress has already appropriated $507 billion for the wars in Iraq and Afghanistan, including $376 billion for the war in Iraq.

In fiscal year 2007 alone, the Department of Defense (DOD) is spending some $10 billion per month in Iraq and Afghanistan.

Over the last 7 fiscal years, including funding combat operations in Afghanistan and Iraq, the Congress has provided a total of $3.2 trillion. How does that sound to the Senator from Tennessee?

That's trillion dollars—trillion, with a "T"—or three followed by 12 zeroes provided to the Department of Defense. The current large increase in defense spending requiring difficult tradeoffs in other areas of the national budget, are the consequences of an ever-increasing debt. Every dime—every dime for the war in Iraq has been borrowed.

In this committee we have a serious obligation to ensure that the taxpayers' money is well spent.

The President suggests from time to time that we may have to fund and fight this war in Iraq, far into the future. Congress cannot, however, continue to fund failing policies, and failing strategies. We need to identify strategies with potential for success, and turn the future of Iraq over to Iraqis.

But, under the President's plan there is no end in sight—no plan for redeployment, no plan for diplomacy, no plan for engaging our international partners in efforts to improve security in the region. All the President has requested is more money—more money for military force, and more money for obviously ineffective reconstruction efforts.

The Congress has provided billions and billions of dollars above the administration's request for additional body and vehicle armor to keep our troops safe. And billions more for the development and deployment to the field of equipment to counter improvised explosive devices. Yet, after all of the billions of dollars and those thousands of precious lives that have been spent in Iraq and Afghanistan since 2001, we do not seem to be close—not even close—to achieving the goal of establishing a stable, effective government in either nation, which can provide for security, provide for the needs of its populace, or prevent the use of its territory by terrorists and other armed insurgent groups.

Even at home, there are concerns about the care being provided to our wounded and their families, and I expect that this committee will have questions for you about that, Secretary Gates. This Nation supports our troops in the field. We, in this Congress, have pushed for the best equipment for our troops in the field, and for our troops at home.

We have the right to expect that our wounded will receive a higher standard of care and consideration as they navigate the hostile bureaucracies of medical treatment. As this committee considers this supplemental appropriations request, and as we review the fiscal year 2008 budget, we have a number of questions regarding the short- and the long-term outlook for the operations in Afghanistan and Iraq and for the United States position in the region as a whole.

A majority of the American people have expressed their dissatisfaction with the way that things are going. We need to know that the funds that you are requesting will do more than merely continue the status quo. We need to know that you are working hard toward an acceptable resolution to the conflicts in Iraq and Afghanistan.

The Congress has consistently supported our men and our women in uniform. Congress will continue to support our troops and their families. Nevertheless, with regard to the failed policies of this administration, this Congress is not blind. The Congress has a vital constitutional role to play in the development and the execution of U.S. defense policy. Congress is not a rubber stamp, or a Presidential lap dog—obedient and unquestioning.

Oversight, oversight, oversight is among our most important responsibilities. And oversight, oversight, oversight have been lacking for far too long.

Senator Cochran, do you have a statement?

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, thank you very much. I'm pleased to join you in welcoming this distinguished panel to our committee, to discuss the President's request for emergency supplemental appropriations for Iraq and Afghanistan. We appreciate their leadership, their distinguished service to our country, in this very challenging and difficult time.

We also appreciate the inclusion, in this request, of the funds that are required to continue the recovery from the devastation of Hurricane Katrina. This supplemental funding request deserves our very careful consideration, as we understand the needs and the challenges that we face in bringing the action in Iraq to a successful conclusion. And, we look forward to the day when we can celebrate that.

Until then, I think we need to carefully consider the new strategic plan that's been laid out by our military leaders—not just the President—but our military leaders, on their recommendation for bringing this action to a successful conclusion at the earliest possible date, and that's the purpose of this funding request, in large part. To accommodate to the new strategic plan for a successful conclusion—that's our goal.

So, this supplemental funding request deserves our very careful consideration, and we look forward to the time when our troops will be coming home.

I know I join you, Mr. Chairman, looking forward to hearing our distinguished panel discuss this request. We appreciate their service to our country.

Chairman BYRD. And thank you, Senator.

Secretary Gates, would you proceed, please?

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

ACCOMPANIED BY GENERAL PETER PACE, UNITED STATES MARINE CORPS, CHAIRMAN, JOINT CHIEFS OF STAFF, DEPARTMENT OF DEFENSE

Secretary GATES. Thank you, Mr. Chairman.

Mr. Chairman, Senator Cochran, members of the committee, I appreciate the opportunity to join Secretary Rice, and General Pace in discussing the President's supplemental appropriations request to fund the cost of operations in Iraq, Afghanistan, and the wider global war on terror.

I would like to, especially, thank you, Mr. Chairman for scheduling this hearing so quickly, given the urgency of taking up, and enacting, this request.

It is a special privilege to testify for the first time alongside the Secretary of State. From the start, I would like to express my strong support for the programs funded in the State Department's request, and recognize the important role our diplomats and other civilians play in our efforts in Iraq, Afghanistan, and all over the world.

The kind of challenges our country faces in Iraq and Afghanistan cannot be overcome without the important non-military efforts Secretary Rice will outline.

The 2007 supplemental request of $93.4 billion for the Department of Defense is in addition to the $70 billion that has already been appropriated for war-related costs in this fiscal year. If these additional funds are delayed, the military will be forced to engage in costly and counterproductive reprogramming actions starting this spring to make up the shortfall. Timely enactment of this supplemental request is critical to ensuring our troops in the field have the resources they need.

This request provides for the incremental pay, supplies, transportation, maintenance, and logistical support to conduct military operations in Iraq and Afghanistan. It provides for the reconstitution of our Nation's armed forces, with a special focus on the Army and the Marine Corps, by repairing or replacing equipment that has been destroyed, damaged, or stressed in the current conflict.

It provides for investments in new technologies to better protect our troops from an agile, and adaptive enemy—including a new generation of body armor, vehicles that can better withstand explosions from improvised explosive devices (IED), and electronic devices that interrupt the enemy's ability to attack U.S. forces. And, it provides for the training and equipping of Iraqi and Afghan security forces, with a significant increase in our commitment to building the size and capabilities of the Afghan army and police.

I would note that while our country is properly focused on the serious situation in Iraq, it is critical that the gains made in Afghanistan these past few years not be allowed to slip away. This was at the top of the agenda at my NATO Ministerial earlier this month in Seville.

In closing, I believe it is important to consider the defense budget request submitted to the Congress this year in some historical context, as there has been—understandably—sticker shock at their combined price tags, more than $700 billion total. Please consider, that at about 4 percent of America's gross domestic product, the amount of money the United States is projected to spend on defense this year, is actually a smaller percentage of gross domestic product (GDP) than when I left Government 14 years ago, following the end of the cold war, and a significantly smaller percentage than during previous times of war, such as Vietnam and Korea.

Since 1993, with a defense budget that is a smaller relative share of our national wealth, the world has gotten more complicated, and arguably, more dangerous. In addition to fighting the global war on terror, we also face the danger posed by Iran's and North Korea's nuclear ambitions, and the threat they pose—not

only to their neighbors—but globally, because of their record of proliferation.

The uncertain paths of China and Russia—which are both pursuing sophisticated military modernization programs—and a range of other flash-points, challenges, and threats. In this strategic environment, the resources we devote to defense at this critical time, should be at the level to adequately meet those challenges.

PREPARED STATEMENT

Thank you, Mr. Chairman, for the support this committee has provided to the men and women of our armed forces over many years. I look forward to your questions. Thank you, sir.

[The statement follows:]

PREPARED STATEMENT OF HON. ROBERT M. GATES

Mr. Chairman, Senator Cochran, members of the committee: I appreciate the opportunity to join Secretary Rice in discussing the President's supplemental appropriation request to fund the costs of operations in Iraq, Afghanistan and the wider global war on terror.

From the start, I would like to express my strong support for the programs funded in the State Department's request. The kinds of challenges our country faces in Iraq and Afghanistan cannot be overcome without the important non-military efforts outlined by Secretary Rice.

The 2007 supplemental request of $93.4 billion for the Department of Defense is in addition to the $70 billion that has already been appropriated for war-related costs in this fiscal year. If these additional funds are delayed, the military will be forced to engage in costly and counterproductive reprogramming actions starting this spring to make up the shortfall. Timely enactment of this supplemental request is critical to ensuring our troops in the field have the resources they need.

While our country is properly focused on the serious situation in Iraq, it is critical that the gains made in Afghanistan these past few years not be allowed to slip away. This was at the top of my agenda at the NATO ministerial earlier this month in Seville.

I believe that it is important to consider the defense budget requests—both for the base budget and the war-related requests—submitted to the Congress this year in some historical context, as there has been, understandably, sticker shock at their combined price tags—more than $700 billion total.

Please consider that, at about 4 percent of America's Gross Domestic Product, the amount of money the United States is projected to spend on defense this year is actually a smaller percentage of GDP than when I left government 14 years ago following the end of the Cold War—and a significantly smaller percentage than during previous times of war, such as Vietnam and Korea.

Since 1993, with a defense budget that is a smaller relative share of our national wealth, the world has gotten more complicated, and arguably more dangerous. In addition to fighting the global war on terror, we also face:

—The danger posed by Iran's and North Korea's nuclear ambitions, and the threat they pose not only to their neighbors, but globally, because of their record of proliferation;

—The uncertain paths of China and Russia, which are both pursuing sophisticated military modernization programs; and

—A range of other potential flashpoints, challenges and threats.

In this strategic environment, the resources we devote to defense at this critical time should be at the level to adequately meet those challenges.

FISCAL YEAR 2007 SUPPLEMENTAL REQUEST

The fiscal year 2007 supplemental request includes $39.3 billion to provide the incremental pay, supplies, transportation, maintenance and logistical support to conduct military operations. The additional U.S. ground and naval forces being sent to the Iraq theater are projected to cost $5.6 billion. This total includes funding for personnel costs, supplies, spare parts, contractor support, and transportation. The fiscal year 2008 GWOT request complies with Congress's direction to include the costs of the conflicts in Iraq and Afghanistan in the annual Defense Department budget.

Reconstitution

The request includes $13.9 billion to reconstitute our Nation's Armed Forces—in particular, to refit the ground forces, the Army and Marine Corps, who have borne the brunt of combat in both human and material terms. These funds will go to repair or replace equipment that has been destroyed, damaged, or stressed in the current conflict.

All Army units deployed, or about to deploy, for missions overseas are fully trained and equipped, often with additional gear for their particular mission. In an expeditionary, rotational force one can expect that units returning from their deployment will decline to a lower readiness level as personnel turn over and equipment is repaired or replaced.

Force Protection

This supplemental includes $10.4 billion for investments in new technologies to better protect our troops from an agile and adaptive enemy. Programs being funded would include a new generation of body armor, vehicles that can better withstand explosions from Improvised Explosive Devices (IEDs), and electronic devices that interrupt the enemy's ability to attack U.S. forces. Within this force protection category, the fiscal year 2007 supplemental includes $2.4 billion to counter and defeat the threat posed by IEDs.

Afghan/Iraqi Security Forces

The request includes $9.7 billion to stand up capable military and police forces in Afghanistan and Iraq.

The bulk of these funds are going to train and equip Afghan National Security Forces (ANSF) to assume the lead in operations throughout Afghanistan. Some 88,000 have been trained and equipped, an increase of 31,000 from the previous year.

The $5.9 billion for the ANSF in the fiscal year 2007 supplemental is a substantial increase over previous years' appropriations. It reflects the urgent priority of countering increased activity by the Taliban, Al Qaeda, and narcotics traffickers to destabilize and undermine the new democracy in Afghanistan. These funds will significantly upgrade the capability of Afghan forces to conduct independent counter-insurgency operations.

In Iraq, more than 300,000 soldiers and police have been trained and equipped, and are in charge of more than 60 percent of Iraqi territory and more than 65 percent of that country's population. They have assumed full security responsibility for 3 out of Iraq's 18 provinces and are scheduled to take over more territory over the course of the year. These Iraqi troops, though far from perfect, have shown that they can perform with distinction when properly led and supported. Iraqi forces will be in the lead during operations to secure Baghdad's violent neighborhoods. By significantly increasing and improving the embedding program, Iraqi forces will operate with more and better Coalition support than they had in the past.

Non-Military Assistance

Success in the kinds of conflicts our military finds itself in today—in Iraq, or elsewhere—cannot be achieved by military means alone. The President's strategy for Iraq hinges on key programs and additional resources to improve local governance, delivery of public services, and quality of life—to get angry young men off the street and into jobs where they will be less susceptible to the appeals of insurgents or militia groups.

Commander's Emergency Response Program, or (CERP) funds are a relatively small piece of the war-related budgets—$456 million in the fiscal year 2007 supplemental. But because they can be dispensed quickly and applied directly to local needs, they have had a tremendous impact—far beyond the dollar value—on the ability of our troops to succeed in Iraq and Afghanistan. By building trust and confidence in Coalition forces, these CERP projects increase the flow of intelligence to commanders in the field and help turn local Iraqis and Afghans against insurgents and terrorists.

CONCLUSION

With the assistance and the counsel of Congress, I believe we have the opportunity to do right by our troops and the sacrifices that they and their families have made these past few years. That means we must make the difficult choices and commit the necessary resources not only to prevail in the current conflicts in which they are engaged, but to be prepared to take on the threats that they, their children, and our Nation may face in the future.

Chairman BYRD. Secretary Rice.

STATEMENT OF HON. CONDOLEEZZA RICE, SECRETARY OF STATE, DEPARTMENT OF STATE

Secretary RICE. Thank you very much, Mr. Chairman.

Thank you, Senator Cochran, thank you members of the committee. I am honored to testify alongside Secretary Gates for the first time.

Mr. Chairman, I have a longer written statement that I would like to be entered into the record about the full supplemental request, the critical funding that will be provided by the supplemental for reconstruction and development in Afghanistan, for ongoing State Department operations in Afghanistan and Iraq, for emergencies in Sudan, for reconstruction in Lebanon, and so forth. But, I will restrict my comments to a few, concerning—particularly—Iraq.

Chairman BYRD. You may proceed as you like.

FISCAL YEAR 2007 IRAQ SUPPLEMENTAL REQUEST

Secretary RICE. Thank you, sir.

Across the board, in Iraq, Iraqis are now in the lead, and we are supporting them. To support the new strategy in Iraq that President Bush announced in January, the administration is requesting $3.2 billion in supplemental funding for Iraq this year.

These resources will enable the State Department to support the Iraqi government, and to support our counter-insurgency strategy alongside our military, in order to bring a new civilian surge on multiple fronts.

We are supporting the Iraqis in an economic offensive—Iraq's Council of Representatives recently passed a budget for 2007, including a plan to devote $10 billion of its own money for reconstruction and development. This is an encouraging step, but they need our technical assistance in matters like budget execution and ministry capacity, and this supplemental will help with those matters.

We are also supporting the Iraqis in their political offensive. Yesterday, Iraq's Council of Ministers approved a hydrocarbon framework law. They will now transmit it—along with accompanying legislation—to the Council of Representatives. This is an important step, and we hope that it builds momentum for the Iraqi government to make further progress, particularly on de-Ba'athification, on increased support for displaced Iraqis—both Shia and Sunni—who wish to return to their homes.

When I met with Prime Minister Maliki last week in Baghdad, I urged him to waste no time in finding resolution to critical issues of national reconciliation.

IRAQ PROVINCIAL RECONSTRUCTION TEAMS (PRTS)

At the same time, we recognize that Iraq has a federal government, and that its provinces have significant responsibility. And so this supplemental funding provides the funding to allow us to double the number of provincial reconstruction teams (PRT) in Iraq, focusing on Baghdad—but also beyond—in key provinces like Anbar. We are doubling the number of personnel within our existing PRTs,

and our expanded PRT strategy will enable us to decentralize and diversify our civilian presence in Iraq, thereby increasing our chances of success.

Again, I would emphasize here, that we are transitioning our role. This is to help Iraqis build their own democratic institutions, and lead their own economic development at the provincial and local levels.

Let me say one other thing about the PRTs. Our previous strategy called for 10 teams in Iraq. We have met that goal. Those provincial reconstruction teams are fully staffed, fully deployed, and fully operational. Under the new strategy, we will now move from 10 to 20 PRTs. We have already identified all of the Foreign Service officers who will lead these new teams, and we expect them to arrive in Iraq before the end of March.

To staff the PRTs, the President has asked the State Department to recruit additional civilian specialists from other Federal agencies, and from the Nation at large. These are people like agronomists, veterinarians, city planners, and others. No diplomatic service in the world has these specialties, and we have, therefore, asked the Department of Defense to fill the first rotation of about 100 specialist positions. Our supplemental request will then enable us to hire about 300 new civilians for this mission. It will allow us to reimburse other Government agencies when we recruit their personnel, and to send them out quickly to join the diplomats who are already in the field doing the political work that is so important.

So, we are advancing politically, economically, and, of course militarily.

I would like to take one moment to talk about our diplomatic offenses, the fourth leg of our strategy, to build greater support both within the region and beyond, for peace and prosperity in Iraq.

We are recommitting ourselves to the security and stability of the gulf region. We have rallied our traditional partners, responsible governments—like those of the gulf states—plus Egypt and Jordan. Or, as it is called, the GCC plus two, and we are working with those governments to support embattled democratic leaders, like Prime Minister Siniora, in Lebanon, President Abbas in the Palestinian territories, and Prime Minister Maliki in Iraq.

We are also continuing to rally international support for Iraq's political and economic success in the form of the international compact for Iraq. In March, dozens of countries will gather at the United Nations to finalize agreements on the compact. This compact outlines international responsibilities to Iraq, as Iraq meets its responsibilities to its own people.

IRAQ NEIGHBORS' MEETING

There is one additional component to this diplomatic offensive that I would like to highlight today. It is a new component. Prime Minister Maliki believes—and President Bush and I agree—that success in Iraq requires the positive support of Iraq's neighbors. This is one of the key findings, of course, of the Iraq Study Group and it is an important dimension that many in the Senate and in the Congress have brought to our attention, and I have had very fruitful discussions about how to do this.

So, I am pleased to inform you that the Iraqis are launching a new diplomatic initiative, which we are going to fully support: the government of Iraq is preparing for an expanded neighbors' meeting, first at the sub-ministerial level that will take place in Baghdad in the first half of March. Invitees would include Iraq's immediate neighbors, as well as representatives from other regional states, multi-lateral organizations, and the permanent members of the United Nations Security Council—including, of course—the United States.

This initial meeting will be followed, perhaps as early as the first half of April, by a ministerial-level meeting with the same invitees—that is, regional states, neighbors, international organizations, and the permanent five of the United Nations—as well as, perhaps, the members of the G–8. I would note that the Iraqi government has invited all of its neighbors—including Syria and Iran—to attend both of these regional meetings. We hope that all governments will seize this opportunity to improve their relations with Iraq, and to work for peace and stability in the region.

I am pleased that the government of Iraq is launching this new diplomatic initiative, and that we will be able to support and participate in it. The violence occurring within the country has a decided impact on Iraq's neighbors, and Iraq's neighbors—as well as the international community—have a clear role to play in supporting the Iraqi government's efforts to promote peace and national reconciliation within the country.

So far from just a military campaign, our efforts in Iraq are moving forward on all fronts at the same time: security, political, economic, and diplomatic. America's diplomatic corps, of course, is not an expeditionary force. But, our men and women are playing their roles superbly in places like Iraq and Afghanistan. They are enduring long and difficult deployments, far away from their families. Many are even working on the front lines in dangerous places like Anbar and Baghdad, working shoulder to shoulder with our soldiers and marines. Every day, our civilians are taking mortar fire, risking attacks, just to do their jobs, and then they get up the next day, go back out and do it all again.

The men and women of the Department of State are patriots, and they make us all extremely proud. I ask you to provide them with the resources that they so urgently need to be successful in the vital mission that they perform. A mission that, together with our men and women in uniform, will help us to win the war on terror, and to make us safer.

Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF HON. CONDOLEEZZA RICE

Chairman Byrd, Senator Cochran, members of the committee: It is a pleasure to appear before you today in support of the President's fiscal year 2007 supplemental appropriations request for International Affairs. I appear today at a time when the Congress has just completed work on the fiscal year 2007 continuing resolution. I appreciate the work which this committee, and the entire Congress, has done to ensure adequate funding for the global HIV/AIDS program; for resources to combat malaria; for the U.S. contributions to international peacekeeping activities; for the foreign military financing program; and for both the regular and the emergency migration and refugee assistance programs. In a tight fiscal year, these are not small

accomplishments, and we look forward to implementing these programs which Congress has funded.

At the same time, we face very pressing needs that must be addressed by prompt Congressional action on the 2007 supplemental.

The administration has requested a total of $5.99 billion for international affairs programs in this supplemental to support urgent requirements that are not funded in the annual budget. Let me address a number of the most significant funding requests that are contained within the fiscal year 2007 supplemental. Chief among these, of course, is funding to continue our operations and programs in Iraq.

IRAQ

Before I discuss our specific request for Iraq, I would like to take this opportunity to announce a new diplomatic initiative relating to Iraq's future. I am pleased to tell members of Congress that there is now being formed a neighbors' conference to support Iraq. This conference is being spearheaded, and properly so, by the government of Iraq. Invitees will include Iraq's immediate neighbors, as well as representatives from other regional states, multilateral organizations, and the U.N. Permanent Five (the United States, France, Britain, Russia and China). I would note that both Syria and Iran are among Iraq's neighbors invited to attend.

An initial preparatory meeting of the neighbors' conference will occur at the ambassadorial level in Baghdad on or around March 11. This will be followed, perhaps as early as the first half of April, by a ministerial level meeting with the same invitees, plus the G–8.

I am pleased that the government of Iraq is taking this step. The violence occurring within Iraq has a decided impact on Iraq's neighbors. Iraq's neighbors have a clear role to play in helping Iraq to move forward, and this conference will provide a needed forum in order to do just that.

The administration has requested a total of $3.2 billion for Iraq. This request is vital to the government of Iraq's efforts to stabilize the country, bolster the economy, and achieve national reconciliation. It is a critical component of the USG civilian surge, expanding the presence of Provincial Reconstruction Teams (PRTs) and enabling USG agencies to decentralize and diversify their civilian presence and assistance to the Iraqi people. This request includes $824 million for the operation of the U.S. Mission in Iraq, including the extraordinary security measures which we must undertake in order to protect our diplomats and other personnel who are advancing our agenda of freedom and stability.

The request includes $720 million in Economic Support Funds for programs critical to the Provincial Reconstruction Teams (PRTs), including $400 million for a civilian equivalent to DOD's successful Commanders Emergency Response Program (CERP), a key component of the President's "New Way Forward" in Iraq. We seek to expand the number of PRTs in Iraq from the 10 which are currently deployed to 20. This will include new PRTs in Baghdad and Anbar where the stakes are now highest. Civilian and military personnel will work side by side in these PRTs, in which the State Department will have the lead in all staff recruiting and hiring. PRTs work with Iraq's provincial and local governments to improve governance, support moderate Iraqi leaders, and address local needs at a community level. Competent and capable provincial and local government officials, who pursue their interests peacefully and under the rule of law, will be an essential element of a secure, unified, and federal Iraq.

The $720 million in PRT program funding is part of the administration's $2.07 billion request in Economic Support Funds (ESF) for Iraq under this supplemental. We have learned from our experience in Iraq that the most effective use of funds is to provide direct assistance at the local level. The request before you embodies this approach. It does not fund large-scale reconstruction projects, for which American funding is ending under the Iraq Relief and Reconstruction Fund (IRRF). In addition to the $720 million in program funding for the PRTs, the administration has requested $534 million for programs coordinated by PRTs which create jobs and support businesses at the local level, necessary steps to bring stability to areas that have been cleared of insurgents. We also propose a program to jump start employment in the agriculture sector, Iraq's second largest employer. Our request provides $293 million to support the continued improvement in the core capacities of Iraq's ministries, particularly in budgeting, and policy and regulatory reforms, and $200 million to strengthen Iraq's judicial processes, criminal justice system and anti-corruption initiatives. It also includes $428 million for democracy programs to support greater engagement with political parties, civil society organizations, and national political institutions, such as parliament.

We are undertaking a broad review of the Iraqi refugee situation, including both refugees who have fled from Iraq and those who are internally displaced within Iraq. There are an estimated 1.5 million Iraqi refugees living outside Iraq, mainly in Jordan and Syria. There is a rapidly growing number of internally displaced persons in Iraq as well, owing to the increase in sectarian violence over the past year. We have requested $60 million for State Department and USAID programs in this supplemental to address the growing humanitarian needs in Iraq. This funding is the bare minimum necessary to address the pressing and growing problem of Iraqi refugees, internally displaced, and conflict victims.

The request also includes $7 million to continue humanitarian demining in Iraq, one of the most heavily mined countries in the world.

AFGHANISTAN

The administration has also requested a total of $751 million in 150 account funds for Afghanistan. These funds complement the parallel request in the military supplemental for Afghanistan. They include $53 million for additional security for State Department and USAID personnel who are on the front lines in Afghanistan.

Let me stress two points. First, as our military leaders in Afghanistan will testify, these foreign assistance funds are a vital part of our overall strategy in Afghanistan. We cannot secure Afghanistan in the long term by military means alone; we need to be able to address the pressing needs for reconstruction and economic development if we are to succeed. Among these needs are the construction of high priority roads in the southern and southeastern portions of Afghanistan; a more stable, long term source of power supplies to Kabul and elsewhere; and an expansion of alternative livelihood programs to counter the cultivation of opium poppies.

Second, I convened a conference in Europe several weeks ago in which I pressed our NATO allies to do more in Afghanistan. We seek, of course, to reduce or eliminate the so-called caveats on what other NATO members' military forces will and will not do in Afghanistan. But we also seek multinational contributions of additional resources to address Afghanistan's very pressing economic problems. This request before you in the 2007 supplemental represents our commitment to that shared goal.

LEBANON

At the recent Paris donors' conference for Lebanon, the United States pledged a total of $770 million to assist in addressing the security and reconstruction needs of Lebanon. I made clear there, as I do now, that honoring this request depends upon the provision of these funds by the Congress. Inspired in part by our demonstration of support for the Lebanese people, other donors at the Paris conference gave quite generously, resulting in a total of $7.6 billion pledged to support Lebanon. The funds requested in this supplemental—including peacekeeping, security and economic reconstruction funds—represent the American pledge, and I am hopeful you will provide these funds in order to encourage others to join in an economic and security package that will give Lebanon's democratically elected government and the Lebanese people the assistance they require.

Economic support to the legitimate government of Lebanon is vital to providing long-term peace, stability and economic opportunity. These funds will support a broad economic reform agenda, an agenda which will dovetail with the post-conflict reconstruction of Lebanon, while putting Lebanon on the path to fiscal stability. On the security side, the funds we are requesting will assist the Lebanese Armed Forces, which require a substantial infusion of equipment and expanded training. Their responsibilities will include providing security at Lebanon's ports, airports and borders, and being on the front lines of interdicting the movement of terrorists and their armaments into and out of Lebanon.

The request also includes $184 million for the U.S. share of costs for the U.N. peacekeeping mission in Lebanon (UNIFIL).

KOSOVO

The administration also requests a total of $279 million for Kosovo. We have made great progress in stabilizing the Balkans. As we move toward lasting political reconciliation and permanent political structures, these funds for Kosovo are crucial. These funds will support the settlement of Kosovo's status which we anticipate will be completed early this year. I would note that the European Union and international financial institutions will bear the lion's share of the post-settlement costs, which could run as high as $2 billion. The U.S. contribution will leverage these and other donor contributions and could enable a quicker reduction of U.S. forces in Kosovo.

SUDAN

The administration also requests a total of $362 million for programs to address the continuing crisis in Sudan. These funds will be used for two purposes: to provide food and other disaster assistance and to provide enhanced peacekeeping operations for Darfur. I know that members of Congress on both sides of the aisle are moved by the suffering and the horrors experienced daily by so many people in Sudan. The funds we have requested for International Disaster and Famine Assistance and Public Law 480 Title II will allow us to continue to help the populations affected by the violence in Darfur, including internally displaced persons, and helping to feed affected populations in Darfur and Chad.

Included in the $362 million, we are requesting $150 million to support peacekeeping in Darfur, including support for the African Union Mission (AMIS) there. We continue to work toward the expansion of these forces and for a transition of AMIS to a United Nations peacekeeping force.

We are requesting $20 million for security for high threat protection for Department officials in Sudan, including in Juba and Darfur, as well as security support for the Special Envoy and others. To continue to support diplomatic efforts in Sudan, we are requesting $1.9 million for diplomatic operations.

AVIAN FLU

The administration also requests a total of $161 million to support efforts to enhance preparedness and communication, and improve surveillance and detection to respond more quickly to H5N1 outbreaks wherever they occur. Given the bird flu outbreaks in a number of countries in recent months, we must address the urgent need to expand operations in the field. Existing funds to support emergency field operations will be fully spent by summer of 2007, and we must maintain continuity of these efforts if we are to be successful. A substantial portion of this funding will be focused on high-risk African countries with additional funds enabling responses to the spread of the disease in South Asia, the Near East, and Eastern Europe.

At international pledging conferences in 2006, the United States pledged $434 million in assistance for regional disease detection sites, stockpiles of non-pharmaceutical supplies, wild bird surveillance, building vaccine production capacity and other purposes.

MIGRATION AND REFUGEE ASSISTANCE

The administration requests a total of $71.5 million to address refugee emergencies in Burundi, the Democratic Republic of Congo, and the Palestinian territories. This funding will also address the needs of Iraqi refugees and conflict victims, as I previously mentioned. We are also requesting an additional $30 million to respond to unanticipated emergency refugee and migration needs in places such as Somalia, Sri Lanka, Chad, and the West Bank and Gaza.

PUBLIC DIPLOMACY

The administration also requests $20 million in public diplomacy funds to counter ideological support for terrorism, especially in critical countries. Some of these funds will be used to fund international information programs to engage Muslim communities, promote democracy and good governance, refute the idea that the West is at war with Islam, and isolate and discredit terrorist leaders and organizations. Countering ideological support for terrorism and undermining the ability of terrorist groups to attract new recruits are a critical part of our counterterrorism efforts. These new funds will provide for a significant expansion of existing, effective programs as well as the launching of new initiatives designed to reach more vulnerable groups, especially youth. These initiatives seek to build new bridges of understanding, increase tolerance and respect for other cultures and religions, and de-legitimize terrorism and discredit terrorist leaders and their ideology.

EDUCATION AND CULTURAL EXCHANGE PROGRAMS

The administration is requesting $20 million in exchanges funding for the critical countries to confront the increasing prevalence of violent extremism. Our experience in exchanges—whether they are academic exchange programs to encourage English language instruction or professional or cultural exchanges that promote bilateral and multilateral dialogue in a common realm like art or athletics—has shown that extremist messages of hatred toward the United States take root more readily among those walled off from Americans by barriers of language and or lack of exposure to the breadth of our culture. Increased support for English language instruc-

tion and the exchange of people in such diverse fields as art and culture, sports, and interfaith dialogue, are central to lessening these barriers.

BROADCASTING BOARD OF GOVERNORS

The administration also requests $10 million for the Middle East Broadcasting Networks. As part of the administration's strategy to counter violent extremism, Alhurra television will launch a signature three-hour daily program. The three-hour daily program capitalizes on Alhurra's unique perspective in a growing market of over 200 channels by giving viewers a reason to turn to Alhurra as a primary information source, providing a format and information mix unavailable in the region today. This format is a proven broadcast technique for developing audience loyalty and will enable Alhurra to reach a large listening area that crosses several time zones in the Middle East. The three-hour original production will provide the means to focus the agenda for news and information in the region. The new show will focus on the news of the day, discuss compelling social issues, broadcast investigative reporting and a spectrum of information not presented anywhere else.

FOOD ASSISTANCE

Finally, the administration requests $350 million for the provision of worldwide food assistance. The funds are urgently needed for Sudan, especially in Darfur; for refugees in Chad; and for drought relief in Afghanistan which have already been mentioned. The request also includes emergency funds to enable a timely response to emerging food shortages and to prevent famine in southern Africa, Somalia and elsewhere in the Horn of Africa.

CONCLUSION

Mr. Chairman, there are many additional pressing needs for assistance beyond the ones I have addressed here. Some of these can be addressed with the funds provided in the fiscal year 2007 continuing resolution; others are addressed in our fiscal year 2008 budget request. What is before you in the current supplemental, however, represents the most urgent requirements—requirements that are appropriate to be considered within the framework of a supplemental appropriations bill.

I am mindful that all such requests are ultimately not requests of this or other committees, but of the American people. For that reason, we have thoroughly and closely considered the requests which are before you in this supplemental. For that reason, too, I pledge our careful stewardship of the funds which are provided to us. Thank you for your thoughtful and prompt consideration of this request.

I would be pleased to respond to any questions you may have.

Chairman BYRD. Thank you, Madam Secretary, thank you.

Senator STEVENS. Thank you very much, Mr. Chairman.

Secretary Gates, how soon do you need the supplemental funds before you run out of funds in your operating accounts, and how has your spending plan been affected by the proposed surge in troop strength?

Secretary GATES. Senator Stevens, we would need the supplemental in April—clearly, the earlier the better, before the services have to begin reprogramming—the Army would be affected first, and probably most dramatically. Although the supplemental contains an identified $5.6 billion for the surge, as you suggest, we've already begun spending money to send the brigades that are already there, so we will need that money in that respect.

Senator STEVENS. Well, have you had to curb your current operations in order to fund this change now—is it really having any effect on our total readiness elsewhere?

Secretary GATES. In terms of the financial resources, I don't believe so yet, Senator.

Senator STEVENS. It's my understanding you made a statement concerning how long you anticipate the surge forces will be in Iraq. Could you tell us what that is?

Secretary GATES. Well, we have budgeted for them through the end of fiscal year 2007. Our global war on terror submission for fiscal year 2008 has a straight line projection for forces of 140,000 in Iraq. So, the funding for the surge actually extends only to the end of this fiscal year.

WEAPONS/INSURGENCY

Senator STEVENS. We've all been reading about these new weapons that have been introduced in Iraq, and about the new insurgency in Afghanistan. Can you tell us—do we have the equipment and the force that's necessary to face these changes over there now?

Secretary GATES. Senator, with your permission, I'd like to ask General Pace to address that question.

General PACE. Thank you, sir.

Sir, we do—the Secretary approved the addition of one U.S. brigade combat team to add to the current forces over there, to be properly positioned for the—what's called the Spring Offensive—every year when things thaw in Afghanistan, there is an offensive this year. The intent is for that to be a NATO offensive, as opposed to a Taliban.

Senator STEVENS. In terms of the surge force, would it be proper to categorize their major function as adding to the security of those people that are there as we bring about this rotation of force? That is, as Iraqis move forward with our new embedded battalions in their brigades—is this force related to the total security of the operation?

General PACE. Sir, it is. There's three parts to this operation: one is a security part, which is where the additional forces come in and the additional trainers come in, the other two are the increase in governance and economics.

Senator STEVENS. With regard to this movement that's anticipated now, in terms of bringing the Iraqi army forward into more combative positions—most of that takes place on the arterial highways, doesn't it?

General PACE. Sir, it does.

Senator STEVENS. Is this surge force related to the security of that type of movement?

General PACE. It is not, sir. The Iraqi—three brigades that the Iraqis are bringing forward, two are already in place, the third will be coming online in about the next 2 weeks. And they have all come down—as a matter of fact, part of that force, for the first time was flown from the northern part of Iraq—Iraqis being flown, on Iraqi airplanes, into Baghdad.

Senator STEVENS. How long will it take to complete that relocation of Iraqi forces?

General PACE. Sir, it will be done by about the first week in March—about another week, week and a half.

Senator STEVENS. Thank you very much.

Thank you, Mr. Chairman.

Chairman BYRD. Thank you, my friend.

The Senator from Alaska is my long-time friend. So, I'd like to turn to him, because he was always courteous to me.

Secretary Gates, in his State of the Union message, the President said that the war is not the fight we entered in Iraq—but is the fight we're in. Whatever you voted for, you did not vote for failure.

Iraq's nuclear, biological, and chemical weapons programs and stockpiles, and the means to deliver them no longer exist. The current Iraqi regime no longer demonstrates hostility toward, and the willingness to attack, the United States. A new government is emerging to replace the repressive regime of Saddam Hussein.

So, let me ask you, is the war today in Iraq the same war that Congress authorized nearly 4½ years ago?

CHANGES IN THE IRAQ WAR

Secretary GATES. Mr. Chairman, I think that the situation in Iraq clearly has evolved since 2003. I think that the effort to try and create a stable and more democratic Iraqi government that is an ally of the United States, not an adversary in the war on terror—that goal remains the same. I think that was a central goal of the original policy, and I think that remains the same.

It's obviously become more complicated with the situation inside Iraq, as I've described it. We've faced, in essence, four different wars: the war of Shia on Shia—principally in the south; sectarian conflict—principally in Baghdad, and in the environs of Baghdad; third, a Ba'athist insurgency; and, fourth, al-Qaeda. And the national intelligence estimate would add a fifth, and that is criminal operations around Iraq.

So, I think what we are still trying to achieve is an Iraqi government that has been elected by its people, and that can stabilize the country, and move forward—able to defend itself and govern itself.

Chairman BYRD. Secretary Rice, President Bush has said that the enemy will follow us here, meaning to the United States. If we withdraw from Iraq, what is the evidence of that?

Secretary RICE. Well, Mr. Chairman, I think that the President's remarks were addressing the concern that if we withdraw prematurely from Iraq, and before the Iraqis are, themselves, able to stabilize their country, that we would face an Iraq that would be a haven for terrorists, an Iraq in which the instability would likely spill over into the region—both into its south, its neighbors like Iran, and that might, indeed, invite neighbors into Iraq, and into the region in which we have very longstanding allies. That kind of instability, then, would produce a safe haven for terrorism and a safe haven for chaos that would allow the maturation of terrorist forces that would have very high on their priority lists, attacks on the United States. I think that is what is being referenced there.

If you look at what the national intelligence estimate said about an Iraq in which there was not an effort to stabilize it, or in which it did not become stable, I think it would accord with that picture.

Chairman BYRD. According to the national intelligence estimate, our commanders on the ground, and other experts, the core of the violence in Iraq is a self-sustaining, sectarian struggle, resembling a civil war, in many respects. So, what is the evidence you have that the next stop for this ethnic and sectarian fight would be the United States? To me, that is like assuming that in 1865—going

back quite awhile—the United States was preparing to start a war in France.

THREAT TO THE UNITED STATES

Secretary RICE. Mr. Chairman, obviously the sectarian violence in Baghdad—as Secretary Gates just mentioned—is one of the elements of the instability in Iraq. But, of course, there is the presence of al-Qaeda in, for instance, Anbar, where the fight there is to prevent the hardening or the acquisition of a terrorist safe haven for the most dangerous terrorist group, in terms of our own domestic security, which is al-Qaeda.

I think it is also fair to say that, in a broader sense, if you were to get the kind of instability in the region that might come from an Iraq that was unstable and unable to control its borders, unable to control its relations with its neighbors, that that kind of instability in the Middle East has also been a kind of breeding ground for the kind of terrorism that would come back to haunt us here at home.

But, if one only focuses on al-Qaeda, I think that the link between the maturation of al-Qaeda in the center of the Middle East, and our own security, is clear because al-Qaeda is obviously the greatest threat right now to our homeland.

Chairman BYRD. To our homeland?

Secretary RICE. Yes, al-Qaeda, as the gravest terrorist threat to our homeland.

Chairman BYRD. Do you think they will attack us, in the United States, if we leave?

Secretary RICE. Mr. Chairman, I believe that every day—and I do not mean to be hyperbolic—but, frankly, every hour of every day, I suspect that there are al-Qaeda forces that are—I believe, I know—trying to figure out how to attack us. September 11, I think, was not their last attempt, we have broken up several attempts, and we are going to continue to have to do that.

Our problem, of course, is that the terrorists only have to be right once and we have to be right 100 percent of the time. That is an unfair fight on the defense. So, going to the source of that problem—the Middle East—and trying to provide a more stable and democratic environment in the Middle East so that terrorism does not arise from that region, is an extremely important part of the global war on terror. But, I do believe, Mr. Chairman that al-Qaeda is trying every day to try to figure out a way to attack us, and if they have a safe haven in a sophisticated and central place like Iraq, I believe strongly that that is going to enhance their capability to do so.

Chairman BYRD. Thank you, Madam Secretary.

AIR STRIKES

There has been a number of reports, General Pace, that the United States is preparing to launch air strikes against Iran. Is this true? Did you understand the question? Let me ask it again. There have been a number of reports that the United States is preparing to launch air strikes against Iran. Is that true?

General PACE. Mr. Chairman, it is not true.

Chairman BYRD. Categorically?

General PACE. Categorically, sir.

Chairman BYRD. News reports today regarding your assessment, General Pace, of military readiness note that the United States is at significant risk of not being able to respond to a new crisis. This assessment is considerably more worrisome than last year's assessment of "moderate" risk, and was reportedly made before the President announced his intention to "surge" 21,500 more troops to Baghdad. What does this state of affairs mean for us?

General PACE. Mr. Chairman, first of all, the news report is inaccurate. My report to Congress is classified, but it is available to every member of this committee. To be precise, what the level of risk is, is to how quickly we can get the job done. And the level of risk is to the timelines that we have set for ourselves to be victorious. So, the risk is to how long it will take—not whether or not we will get it done. We will get the job done. It will be less precise and more heavy-handed because we have some of our force, including our precision intelligence force, already committed around the world. But, no one in our country, or any potential adversary, should question our ability to handle another crisis tomorrow. And, the addition of 21,500 troops, more or less, from a force of 2.4 million, does not change my assessment, sir.

Chairman BYRD. Thank you very much.

Senator Cochran.

Senator COCHRAN. Mr. Chairman, thank you very much.

Secretary Rice, I recall that in an earlier hearing, we talked about the importance of infrastructure improvements for safety reasons in the Baghdad area, particularly the Embassy and facilities for housing U.S. personnel who are there carrying out their responsibilities. Could you give us a status report on the level of completion that we've reached to date, and whether or not there are funds being requested in this supplemental that are designed to meet those needs?

NEW EMBASSY COMPOUND IN BAGHDAD

Secretary RICE. Thank you Senator, in fact, the new Embassy is on budget and on time—I'm happy to report—despite the challenging security situation. The project is underway—almost all of the money, about 98 percent of it, has been obligated, and most of it—in the 80 percent range—has been spent. There is additional funding requested in the supplemental for State Department operations in Iraq for security costs. But the Embassy is on budget and on time.

FUNDS

Senator COCHRAN. In the recent continuing resolution, we were asked to provide funds, but not at the level that we were told they were needed, for base realignment and closure (BRAC) activities. Senator Hutchison was one of the main proponents of getting these funds approved at the earliest possible date. Is there a request included in this supplemental that seeks to deal with that shortfall of funds? Unfortunately, we couldn't include everything in the continuing resolution that some thought was needed.

General PACE. No, sir, there is not. And, I'm glad you highlighted this, the $3.1 billion for BRAC is badly needed, it is, in fact, imper-

ative. Without it, we will not be able to meet the statutory deadline for the completion of BRAC. It has monies in it that are specifically allocated for the troops, $300 million for their housing allowances. It has—just to give you two examples—26,000 soldiers going to Fort Bliss and Fort Sam Houston, and their families will not have dental clinics or youth centers, if this money isn't approved. Five thousand troops that are going to Fort Benning for training won't have barracks. So, this bill is full of military construction projects such as this, that are essential as we reallocate, as we relocate forces as part of the BRAC process. And so, it really becomes a serious problem.

Senator COCHRAN. In connection with the forces in Iraq, what progress is being made on the development of successful research for dealing with the improvised explosive devices challenge that we face? These remote-controlled explosive devices that have caused so much damage in the region?

DEALING WITH IMPROVISED EXPLOSIVE DEVICES

Secretary GATES. Let me take a crack at that first, and then ask General Pace to chime in.

First of all, there's $2.4 billion in this supplemental for IED research, that's on top of $2 billion that you've already approved in the enacted fiscal year 2007 appropriations.

I met with General Miegs last week for the first time, and I had the list in front of me of all of the different companies and universities where his organization has research going to try and find new ways of dealing with these IEDs. And I asked General Miegs, basically, one question: Do you have enough money? Are you pursuing every avenue that makes any sense at all? And he assured me, that with the enactment of the requests that we have made—both for the supplemental, and then for fiscal year 2008—that he has the resources that he needs to do this.

But, I will tell you, that one of the—no, not one of the—the most unpleasant aspects of my job is, every night, going home and handwriting notes to the families of those who have been killed in action. And, there's a sheet behind every one of those letters that tells me how they died. And about 70 percent of them are these IEDs. So, the whole Department of Defense is as highly motivated as an organization can be, to try and figure out a way to get around these.

But, the reality is, we face an agile and a smart adversary. And as soon as we find one way of trying to thwart their efforts, they find a new technology, or a new way of going about their business. But, I can assure you, this is a very high priority for us.

General Pace.

General PACE. Sure, if I may add to what the Secretary has already said. In addition to the technology, several other aspects of it, one is—literally every time one of these devices goes off, the team assessment is made, and the information is put into the worldwide IED network, so the troops training right now to go overseas in the future, have the information from the most recent tactics, techniques, and procedures of the enemy. We then adjust our own.

We look at the entire chain, starting with the ammunition. We've policed up 435,000 tons of ammunition from more than 15,000 locations in Iraq. So, just getting at the source of the explosives is part of the problem. Then, the factories where they're built, and the individuals who build them, and then the individuals who deliver them, and then the individuals who put them in place—so we go after the entire chain of events.

And, we've been successful at locating, now, just about a little bit better than one-half of those that are in place. And, thanks to the technologies involved, we have fewer and fewer casualties for the explosions that do take place, sir.

Senator COCHRAN. Thank you, Mr. Chairman.

Chairman BYRD. Thank you.

Senator Inouye.

Senator INOUYE. I thank you very much, Mr. Chairman.

Secretary Rice and Secretary Gates, the President of the United States, President Bush, requested over $22 billion for reconstruction funds, and the Congress responded by appropriating like amount.

Now, we hear that over $6 billion of that amount has been wasted, abused, stolen, et cetera, et cetera. What is the present status? Are these charges correct? And, if so, what are we doing about it?

IRAQ RELIEF AND RECONSTRUCTION FUND (IRRF)

Secretary RICE. Senator, I think there are several different elements here. In terms of the funding that was provided by the Congress under the Iraqi relief and reconstruction fund (IRRF), I think that there have been some problems with some particular contracts—a particular contract, for instance, for health clinics and health services—but I do not believe that there has been a claim of widespread abuse of the funding that was provided under the IRRF.

There has been a concern about some of the funding that was used through what was called the DFI, the Development Fund for Iraq that had a number of problems in terms of waste.

I believe that you will find, Senator, that—while it is true that some of the targets that were initially set for reconstruction out of the IRRF have not been met for a variety of reasons, having to do with the dilapidated infrastructure in Iraq, having to do with insurgent attacks, for instance, against the oil infrastructure and the gas pipelines—the monies have been spent as intended. Reconstruction funding has not always had as great an impact because of these other factors, but I do not believe that you will find an argument from the SIGIR, the special inspector general for Iraq reconstruction, that there has been widespread abuse of the Iraq reconstruction funding provided by the Congress.

There have been problems with the DFI, and there have been problems with some specific contracts relating to one company in particular.

Senator INOUYE. If I may interrupt. We have been advised that the inspector general has cited the number $6 billion, and the Army, through the Justice Department has already indicted people. So, are we suggesting there's no fraud or waste?

Secretary RICE. No fraud or waste concerning IRRF funds.

Senator INOUYE. Or corruption?

Secretary RICE. Senator, I will write an answer for you for the record, so that I can make certain that I am untangling the various elements of this. But, in terms of the Iraq reconstruction funding that was provided through the Congress, it is my understanding that there are some specific contracts—particularly relating to health clinics—that have been problematic, that, certainly, some of the targets have not been met concerning the reconstruction planning. A good deal of the Iraq reconstruction funding was actually redirected to security funding—about $5 billion was redirected to security funding. But, I will get an answer for you, for the record, Senator.

[The information follows:]

Secretary Rice has asked me to respond to the questions you asked her during her testimony before the Senate Subcommittee on Appropriations and Foreign Operations on February 27 concerning allegations that large amounts of United States Government reconstruction funds have been wasted or abused in Iraq. The Department of State takes oversight of foreign assistance funds very seriously, including the $20.9 billion Congress appropriated for the Iraq Relief and Reconstruction Fund (IRRF). Secretary Rice and other senior Department officials meet regularly with the Special Inspector General for Iraq Reconstruction (SIGIR) Stuart Bowen, and our staff works closely with investigators from SIGIR, GAO and the audit agencies of implementing agencies.

While we are aware of problems in managing some of the projects under IRRF, there have been no allegations to date of fraud or abuse with IRRF or other foreign assistance funds. Rather, questions have been raised with respect to the administration by the Coalition Provision Authority (CPA) of Iraqi funds from the Development Fund for Iraq (DFI) in 2003–04. SIGIR, for example, has questioned whether the Iraqi Government kept adequate records of $8.8 billion in Iraqi DFI funds which CPA transferred to Iraq in 2003. The GAO has also noted that up to $10 billion in Defense Department contracts awarded during CPA contained charges which were questioned or found to have been inflated by contractors. As the GAO has noted, some of these costs for contracts awarded by CPA have been recovered. SIGIR has also identified cases of fraud or abuse involving DFI money. We have worked closely with SIGIR and the Department of Justice to make sure that those responsible are brought to justice. The recent criminal convictions of Robert J. Stein, Jr. and Phillip Bloom are just two examples of the seriousness of U.S. efforts to fight corruption within the Iraq reconstruction effort.

Over the last three years, SIGIR has performed hundreds of audits throughout Iraq in all of the IRRF sectors. There have been instances when SIGIR has brought to our attention deficiencies in IRRF project management or problems with contractors. In these instances, we have acted quickly to correct the problems that SIGIR identified and put changes in place to make sure that these problems are not repeated. However, as Mr. Bowen has repeatedly highlighted, fraud and abuse have played a very small role in American reconstruction efforts in Iraq. His concern—and ours—is more focused on the issue of waste. We are aware that Special Inspector Bowen has estimated in oral testimony that 10–15 percent of IRRF II funds may have been "wasted". However, we understand that neither SIGIR nor GAO has ever issued a forensic audit report on this issue, and we understand that Special Inspector Bowen has made the point that any estimate on this subject depends on the parameters defining "waste". Mr. Bowen has also noted in testimony before Congress and in public interviews that most IRRF projects are completed on time and as planned.

We are working hard to ensure that U.S. tax dollars appropriated for Iraq are used to the greatest benefit of the Iraqi people. Despite this, we did not meet all of our original reconstruction goals for a variety of reasons, most importantly security. Insurgent attacks on critical infrastructure prompted us to shift $2 billion from water projects in 2004 to increase support for the Iraqi Security Forces and police training to $5 billion under IRRF. In addition, reconstruction projects in several sectors have faced higher than expected security costs and construction delays, which have accounted for between 16–22 percent of the cost of reconstruction contracts executed over the last two years. Security costs for training and technical assistance programs have been lower, averaging less than 10 percent. We have taken steps to address this issue by shifting construction contracts away from expensive foreign de-

sign build contractors towards Iraqi contractors who often are better able to resolve security issues and are less expensive. We are also winding down our reconstruction programs and expect to finish most by the end of 2007.

The Department of State will continue to work closely with SIGIR and other auditors, including the Government Accountability Office and the State Department Office of the Inspector General, to maintain the highest standards of oversight and accountability for all of our operations in Iraq.

IRAQI SECURITY FORCES

Senator INOUYE. Thank you very much.

Secretary Gates, do you have any response?

Secretary GATES. This is not an area, frankly, because it involved the past, that I've spent any time on. The only comment that I would make was that when I was in Baghdad with the Baker-Hamilton Group, one of the discussions that we had was how much money had been spent out of those emergency reconstruction funds for security, because the projects that were underway were at risk from attacks, but that's about the only contribution I can make on this discussion.

Senator INOUYE. General Pace, in all of our debates on Capitol Hill, involving withdrawal from southwest Asia the subject of the Iraqi security forces comes up. Those who are not too keen about withdrawal cite that, "Well, they're not ready to take over."

We have expended over $10 billion to equip and train the Iraqi army and police forces. How would you rate them at this moment?

General PACE. Sir, they are good for the most part, getting better. Their military is much better than their police. We started training their police a couple of years ago, when we started training their military. Their military battalions, about 10 are conducting independent operations as we sit here. Another 82, at the last count, were in charge of their own territories. Another 20 some-odd were working side-by-side with coalition forces, and a number in the teens were still in the process of doing some final training. So, the Iraqi military is coming on very well.

Examples: About 3 weeks ago, now, in Haifa Street in Baghdad, against Sunni insurgents, the Iraqi army did extremely well. They needed assistance from the coalition with regard to air strikes. But we——

Senator INOUYE. Your response is that they're coming along very well. When will they be ready to replace our forces?

General PACE. Sir, I cannot pick a precise moment in time. By the end of this year, we should have a significant portion of the country turned over to Iraqi provincial, Iraqi military, and Iraqi police control. But to put a precise dot on the map, sir—or on the calendar—I could not do that. But, we should have significant turnover this year.

Senator INOUYE. Secretary Rice, we always are reminded that the leaders of Iraq want us there. How would you rate the sentiment of the people of Iraq, do they want us there?

SUPPORT OF USG FROM IRAQI PEOPLE

Secretary RICE. Well, Senator, I am myself rather skeptical of polls that are taken among the Iraqi people. I am myself a social scientist; I want to know exactly how the public opinion survey question was asked and was answered. I know that in both the

council of representatives, and in the leadership, which, after all, are the people who were elected to represent the Iraqi people, there has been widespread support for our mission because the leaders understand, and many in the council of representatives understand, that Iraq is not yet ready to carry out its own security functions without our help.

I will say that, I think just like any country in the world, and particularly a proud culture and people like the Iraqis, they would prefer to be able to do these things on their own. Sometimes one will get readings from the Iraqi population that they look forward to the day that it is really Iraqi forces that are carrying out the security missions, and when the multi-national forces are not needed to do the kinds of functions that they are now. I think that's a natural outcome of a very proud people, and a people who don't particularly want foreign forces on their soil. But, I think there is an understanding that we are providing, now, essential security functions that they cannot provide on their own, and that among those Iraqis with whom we speak, the leadership and the great majority of the council of representatives, there is respect for that mission.

Senator INOUYE. Did the proud Iraqi people ask us to get rid of Saddam Hussein?

Secretary RICE. Senator, I do not think they were in any position to ask us to get rid of Saddam Hussein. This was a thoroughly brutal regime that did not allow any expression of discontent.

Senator INOUYE. Thank you very much.

Chairman BYRD. Thank you, Senator.

Senator Specter.

Senator SPECTER. Thank you, Mr. Chairman.

At the outset, I thank you, Secretary Rice, Secretary Gates, and General Pace, for your service. I'm pleased to see Madam Secretary. Your announcement today on a conference involving Iraq's neighbors, where the United States will participate, Syria will participate, and Iran will participate. I think that is very important in evaluating or moving ahead with congressional willingness to fund what you are requesting, because of the widespread sentiment in Congress that a resolution of the Iraqi issue will require diplomacy—in conjunction, perhaps, with military force—but that diplomacy is an indispensable element, so that is a good development.

I compliment the administration, the President, and you, Madam Secretary, for the progress—which, at least appears—to have been made on diffusing the North Korean threat, and that has been accomplished through diplomacy—multilateral—but I note a Washington Post report, recently, February 20, saying that you had authorized your chief negotiator, Christopher Hill, at one point to have one-on-one negotiations with the North Koreans. I note you nodding in the affirmative that that was true—that is true? The one-on-one? Yes.

It would be my hope, as you know from our correspondence in the past, and our discussions, that there would be more intense one-on-one negotiations with the Iranians and the Syrians. I know there are differences of—I know the administration has a different opinion—but it is my, has been my experience that when we talk one-on-one to other countries that there is an element of respect

and dignity which goes a long way toward trying to reach some understanding. And, we know that President Reagan called the Soviet Union "The Evil Empire," and then shortly thereafter had negotiations. And the most famous illustration is President Nixon going to China, he's really an example, if that can be done, that's the way to do it.

And, I would like to inquire about the reports of an initiative, so-called, by Iran back in 2003. And, I wrote to you, by letter dated February 19, to ask you about that, and the reports were that there was a writing from Iran. And, members of the National—or employees of the National Security Council—have reported that it was seen by the National Security Council, you were the Chief, of course, at that time. And you made a statement, or at least quoted in the press, that if there had been any paper which included the recognition of Israel, you certainly would have remembered that.

I'm advised that the paper did not have any reference to Israel, but my question to you is, did you ever know about a writing back, contemporaneously in 2003, where the Iranians sought to have one-on-one discussions with the United States?

IRAQI NEIGHBORS MEETING

Secretary RICE. Thank you, Senator.

If I may say, first, thank you very much in terms of the meeting that we will attend with Iraq and Iraqi's neighbors. I should note that Iraq has invited the Syrians and the Iranians—I do not know if either country has accepted—but we certainly will be there. I want to thank you and others, we have had conversations with about the importance of doing this. We have listened, and I want you to know that.

BILATERAL RELATIONS WITH IRAN

I want to—on the issue of what happened in 2003—Senator, I simply do not remember ever seeing a paper of the kind that I have seen described in the press. There was, apparently, a fax that came to the Department of State. I think that some who were at the Department of State have described that paper, and that perhaps its parentage was even unclear at the time, because it was not clear whether it was from the Iranian government or not. I think that Deputy Secretary of State Armitage has talked about this openly with the press——

Senator SPECTER. But in any event, you didn't——

Secretary RICE [continuing]. But I do not, I do not remember seeing a paper—let me be very clear. There were, obviously, a number of people who wanted us to talk to the Iranians, to reach out to the Iranians, who suggested that we try to do that, or that the Iranians might wish to have contact, but Senator, I just do not ever remember seeing a paper of that kind. I am not saying that a paper did not come to the government some place, but I don't ever remember seeing it.

Senator SPECTER. Okay, that's 2003, this is 2007. If there will be a conference which you will attend, the United States will attend, I had a chance to talk to President Bashir Assad in December—as I told you in our lengthy conversation—and he's looking for such a conference, a proposed one in Damascus.

I have had a chance the past 2 weeks to talk to the Iranian Ambassador to the United Nations, and while he does not speak for his government, my instinct is they, too, will be willing to attend. So, I think that's a very significant step forward.

MILITARY ACTION AGAINST IRAN

Secretary Gates, would you agree that congressional authorization would be required before the United States initiates any military action into Iran?

Secretary GATES. I think I'd have to defer to the constitutional lawyers on that, Senator.

Senator SPECTER. I'd like for you to, as well. Senator Leahy and I wrote to the constitutional lawyer, the Attorney General of the United States, several weeks ago, January 30—we're embarking on some very difficult——

Senator LEAHY. We also had a hearing in Judiciary on this matter, as you know. But, the Attorney General does not answer such questions.

Senator SPECTER. Mr. Chairman, will you take that time from Senator Leahy?

Secretary Gates, we're embarking on some very difficult areas here. Congress can't pass a law which trumps the President's constitutional authority as Commander-in-Chief. We do have constitutional authority under the appropriations power—the so-called power of the purse. I've studied the issue, and discussed with the chairman of the Judiciary Committee hearings, and I believe that Congress does not have the authority to micro-manage the war—constitutional authority as a legal matter, or as a practical matter. But the issue of conditioning is very tricky, with legislation which was passed in 1974 when Vietnam was winding down, and Congress passed legislation saying that there could be no more than 4,000 troops in 6 months, no more than 3,000 in 1 year.

But, we need to have an expression from the administration. It would be my hope that as Secretary of Defense, you would be in a position to say—because of the obvious constitutional issues involved—that the President cannot initiate military action in Iran without congressional authority. But, I'll pursue the matter with the Attorney General.

Thank you, Mr. Chairman.

Chairman BYRD. Senator Leahy.

Senator LEAHY. Of course we had a hearing on the matter the Senator from Pennsylvania has raised. In your answer to Senator Inouye, Secretary Rice, I want you to know there has been waste and theft of IRRF funds—not just Iraqi funds—but money that this committee appropriated, this Congress voted for and sent over there. The special investigator found that.

You also said that it's unfair that you have to fight on defense all the time. I agree with you. The fact is, of course, your administration, after we were hit on 9/11, obviously your attention was focused to it, it did happen on your watch, and we went on offense. The Congress solidly backed going after Osama bin Laden.

I think we've been on defense ever since, because instead of getting Osama bin Laden when we had him cornered, the President decided we had to go into Iraq, hit Saddam Hussein who had abso-

lutely nothing to do with 9/11, and we've been on defense ever since.

Secretary Gates—we've heard time and again—that if we disagree with the administration's policy in Iraq we don't support the troops. We hear it from the Vice President, we heard it in the midterm elections—I've never heard it from you, sir. But, I suspect when we debate this supplemental, those of us who will question the administration's policy in Iraq will hear it again.

As a father of a former marine, I'm tired of it. I think it's beneath a country that has always cherished the right to disagree, it's one of the things we fight for in this country. We ought to talk about what's right for the troops. Senators on both sides of the aisle have asked for proper armor for them, for proper training for them—they didn't get either before they were sent into Iraq—some are still not getting proper armor. And was it right to subject them to substandard conditions at Walter Reed Hospital? And to a bureaucratic nightmare that's reminiscent of a Kafka novel?

I appreciate the way you've responded to the Walter Reed scandal, I told you that already and I want to make sure people understand—I was glad to see you speak out, I was glad to see General Cody speak out about the bureaucratic mumbo-jumbo of how great those conditions were. Neither you nor I would want a member of our family to be put in such a situation, and we would hope that a member of our family would never be so badly wounded.

Our soldiers are returning with serious mental illnesses, and not getting the help—and serious physical illnesses, not getting the help they need. We have alarming rates of domestic abuse, of divorce, we have families destroyed by it.

The Vice President doesn't mention this when he says, "We're winning in Iraq." He says we're winning because Saddam Hussein is dead. Iraq has a new constitution. He says nothing about the catastrophe we've unleashed on the Iraqi people, and nobody wants to talk about the fact that, when the Congress—Democratic members and Republican members—said "Go get Osama bin Laden," this administration dropped the ball.

I don't think that the fighting in Iraq today bears any resemblance to the war that Congress authorized, or that our soldiers were trained for. I don't think we need to spend another $80 billion to keep our troops bogged down in Iraq.

HOW LONG WILL SUCCESS IN IRAQ TAKE?

If we're going to have a pro-American, democratic government there, how long will it take? How much money? How many more of these huge supplementals, how long are we going to have to do this?

Secretary GATES. Senator, the honest answer to your question is, I don't know. The circumstances are obviously determined by the conditions on the ground. We have a new commander in Iraq. I think those of you who have been there, and visited with General Petraeus and with General Odierno have been impressed by what they're doing, and the progress that they're beginning to make.

You know, I think that we all share—with all of the heated debate, the reality is—I think nearly all of us are trying to do the right thing for America. Certainly, everybody here in the Congress.

And trying to do what we think is best, in the best national security interest of this country. And that is—how do we avoid chaos in Iraq, and at the same time, bring about conditions in Iraq that allow us—at some point—to bring our troops home? That's what we're really all engaged in. We're all patriots in considering this question, and we all have the best interests of the troops, as well as our country, in mind. And, I think sometimes folks on the outside lose sight of that general view, that is held across the political spectrum.

Senator LEAHY. Unfortunately, some of the people on the inside lose sight of it, too. I look at some of the things that were said during the campaign—you weren't Secretary of Defense then—but during the mid-year campaigns, I think that's one of the reasons why the control of the Congress changed. I think people were so turned off because they know loyal Americans—they know we want our people back. You have a small minority of the Sunnis, power was taken from them, was given to an aggrieved majority—and they had real grievances, but bent on revenge.

I don't know how you stop this. A Vermonter wrote me to suggest that since we're spending $1 billion a week over there, why don't we just get out, let them settle their differences, and when they do, we'll send them $1 billion a week to fix things back up. I know you're not going to do that, but in some ways, that makes more sense, especially to the families of the marines, to the soldiers and airmen that are over there.

FIXING WALTER REED

How long would you say it will take to fix up things at Walter Reed? There's 16 different databases that soldiers out there deal with—how long is that going to take?

Secretary GATES. Those are the kinds of questions that I've asked the outside study group that I've appointed to review within 45 days. We're not waiting on that. There are really two separate problems, it seems to me. The first—and frankly, the easiest—to resolve is the physical facilities, Building 18, and so on. And they've moved on that, I visited Building 18 on Friday, and a lot of the repairs have been made. The truth is, it's not a great building, even once the repairs are made. And, I think some of our senior military leaders who have toured that building feel the same way. The Vice Chairman of the Joint Chiefs of Staff was with me, and wasn't too pleased, I might say.

The larger problem—I'd say there are two other problems. One is the caseload for a lot of those working with outpatients—and they are, frankly, just overwhelmed. And, we've got some very dedicated people out there at Walter Reed, but when you have 130 patients you're taking care of, instead of 20 patients—it's like a student/faculty ratio, either it's going to be good or it's going to be terrible. And, so you have dedicated people who are overwhelmed. So, that's a second area that needs to be addressed; along with that, a lot of the administrative problems and bureaucracy that some of these outpatient soldiers have had to encounter, and try and deal with.

I think the third level that needs to be dealt with are some of the deeper questions about the length of time in evaluation of some

of these soldiers, and then the handoff to the Department of Veterans Affairs (VA), and how that all happens, and what happens when they get home, and so on. And, I think all of those issues need to be addressed.

We're trying to tackle the first two of those right away. We just have had, I think, an inspector general report from the Department of Defense on some of these evaluations, and ways to go about correcting that. But, I expect a comprehensive approach to dealing with this to be in the recommendations of this outside group.

Senator LEAHY. Thank you, Mr. Chairman.

And Mr. Secretary, I'll say again what I told you earlier, privately. I'm so glad that you went out there and spoke out. You deserve high praise for doing that. Because, to tell you the truth, there's a lot of CYA going on out there, and I think right now, they're probably a lot more focused than they were before the Secretary of Defense, and the Chairman of the Joint Chiefs—Vice Chairman of the Joint Chiefs and others showed up there, so thank you for that.

Secretary GATES. I will tell you, Senator, that they are very focused right now.

Senator LEAHY. I'll bet they are.

Chairman BYRD. Thank you, Senator Leahy.

Senator Shelby.

Senator SHELBY. Thank you.

It seems to me that we're at a crunch time, Mr. Secretary, as far as Iraq is concerned. And that a lot—a lot—depends on the surge.

I had a nice conversation with General Petraeus. He seemed to be confident of what he could do with the extra troops. I hope he's right. I support the troops. I support this supplemental, you know. We might tweak it some way, I don't know, but we'll look at it.

But, it's late in the game. Mr. Secretary, do you—and then General Pace—do you share the confidence that General Petraeus seems to have—at least he had when he was here with us, before he went back over there—in the success, possible success, of the surge?

Secretary GATES. I have a lot of confidence, Senator, in General Petraeus, and his team, and in our soldiers. I think, critical to the success of the surge is the Iraqis stepping up to the plate, fulfilling their commitments, taking the lead, as they have said, and also going forward with their political reconciliation. All of those things have to happen for this to work.

We will begin—the three of us—will begin briefing the entire Senate, and the entire House, Thursday afternoon, in closed session, to begin giving you a status report of where we stand against the benchmarks, against the commitments that have been made—both by our Government, and by the Iraqis.

But, the direct answer to your question is—I have every confidence in our troops and in our generals. I am watching to see how the Iraqis perform. So far, so good.

Senator SHELBY. General Pace.

SECURITY

General PACE. Sir, I have confidence in a three-pronged surge. Prong number one, is security. Prong number two is, good govern-

ance. Prong number three is, economics that gets jobs, and gets the young men off the street. No number of troops—whether it be 20,000 or 100,000—will make a long-term difference. However, without the additional security, good governance and economics won't have a chance. But, with the additional security, we must have good governance, we must have economic progress, otherwise, the security in and of itself will not turn the tide.

Senator SHELBY. It seems to me from what I've read and known and been briefed on from time to time, that the militias seem to be out recruiting the Iraqi national army, and seem to be, at times, a lot more effective. How big a challenge is this, and what can you do about it? What can they do about it, with our possible help? "They" being the national army?

General PACE. Sir, I think success begets success, and begets good recruiting. And, the young Iraqis are going to hedge their bets. And, if they think that there's weakness on our part, or the Iraqi government's part, they're going to be more tend toward home-grown militias that will protect their neighborhoods. But, if they see that we're all in this together, and that we're going to be doing all three parts of what I said, and they start seeing successes, then I believe they will throw their lot with the national government.

Senator SHELBY. It's March the first coming up in a day or so. Do you believe, Mr. Secretary—Secretary Gates—that 7 or 8 months from now that we will know one way or the other if we're making real progress in Iraq? Both economically, militarily, and the training of the Iraqi army? I don't think you have too much time. I'm just trying—I'm not putting a deadline on it—I'm just throwing that out, because, I think that's—will be another crunch time.

Secretary GATES. Senator, let me offer a comment, and ask General Pace to correct me if I've got my facts wrong.

I think General Petraeus believes that he will have a pretty good idea whether this surge and whether this strategy is working probably by early summer. And, I think—as I've told the Armed Services Committee—we will know pretty quickly, and we'll be able to give you some information on this on Thursday—whether the Iraqis are keeping their military and security commitments that they've made to us. Are they showing up? Are they showing up in the right numbers? And so on, and so forth. Are they being able to move without political interference?

The political side, we're—as Secretary Rice indicated—we're seeing some progress there. And we may be able to see more in a relatively short period of time. The economic side of it, the "build" part of clear, hold and build, is probably the one where we will have—that will take a little more time, in terms of whether the Iraqis are spending their own money, and whether we are providing the conditions—along with the Iraqi army—with our support, are providing the conditions in which they—as General Pace says—can begin to put young men back to work, and begin to get them off the streets. It's surprising the information that you get, and the intelligence about the number of these people that are involved in this fight that are doing it because they got paid $100. Not because they were committed.

Senator SHELBY. Secretary, why over the time—I know you haven't been in this post that long—but why have we, the Government, all of us, let the militias flourish for 2 or 3 years? It seems like, gosh, nothing was done, you know. They're powerful forces in their own right. And could be helpful, or could be an obstacle, of what we're trying to do. Do you want to speak to that? Or Secretary Rice?

IRAQ SECTARIAN VIOLENCE MILITIAS

Secretary RICE. Well, I think, Senator, we have known that the militias were going to be a problem for quite some time. But, the——

Senator SHELBY. But what did you do about it?

Secretary RICE. Well, frankly, they were entangled in Iraqi politics in ways that made it very difficult to do anything about them. The Iraqis did, finally, have a law at the time of the CPA, to disband the militias. But, frankly, the political circumstances, and then the growth in violence, meant that people relied on the militias, and it was very difficult to disentangle them.

I think we will start to see, now, that these militias will begin to disentangle as the security forces are able to provide that security.

Senator SHELBY. Madam Secretary, are you confident, or are you just hopeful—we're all hopeful—about your diplomatic initiatives, that they will bear fruit? Sometimes diplomatic initiatives bear fruit after you've had military success, and you bring some stability there. What do you think?

Secretary RICE. Senator, I do think that success is—success on the ground—is going to help us diplomatically.

Senator SHELBY. And politically.

Secretary RICE. Because, frankly, some of the neighbors are hedging their bets and keeping their options open, and to the degree that the Maliki government shows that it is capable of supporting its own security strategy with a political strategy that brings the national reconciliation into place, that shows that it is going to be even-handed between Sunnis and Shia—it is going to be much easier to make the neighbors more positive forces. But, it is important to get the work started with them. We have already begun that work with some of them, and we hope that other neighbors of theirs that have been less helpful, will try to be more helpful in the future.

Senator SHELBY. I think time's of the essence.

Mr. Chairman, thank you for your indulgence.

Chairman BYRD. Senator Harkin.

Senator HARKIN. Mr. Chairman, thank you.

Madam Secretary, this is just a question that occurred to me. Has a decision been made at the highest levels of this administration, that we're going to turn over Iraq to the Shiites?

Secretary RICE. No, Senator.

Senator HARKIN. Well, I just heard General Pace say that by the end of this year we're going to have better security and that we might be able to turn things over. I noticed that the President also has asked for 7,000 or more additional visas for Iraqis—are these Sunnis? Do you know that? Or can you speak to that?

IRAQI REFUGEE ADMISSIONS

Secretary RICE. Senator, you are referring to the 7,000 refugee——

Senator HARKIN. Yeah.

Secretary RICE [continuing]. Positions? They will be processed without regard to their ethnic—or their sectarian—identification.

Senator HARKIN. So, no decision has been made that, basically, after this surge, and after things quiet down, that basically we start withdrawing our forces, and the Shiites will simply run the country?

IRAQ NATIONAL RECONCILIATION

Secretary RICE. Senator, we have had quite the opposite policy. Which is, that Iraq has to be an Iraq for all Iraqis, that is why we have been so insistent on national reconciliation efforts, on de-Ba'athification laws that would allow Sunnis to participate more fully in the country. We have had a strong Sunni outreach element in our policies—it is true that Shia are the majority in the country. But, we have been the strongest proponents—certainly in the international community—of a unified Iraq that is for all Iraqis.

Senator HARKIN. You made the statement, Madam Secretary, that al-Qaeda is the greatest threat to the U.S. homeland. How many—you just said that, just a few minutes ago.

AL-QAEDA

Secretary RICE. Yes, as a terrorist organization, I think that al-Qaeda—given their record on September 11—is the terrorist organization that most people believe is most likely to try to attack us again.

Senator HARKIN. Oh, I see. You're just putting it in the context of a terrorist group.

Secretary RICE. Yes.

Senator HARKIN. Not in the terms of comparing it to North Korea, or to China, or to Russia, that has several thousand nuclear-tipped missiles—you're not comparing it there, are you?

Secretary RICE. Well, Senator, frankly I think—I should probably let Bob speak to this—but we have been in a nuclear standoff with Russia for a very long time. And, even though in an aggregate sense, I guess, it is a greater threat, the underlying political dynamic with Russia is one that, I think, you would not consider Russia the kind of threat to our homeland that I would consider al-Qaeda.

Senator HARKIN. Well, it just occurred to me, you know, that we don't even—how many members of al-Qaeda are there? Who is their leader, where is their headquarters? I'd ask Secretary Gates—how many ships do they have? How many aircraft do they have? How many tanks do they have? How many armored personnel carriers do they have? And again, here, that's what we're fighting them with. And it just seems to me the wrong response to terrorism, to be trying to fight that kind of war, when they don't have any missiles, or tanks, or armored personnel carriers, and we're throwing all of that stuff at them.

Well, anyway, I just make that point to say that that's why I think that this war is the wrong war, in the wrong place, at the wrong time, against the wrong enemy. But, that's just my feeling, and I just, I just say I do not think that compared to the threat that Russia would be, in case it turns on a dime—which it could—or China.

I see Parade magazine had a list of the worst dictators in the world, a couple of weeks ago, number five, the head of China. Well, that's interesting. With all the power that they have. China is now putting into the ocean right now, I think, one nuclear sub every—every 6 weeks. Let me think about that, every—about every 9 weeks they're putting a new sub in the water, and they're going to do that over the next 9 years. You know, these are—these are really potential threats to our country.

But, again, I have a—that's why I think, you know, we are wasting our resources, wasting our resources. Quite frankly, I think, abusing our military by throwing them at this enemy in Iraq, when we're going to need our military, I think, for other things down the road. And, I'd hate to see it undermined by fighting this wrong war, at the wrong place, at the wrong time, against the wrong enemy.

But, let me just move on to protecting our troops. Right now, we have another, what, five brigades going to Iraq? Part of the recent escalation? It's estimated that there's a shortage of about 4,000 up-armor kits, called FRAG Kit Five—I don't know that all particularly—but estimated that over 2,000 Humvees in urgent need of up-armoring—why? Mr. Secretary, why? Why are we sending all of these troops over there, and yet we haven't upgraded the Humvees themselves? It seems to me, you're talking about the IEDs, and the roadside bombs, and yet, we can't even provide the armor-plating for the Humvees before we send them over there. It seems to me the wrong order of things.

Secretary GATES. Senator, let me ask General Pace to address that.

ARMORED VEHICLES

General PACE. Senator, we started this war with about 214 up-armored Humvees in the entire United States military. Since that time, thanks to Congress, we now have 43,000 plus, armored vehicles in Iraq. As we have learned—and as our industry has been able to provide new technologies, we have been able to provide that protection to our troops. We now have every single troop, who leaves the base in Iraq, inside of level one protection, armored vehicles, thanks to the funding of the Congress.

And, what's happening is, as technology—our industries are able to produce better protective plates for the chest, as they provide better protective armor for the vehicles, it comes forward, we test it, we come to Congress for funding, you provide the funding, and the industry produces it as fast as possible.

Senator HARKIN. General, excuse me for interrupting, but are we short 4,000 up-armor kits, or not? For Humvees? Do we know that, or—if you don't know that off-hand, just let me know, will you? I mean, if you don't know that off the top of your head.

General PACE. There are, at least, 4,000 more kits to be produced by industry, to be able to continue to swap out what used to—what yesterday was best armor—for what today is best armor. But, for the troops leaving the bases, every single troop that leaves a base in Iraq is in the very best armor we have today, the kind that's being produced for the rest of the fleet.

Senator HARKIN. So that, 2,000 Humvees—the information I have—are not in urgent need of up-armoring. Well, that's interesting to know.

General PACE. Sir, they are—I don't want to misspeak. We do need those vehicles, you are funding those vehicles if you vote for this bill, but what I need to assure you—and especially to the moms and dads out there—is that PVC Pace, when he leaves the base, is inside the very best vehicle we have, thanks to your funding.

Senator HARKIN. Last question, Madam Secretary, we had—the Congress insisted that we have Government Accountability Office (GAO) auditors—Government auditors—in Iraq. The DOD has confirmed support for GAO's request, as of February 20, 2007, but the State Department continues to delay GAO's request to establish a continuing presence. Is the State Department supportive of the GAO's request to establish sustained oversight in Baghdad?

GOVERNMENT ACCOUNTABILITY OFFICE PRESENCE IN IRAQ

Secretary RICE. Senator, I am unaware of that request. We do have, of course, an extensive auditing operation in Iraq, which is the special inspector general for Iraq reconstruction, known as SIGIR.

Senator HARKIN. I know that.

Secretary RICE. But, I will get back to you on the GAO.

Senator HARKIN. This is the GAO request.

Secretary RICE. Let me——

Senator HARKIN. DOD has already acceded to it, but State hasn't.

Secretary RICE. I will have to see why that is, Senator.

Senator HARKIN. I appreciate that. Thanks, Madam Secretary.

[The information follows:]

The Department of State welcomes the work and recommendations of the GAO and fully supports short, focused temporary duty (TDY) trips by GAO staff to Iraq. The security environment and resource and logistical issues in Baghdad at present make accommodating the GAO requests to conduct longer-term visits a serious challenge to mission resources.

The GAO's most recent request is for a three-month TDY visit by three GAO personnel, each of whom would require lodging, extensive support services, security, computers, and other administrative support, as well as the attention of our staff in Baghdad in responding to their requests and inquiries. We have spoken with our colleagues in the Iraq Planning section in the Office of the Secretary of Defense and they informed us that they have neither approved the GAO's request for a three-month stay nor received such a request in writing.

Given logistical constraints (primarily housing) and the security situation, the Embassy must carefully review all requests for official visits to Iraq, regardless of agency. In order to obtain a full understanding of the GAO's request, we sought additional information from the GAO to gain a better sense of the goals of the proposed visit and the specific support requirements needed.

After a thorough review, we are prepared to approve a two-week TDY visit by GAO staff. Embassy Baghdad advises us that they have made the necessary facilities and services available and that they can support the GAO's presence for this period, although this will place considerable burden on Embassy staff and resources.

In addition, our ability to approve requests for future long-term visits will continue to be severely constrained in our current location in the Green Zone, as well as when the Embassy moves to the New Embassy Compound (NEC) later this year.

Chairman BYRD. Senator Alexander.

Senator ALEXANDER. Thank you, Mr. Chairman.

Mr. Gates, you mentioned a little—thanks to each of you for your service, and your testimony. You mentioned a little earlier, the Baker-Hamilton report—you were a member of that bipartisan group, were you not?

Secretary GATES. Up until that happy day when I was nominated for this job, Senator.

Senator ALEXANDER. But that group was a very distinguished group, if I'm not—it included President Reagan's former Attorney General Ed Meese, it included President Clinton's Secretary of Defense, it included two of the former President Bush's Secretaries of State. And based upon, I'm looking at the report—it looks like it met March 15, 2006—when was your last meeting with the group, do you recall?

Secretary GATES. My last meeting was—well, I resigned from the group on November 9, or the 10th—and I think they held their first meeting to consider recommendations the following Monday.

Senator ALEXANDER. The following 13—so, you were able to meet with them in March and April and May and June and August and——

Secretary GATES. I went through the whole educational process.

Senator ALEXANDER [continuing]. On to Baghdad. And, the question—my question is this: As I recall, the report came out in December, something like that. And almost immediately, it got put on the shelf. One Senator said, "It's a recipe for defeat," a bunch of other Senators said, "We need to get out quicker," and despite the fact that there were nine meetings—one of the most distinguished groups put together in a while—9 months of study, the report—it seemed to me to disappear. And I didn't hear much about it.

But, as I've listened to the testimony today, and read the newspapers, it seems to me that almost everything in the report is on the path, at least, that seems to be consistent with what the administration is doing.

BAKER-HAMILTON REPORT

So, I wondered if—based upon your familiarity now with the administration's path, and your familiarity then with the Baker-Hamilton report—can you say to me what the differences are, between the recommendations of the Baker-Hamilton report, and the administration's way forward in Iraq?

Secretary GATES. Well, my copy of the report's pretty dog-eared, and I would tell you that I think that—and I think Secretary Rice would confirm this—that from the time the report came out, members of the administration were looking to it, and looking to ways where we felt informed by the recommendations, and some of the recommendations have been put into place exactly as they were made. Some of the recommendations have been modified somewhat, and some of the recommendations have ended up being sequenced differently.

But, I think that there is a substantial degree of, substantial embrace of the Baker-Hamilton report, and many of the recommendations in it—if not in exactly the same pacing, or exactly the same way as the Baker-Hamilton report came out.

But I think that, first of all, when you have 79 recommendations—it gets down to a pretty specific level of detail. But, I think in some important ways—in many important ways—that the direction the administration is headed, and I would say a propos of Secretary Rice's comments earlier, our participation in a conference involving Syria and Iran gets to the last major piece of Baker-Hamilton that had not been implemented in some measure.

Senator ALEXANDER. Secretary Rice, may I ask you to comment on that? How—there are a lot of recommendations in the Iraq Study Group, but the executive summary is pretty short, and pretty much to the point. Is it fair to say that the path that the administration is on is consistent with the recommendations of the Iraq Study Group?

IRAQ STUDY GROUP RECOMMENDATIONS

Secretary RICE. I think, certainly, in large part they are consistent. I think that it was provided, for instance, that a surge of some kind might be useful, if it were targeted to specific requirements, specific goals. Obviously, on the diplomatic front, the recommendation that Iraq be put into a regional context, I think, is very important.

We have not done it, always, in exactly the way that the recommendations would suggest. For instance, we concentrated first on the countries that have been most supportive of our policies in the Middle East, but now broadening that out to an international meeting. So yes, I think that, for the most part, they are quite consistent.

Senator ALEXANDER. In the executive summary, it says, "The primary mission of United States forces in Iraq should evolve to one of supporting the Iraqi army, which would take over primary responsibility for combat operations by the first quarter of 2008. Subjected to unexpected developments, all combat brigades not necessary for force protection could be out of Iraq. At that time, U.S. combat forces in Iraq could be deployed only in units embedded with Iraqi forces, and rapid reaction, and special operation teams in training, equipping, advising, force protection, search and rescue, et cetera.

It is clear that the Iraqi government will need assistance from the United States for some time to come—especially when carrying out security responsibilities. Is that path consistent with the path that the administration is on? Secretary Gates, or—it seems to me it is, and maybe this is—the President has a prerogative of his own tactics—but then, if that's the case why did the President not invite, in January, in the State of the Union Address, Ed Meese and Vernon Jordan, and Secretary Perry, and Secretary Baker to sit in the State of the Union Address? And say to the people of this country that this distinguished bipartisan group believes we have a long-term interest in Iraq, but we need to get our troops out of the combat business, and into the support business as soon as we can, that we need to engage diplomatically, that we may have to have

a short-term surge, but by the first quarter of 2008, all combat forces not necessary for force protection could be out of Iraq, except for those on the border, and except for those going after al-Qaeda. Why wouldn't that have been a way to invite the country to join the President in a path forward that could have united us in a way forward in Iraq? Rather than backing into a consistent, some consistency with the Iraq Study Group? Can either of you speak to that?

Secretary GATES. I don't know the answer to that question, Senator.

Senator ALEXANDER. Secretary Rice, you've been with the administration. I'm—it's not a——

Secretary RICE. I understand. I understand the question.

I think the President felt that it was important to lay out a path forward for the country. Obviously, many of the elements of that path are consistent with Baker-Hamilton. I think it's also the case that he took advice from a lot of other places, and a lot of other people, including from some key allies, and put together, then, a path forward.

But, I believe—if I remember correctly, his speech from January in which he spoke to the country—that he did credit Baker-Hamilton as one of those most important sources for support.

Senator ALEXANDER. Well, he mentioned it, but my point is—and I won't belabor it—I think he missed an opportunity to do what we need as much as anything else in this exercise, which is to increase popular support for a long-term interest of the United States in Iraq. And it would have to be on different—it would have to be on different terms.

Thank you very much, Mr. Chairman.

Chairman BYRD. Thank you.

Senator Mikulski.

Senator MIKULSKI. Thank you, Mr. Chairman.

To Madam Secretary, Mr. Secretary, to General Pace, we're glad to see you. Particularly, Mr. Gates, I want to thank you for just being here, and engaging in a very civil and candid conversation. We haven't usually had that from the Secretary of Defense.

So, let me get right to the point, and I'd mentioned to you it earlier. It goes to the support of the troops, and the support of the troops—not only there—but as they come home, and the medical care.

Like you, I was absolutely shocked about the Washington Post articles describing the squalid conditions that our out-patients were finding themselves living in, and the broken down system of casework, out-patient appointment-keeping, and so on.

I want to thank you for going, personally, to Secretary Harvey, and to General Cody for your immediate and swift—and I believe—compassionate response.

Twenty-two thousand of our military wear Purple Hearts—22,000. Now, that's a tribute to our acute care. I think everyone would, just has to give kudos from the Army medics, the military medics in the battlefield, all the way through the doctors and nurses, to Germany, back to Walter Reed, in Baghdad. How are you—and ward 57, that we've all visited. So, I believe that our acute care is absolutely working, and is stunning. But, there seems

to be a complete breakdown when it comes to outpatient care, and both—and the follow-up that our military needs.

Now, what it seems to be, is that our troops faced one enemy in Baghdad, and then a bureaucratic enemy. Maybe you didn't see, but over the weekend there was another Washington Post article called, "Twice Wounded," about one of our military—tracing the case of our military dealing with the disability benefit quagmire, where the disability benefit, it seems to people, seem to be in an adversarial relationship with our soldiers.

This week's Newsweek has a front-page feature thing called, "Failing Our Wounded." This young soldier is alive because of the brilliance of our acute care. But at the same time, then, we've not only got to save their life, but give them their life back. So, here goes my question.

TIMELINE FOR IMPROVING CARE OF WOUNDED TROOPS

First of all, I'm worried that what we saw at Walter Reed is only the tip of the iceberg. I was so glad you've included Naval Bethesda in looking at this, but could you tell us, then, in terms of fact-finding on what is wrong with facilities, casework management, out-patient care, as well as the linkage to the VA. And then what is the timeline and remediation plan you're going to have at DOD, and then to us. Can you kind of take us through that?

Secretary GATES. My hope is that, that this group of outside observers will—first of all, I——

Senator MIKULSKI. And it's a good group—Togo West, and John Marsh—good guys.

Secretary GATES. I asked them to look, not just at Walter Reed and Bethesda, but told them that they could have access to any other facilities that they wanted to look at.

I'm very concerned about this, and frankly, I was quite explicit in my press conference at Walter Reed last Friday that accountability on this will not be limited to a couple of non-commissioned officers (NCO) and a junior officer, once we know the facts.

Admiral Giambastiani and I met with five soldiers to talk about their out-patient care, and they couldn't have been more complimentary about their caseworkers—these are all out-patients——

Senator MIKULSKI. If they have one.

Secretary GATES. They couldn't be more complimentary, but their concern—and they talked about how many hours a day they worked, and 7 days a week, and so on and so forth—the problem is there aren't enough of them.

So, I guess I just want to make sure that people understand there are a lot of dedicated people trying to make this work, and my concern is that they have a bureaucratic problem that even the administrators have to fight, not only the patients, but also lack the resources. And that's what I want this group to look at, as well as the whole process, as we indicated.

Part of the problem we have, frankly——

Senator MIKULSKI. Mr. Secretary, can I jump in?

Secretary GATES. Yes.

Senator MIKULSKI. First of all, we salute the independent commission, and I'm glad you're doing it. Senator Murray and I also

sent a letter also asking that you make use of the inspector general in our letter to you this.

But, as I understand it, is this report going to be done in 45 days?

Secretary GATES. Yes, ma'am.

Senator MIKULSKI. So that we can—so it's not going to be a commission that goes on. So that, in 45 days, you're going to have the independent commission report, and then you'll also, I presume, be using the tools of the inspector general. Again, for another type of independent review, particularly on things like disability benefits that are so complicated. Can we expect that in 45 days?

Secretary GATES. Part of the problem here, and what I started to say was——

Senator MIKULSKI. I didn't mean to interrupt you.

Secretary GATES. No, that's okay. But——

Senator MIKULSKI. I think what the people want is a sense of urgency from all of us.

Secretary GATES. I understand. And, I picked a shortened deadline for a purpose. But the problem is that, for example, in that Newsweek article, much of that Newsweek article is not about Walter Reed, but is about the Department of Veterans Affairs. And——

Senator MIKULSKI. That's our whole point.

Secretary GATES [continuing]. And the American people don't differentiate. The question is, how do we take care of the kids who are wounded in battle? And, it doesn't matter if it's the Department of Defense or Veterans Affairs. I need to find out, first of all, what those linkages are, and I need to find out where the weaknesses are, and we need to tackle this as a Government, in terms of end-to-end care for these kids—from the battlefield, to when they get back to their hometown, and their local VA Hospital, and so on. And I intend to pursue that with the Secretary of Veterans Affairs, and the White House.

Senator MIKULSKI. What—I'm sorry.

Secretary GATES. And we will use all of the tools available to us, to try and identify what the nature of the problem is, and—and as far as I'm concerned, and I'd wager, as far as the Congress is concerned, across the entire political spectrum—resources are not an issue here. We will provide what is necessary to take proper care of these young men and women.

Senator MIKULSKI. Well, I know my colleague will be following up on the issue of veterans' care, where she herself is a national expert.

First of all, I want to thank you for at least having a timeline—I just need to finish my sentence, Mr. Chairman—following up on the timeline that you've outlined, and so on.

I really, also, want to thank you for the commitment to accountability. For too long in this war, we've seen good old people be blamed, while we see generals go on to get medals and book deals. So, I wasn't real happy seeing Kiley's comments. It was the typical "cover your brass," we've now—the articles are accurate, but we've got to reset your mind. Reset our mind about mold, reset our mind about waiting, and sleeping, in lobbies, using Honduran taxi drivers to be the translators—you tell me what we need to reset. So, thanks to you, we're going to count on your leadership, but I think

we need some new leadership. So, we look forward to working with you, and we appreciate the vigorous way that you've gone about this.

Chairman BYRD. Senator Feinstein.

Senator FEINSTEIN. Thank you, Mr. Chairman.

And thank you, all, for the long time that you're spending with us. I think that it is very important that we look at this, that we have the supplemental before us, on an expedited basis, because we know the Department needs the money.

MILITARY CONSTRUCTION

I want to go back to the military construction, because I'm the ranking member—Senator Reed is the chairman now, I've been the chairman and the ranking member before—and I want to go back to the $3 billion that was taken out of the continuing resolution for the rest of this year, and ask you, Mr. Secretary, if there's a delay in the $3 billion, because I am trying to fashion an amendment that would get you where you need to go.

I want to ask you two questions. Do you need the full $3 billion from now until the first of the fiscal year? And second, if you don't have some percentage of the $3 billion, what does that do to the troops that are coming home from Germany, and possibly even Iraq, scheduled for this year—I understand there were 12,000 in the rotation that were to come home, of the roughly 70,000 that were planned to come home from overseas. And I guess, the third part of the question is, not only did we have housing needs for them, but it was the training constraints in overseas bases that really caused the Department of Defense originally to say they were going to bring these troops home.

So, my question is, with the $3 billion cut that was taken out of the continuing resolution, how much of it do you need in this supplemental, and second, are we going to have a delay in the troops coming home from Germany, and what is that going to do to their training?

Secretary GATES. Senator, rather than try and answer those questions off the top of my head, let me get back to the folks at the Department, get a specific answer for you, and get it to you right away.

Senator FEINSTEIN. All right, thank you.

[The information follows:]

The Department needs the full $3.1 billion request in fiscal year 2008 for BRAC 2005 funding. BRAC and global defense posture realignment have a symbiotic relationship and are mutually reinforcing. The possible reduction in BRAC funds would have adverse impacts on force posture changes and our desired level of military presence overseas. Delays in completing BRAC and overseas implementation plans could result in postponing scheduled redeployments of heavy division units from Europe to the United States, and will impede our ability to realize savings, organizational and operational efficiencies of the force, and overall execution of our strategy to reduce legacy Cold War basing structures, forces, and presence.

Examples of fiscal year 2007 Military Construction with urgent operational links:

—Stationing and conversion of—1/1, 2/1, 3/1 Armor Division from Germany to (Fort Bliss) and 3/1 Infantry Division (Fort Knox).

—Stationing of the 7th Special Forces Group—Eglin AFB, FL.

—Barracks complexes—at Forts Bliss, Benning, Riley and Shaw AFB.

—Operations and Maintenance facilities—at Forts Carson, Knox, Bliss, and Riley.

—Training Ranges and associated facilities—at Forts Benning, Bliss, and Riley.

For Reserve Component facilities, all fiscal year 2007 Military Construction projects and follow-on Military Construction (2008–2013) are synchronized with modular force build, operational rotations, BRAC, and Global Defense Posture Review.

Senator FEINSTEIN. All right, thank you. I will rely on your answer to Senator Cochran that it is what you—you do need all or part of it——

Secretary GATES. Absolutely.

Senator FEINSTEIN [continuing]. If you're going to stay on schedule.

Secretary GATES. Absolutely.

Senator FEINSTEIN. Because we, Congress, set a 6-year deadline for BRAC, and now we are delaying you by not giving you the money that you have asked for, for the construction this year. I'm very concerned about it, and I hope that we can correct it, and I need the information about what we need to do.

Secretary GATES. Thank you, ma'am.

Senator FEINSTEIN. The next question that I'd like to ask you is, something that hasn't been brought up here, but the North Korean agreement, Madam Secretary—I thought the fact that the administration stuck to the need for multilateral talks with North Korea—having seen that the first framework agreement was a disaster, because we sent the oil, and we didn't require the North Koreans to show that they were living up to their part of the agreement—it doesn't seem to me that the North Korean agreement that has just been announced, will have that possibility, because it is multilateral, and countries that are trading with North Korea, like China, will be a part of the requirement that they step up to the plate, and do what they say that they're going to do. And I commend you for that.

MULTILATERAL DISCUSSIONS WITH IRAN

My question is, is that a model for Iran?

Secretary RICE. Thank you, Senator. It actually is the model that we are trying to use for Iran, because the EU–3, the British, the Germans, and the French, plus Russia, China, and the United States, are, in fact, joined together in having offered Iran a package of incentives if they are prepared to suspend their enrichment and reprocessing activities, and come to the negotiating table. So, again, you would have a multilateral approach.

And, when we have said that we are prepared to reverse 27 years of American policy and meet with the Iranians, it is of course, in the context of that multilateral approach. And, I do believe that we are stronger when we are able to bring to the table a group of countries that have the right set of incentives—and the right set of disincentives—at their disposal to both bring about agreement, and then to hold a nation accountable to live up to the terms of those agreements.

So, if we can get the Iranians to suspend their enrichment and reprocessing activities, it would indeed, put that negotiation also in a multilateral context.

Senator FEINSTEIN. We also think that some of the neighboring countries that seem to be concerned about Iran having a nuclear weapon, but have not really stepped up to the plate fully, could be

a constructive part of any negotiating group. Do you see any movement toward that beginning to happen?

Secretary RICE. Well, I think the U.N. Security Council Resolution 1737, of a couple of months ago, has given countries a basis on which to begin to act against Iranian activities that might support their nonproliferation activities. And, you are starting to see country after country, now, pass either legislation, or put forward policies, that implement the Security Council resolution. So, I think you are getting a broader number of countries. But the neighbors of Iran—particularly countries in the gulf, and also in the broader Middle East, are very concerned about an Iranian nuclear weapon. I think it is why you are seeing talk about civilian nuclear programs in places like Egypt and Saudi Arabia. So we are encouraging them, if they are, indeed, concerned about a nuclear weapons program, to be more vigilant in the kind of trade and assistance that they're prepared to engage in with Iran.

Senator FEINSTEIN. Thank you very much.

Thank you, Mr. Chairman.

Chairman BYRD. Senator Murray.

TREATING THE WOUNDED AND BRAIN INJURIES

Senator MURRAY. Mr. Chairman, thank you.

And, thank you to our panelists. You know, we've heard a lot about "support our troops" in debates around here. I just have to say that I'm one of those who voted against the war in Iraq, because I felt that there were too many unanswered questions. And today, watching all of the reports about what's happening, both within our VA system and of course in the last few weeks here, it seems to me, who has really paid the price of this war is our troops. They went into Iraq without the proper equipment and supplies; they come back and have been left in limbo in really deplorable conditions at Walter Reed, as Senator Mikulski talked about; and they get into the VA and get stuck in long waiting lines to get healthcare benefits and to see a doctor. I just think that is really a crime.

And it's unbelievable to me, looking at this supplemental request, and this pie chart, that we're not asking in this supplemental for the additional dollars we need to take care of these troops. It's not just a matter of putting a little more paint on the wall—although, I really commend you, Secretary Gates, for what you've done in looking at this—but it is really asking the question, Are we doing everything we can, whether they're still in DOD, or they've been separated into VA, how much is this going to cost, and do we have the resources to do it?

Case in point is the issue of traumatic brain injury (TBI). I think we're going to see that more and more as the signature injury of this war. Some are estimating that 10 percent of our returning Iraq and Afghanisan war veterans have suffered from traumatic brain injury. And one of the really big problems is that it's an unseen wound, and it's often misdiagnosed. In many cases, unless a service member is involved in an IED incident is bleeding, they're not documented as having been involved in an explosion. So, it's a result of that that the actual number of Iraq and Afghanistan war vet-

erans with TBI could be even higher than many of the statistics indicate that we've seen so far.

It's pretty clear to me that our system is not catching all of the TBI patients in this war, and Secretary Gates, I want to ask you this afternoon, Would you support a policy to require the Pentagon to keep track of where and when a service member is exposed to an IED incident, so we can improve screening and treatment for traumatic brain injury?

Secretary GATES. I don't know about the specific implications of it, but certainly in principle, I would be supportive of that.

Senator MURRAY. Well, I would like to know if you would follow up on that and put it in place. It's my understanding that the Defense and Veterans Brain Injury Center is refusing to give us any data on how many soldiers have actually suffered from brain injuries in Iraq and Afghanistan. They've been saying they don't want to disclose the results because it would put the lives of those fighting at risk, which I found pretty preposterous.

But, this information was collected at taxpayer expense and could really help us get a handle on this problem, know how much we need, and how we can best treat it. I would like to get a commitment from you today to release that critical information, so we know that we are treating those men and women, that they don't go home not knowing that they have had traumatic brain injury, and that we can provide the dollars we need, within this supplemental or otherwise, to make sure these individuals are taken care of and tracked. Can you tell me that you will release this information?

Secretary GATES. Well, again, I don't know the reasons why it hasn't been released, or the specifics. This is the first I've heard of it. But, I will certainly look into it, and if there's no compelling reason, absolutely.

Senator MURRAY. When can I get an answer from you on that?

Secretary GATES. Certainly within a week.

Senator MURRAY. It's absolutely critical that we know what those numbers are. As I said, TBI is a signature issue of this war, many people are beginning to predict. And when we're sending those soldiers home without knowing that they've been injured, or without us providing the resources they need, I do not think we are doing our job to support the troops. So, I look forward to hearing from you on that, as soon as possible, and I appreciate that.

I also wanted to ask about a report that was released Sunday, titled "The Psychological Needs of U.S. Military Service Members and Their Families." These are members who are still in the DOD system, not in the VA system. And it really highlighted the need for mental health services for our troops and for our families. It was really a long list of needs. I'm not sure if you've seen it or not, but it was very discouraging to me. There was no well-disseminated approach to providing mental health care to service members and their families, there's no coordinated approach for providing care as service members transition from military health system into the VA, and about 40 percent of the slots for psychologies in the Army and Navy are vacant.

This is a huge issue. I was out at Fort Lewis last week, in my home State, Secretary Gates, you know it well. I got an update on

some of the programs they're doing there, I learned about a new program for spouses of deployed soldiers, but I would like to find out from you what the Department of Defense is doing for the whole service member, including mental health services for our troops and their families. And, are we providing enough dollars for that?

Secretary GATES. I will get information to you.

[The information follows:]

The Defense and Veterans Brain Injury Center (DVBIC) has much of the incidence information on traumatic brain injury (TBI), but not all. As of the end of December 2006, 1,950 Service members (Operation Enduring Freedom: 5 percent, Operation Iraqi Freedom: 95 percent) have been seen in the DVBIC. Of these, 67 percent were assessed as having mild TBI (post-concussive syndrome), 4 percent were penetrating, 10 percent severe, and 13 percent moderate. These data do not include mild cases for those soldiers who never left theater.

The Department's approach to providing mental health care to its beneficiaries is multifaceted with multiple points of entry. The Military Health System provides robust mental health benefits at our military treatment facilities (MTFs) and in partnership with civilian TRICARE network providers. Transitioning Service members and their families also have six months of TRICARE benefits when leaving military service, including TRICARE Prime benefits when living in a TRICARE Prime Service area.

The American Psychological Association provided a paper expressing concerns about mental health needs of Service and family members and seamless transition of care to the VA. They also speculated upon staffing levels of psychologists. While this paper contains some factual errors, we share their interest in ensuring that the mental health needs of our Service members and their families are met. The assertion in their report that 40 percent of active duty psychologist slots are vacant is not correct. Individual Service branches continuously adjust the balance of their health care professional specialties to best meet their mission requirements with various incentive programs. In addition to uniformed personnel, the Department of Defense (DOD) employs hundreds of civilian psychologists and utilizes civilian network providers to meet needs beyond local MTF capacity.

The DOD has a broad range of programs designed to sustain the health and well-being of each and every military and family member in the total military community. A continuum of care encompasses (1) prevention and community support services; (2) early intervention and prevention to reduce the incidence and chronicity of potential health concerns; (3) service-specific deployment related preventive and clinical care before, during, and after deployment; (4) sustained, high-quality, readily available clinical care along with specialized rehabilitative care for severe injuries or chronic illness, and transition of care for veterans to and from the Veterans Health Administration system of care; and, (5) a strong foundation of epidemiological, clinical, and field research.

Services available at military installations include health and wellness programs, stress management, family readiness and community support centers, family readiness groups, ombudsmen, volunteer programs, legal and educational programs, and chaplains, among many other community programs.

Early intervention and prevention programs include pre-deployment education and training, suicide prevention training, Military OneSource, the Mental Health Self Assessment Program, National Depression and Alcohol Day Screening, and health fairs. DOD has formed a strong partnership with the VA and other Federal agencies and professional advocacy groups to provide outreach and prevention programs available to Reserve and National Guard members. A congressionally-mandated pilot study using the Internet to support Service and family members with resources to identify and help those with Post Traumatic Stress symptoms and other mental health conditions is currently being developed by VA and military providers, and will include Madigan Army Medical Center at Fort Lewis, Washington for initial pilot studies.

Medical conditions that may limit or disqualify deployed Service members are continually assessed, while screening, assessment, and educational programs take place across the entire deployment cycle. A spectrum of prevention, stress control, and mental health care are available in theater. Expanded clarification of deployment limitations for mental health conditions and psychotropic medications were put into place in November 2006, to ensure consistent standards across all branches of Service.

A post-deployment health assessment and education process is conducted upon returning from deployment to identify health concerns that might have arisen. An additional post-deployment health reassessment, with additional education, takes place 90 to 180 days after deployment to identify any issues that might arise in that timeframe. Periodic health assessments are also conducted to identify any health issues a person might have prior to entering the pre-deployment cycle. A Mental Health Self-Assessment is also available 24/7, as an additional tool for family members and Service members.

The Service-specific combat stress and deployment mental health support programs provide support tailored to the Service's mission and risk factors their personnel might face. Cross-functional planning teams bring together subject matter experts from across the Services, the Joint Staff, and DOD.

The Military Health System is second to none in its ability to deliver timely, quality mental health and behavioral health care. This includes Behavioral Health in Primary Care, Mental Health Specialty Care, Clinical Practice Guidelines, and ready access to high quality, occupationally relevant primary care, along with model and demonstration programs designed to continuously learn and improve the system of care delivery. In addition, walk-in appointments are available in virtually all military mental health clinics around the world. Because no two individuals are exactly alike, multiple avenues of care are open to our military community to create a broad safety net that meets the preferences of the individual. DOD does not rely on one single method or program to care for our military members and their families.

Per Section 723 of the National Defense Authorization Act for Fiscal Year 2006, a DOD Task Force on Mental Health has been examining the mental health care delivery system of the Department for the past 11 months. For this task force, DOD has funded over 30 site visits around the world and several series of open hearings around the country for testimonies and deliberations. DOD has responded to a substantive data call to provide detailed information about all aspects of mental health delivery from both DOD and Service branch levels. Veterans' Service Organizations have also made substantive input to this process over several hearings.

The DOD Task Force on Mental Health report is due on May 15, 2007. We will consider each of the recommendations seriously, including their cost implications, and respond to Congress no later than six months after receiving the task force report.

VETERANS BENEFITS

Senator MURRAY. Well, okay, this is a huge issue to me because I have two Stryker brigades and a third is forming right now. I know those troops well. I've sat down with them and their families. And under the President's proposed surge that is now occurring, the 4–2 is going to deploy a couple of weeks early, and the 3–2, which was deployed in June for 1 year, has now been extended. So, these are people in my State, and, I am deeply concerned that we are—both in my State and across the Nation—supporting our troops with real dollars. So, I look forward to answers from you very quickly on this.

And while I'm talking about my Stryker brigades, I'm very concerned that as we extend the deployment of the 3–2, and we send the 4–2 over early, do we have the adequate supplies and equipment for those troops? Are they going to be going to battle without what they need?

Secretary GATES. Let me ask General Pace to answer that question.

General PACE. Senator, first if I may, thank you for your tenacity on all of the veterans benefits, and the way that you've tracked that. There is a lot going on right now on the mental health side, thanks to what you've already done, and there's more than can be done.

Senator MURRAY. Well, before you answer this question, the huge problem is that everybody falls into this big crack between DOD

and VA, and the transition services, and we are way far behind. But, I'd like your answer on the Stryker brigade.

General PACE. Yes, ma'am. All of our troops—Stryker brigades, infantry brigades, regardless of how they're going over—will have the proper equipment. They'll be properly trained, they'll be properly manned, they'll be properly equipped before they get sent into a combat zone.

Senator MURRAY. Mr. Chairman, my time is up, but I appreciate the responses.

Secretary Gates, I look forward to getting your responses on those, thank you.

Chairman BYRD. Senator Gregg.

Senator GREGG. Thank you, Mr. Chairman.

AMENDMENTS ON TROOP DEPLOYMENTS

General Pace, I'll address this question to you. Congressman Murtha, who is an extremely highly regarded member of the Congress, I served with him, I respect him immensely—has said that he's going to develop an amendment, and I'll quote what the purposes of the amendment are. Quoting Congressman Murtha, "To be sent to battle, troops would have to have had 1 year's rest between combat tours. Soldiers in Iraq could not have their tours extended beyond 1 year, and the Pentagon's stop-loss policy, which prevents some officers from leaving the military when their service obligations were up, would end. Troops would have to be trained in counter-insurgency and urban warfare, and sent overseas with the equipment they used in training." He said that the practical purposes of this are to make it impossible to continue to maintain the troops levels that are in Iraq today. That's my paraphrasing of his statement of what his purpose is, but I believe it's an accurate paraphrase, and the quote was accurate as to his proposed amendment.

Does not that type of an amendment represent the functional equivalent of the Congress taking operational control over the theater of war?

General PACE. Sir, I can tell you what the effect is, and that is, if the 1-year rest at home, the no extensions in the battlefield, and the no-stop loss are implemented—we have done our homework on that, and we know that based on those—if those are the rules, that instead of being able to have the 20 brigades on the ground, in Iraq that we require, that we would at least—we would have somewhere between 14 brigades and 19 brigades, at most, and that there would be gaps on the battlefield between the brigade that left, and then wait for the brigade that was coming in. So, we would have—it would have enormous effect on the battlefield, with regard to what's required, versus what's available.

Senator GREGG. Well, if the Congress were to pass a law to that effect, does not that mean that Congress is managing the battlefield?

General PACE. Sir, it's not my judgment to make about what Congress is doing or is not doing. I can simply tell you what the effect is. And the effect is damaging on the battlefield.

Senator GREGG. Well, Secretary Gates, since you were a political appointment, maybe you could answer that question. Is not that—

I mean, I think the answer was given, even though it was not specific—but, if that means that the Congress, by law, is limiting the number of brigades on the field of battle, and that you have no authority to change that, then the Congress has basically taken operational control over the battlefield, has it not?

General PACE. Sir, I'll step up to the answer, I apologize, I don't mean to be obtuse. That would have very direct, operational effect on the battlefield.

Senator GREGG. And, so you agree with that, Secretary Gates?

Secretary GATES. Yes, sir.

Senator GREGG. Well, then I would ask you, Secretary Gates—who is your Commander-in-Chief?

Secretary GATES. The President.

Senator GREGG. And General Pace, who is your Commander?

General PACE. The President is, sir.

Senator GREGG. I assume the Secretary intercedes occasionally?

General PACE. You said my Commander-in-Chief, sir.

Senator GREGG. That's correct.

But, what would be the situation if the Congress has taken operational control of the battlefield, and your Commander-in-Chief has given you a different directive?

General PACE. Sir, as I understand it, my President has the authority to use the resources of the Nation to fight this Nation's battles. And I am not a congressional scholar, I mean a constitutional scholar—but it's my belief that given the mission, that he has the food and forage responsibilities and authority to resource as he needs fit to accomplish the mission.

Senator GREGG. I appreciate that, and I think that's the correct answer. But, I think the actual answer—and the correct answer from your viewpoint. But, the actual answer is that we would have a constitutional crisis. Congress would basically be telling you, as General, that you could not put any more than 14 to 19 brigades in the field. The Commander-in-Chief would have told you that he wanted 20, and the law would be that you could only use 14 to 19, and the Congress would have taken operational control of the battlefield, as you have reflected.

I don't think when our Founding Fathers put this whole thing together, that they ever perceived that the Congress was going to get that involved in the day-to-day activities of a field commander. I'm not a general, I'm not a lieutenant colonel, I'm not a captain, I'm not a private who has to carry out that order. I just don't see that as being our responsibility as a Congress. I think our responsibility as a Congress is to assure that when there is a decision made to send soldiers into the field, that they will be supported with all of the resources that the Government can possibly give them, and that they need.

I was interested, Secretary Rice, in your exchange with Senator Harkin, about fundamentalist Islam being the threat. I don't see how anyone could not perceive that fundamentalist Islam is the most significant threat which our Nation faces, and potentially has ever faced, should they get their hands on a nuclear weapon, or a weapon of biological destruction. Because they've shown that they have no reservation about attacking our homeland. They're not organized in the sense of a nation-state, but they are certainly orga-

nized in the sense of a religious philosophy. It is fanatical. And, throughout time, we've seen that fanatical religious philosophies can reap huge, huge chaos and destruction.

So, I guess I'd just like to hear your thoughts on that, again. Because I just found it sort of astonishing that we would not perceive them as our number one threat. That is, our number one threat as a Nation.

AL-QAEDA, GREATEST THREAT TO HOMELAND

Secretary RICE. Well, Senator, I made the statement that I think al-Qaeda is the greatest threat to our homeland. It is a terrorist organization, it does not have armies, it does not have airplanes, but I think we experienced on September 11 what damage it can do. In fact, it is the most devastating attack on our territories since Pearl Harbor—really, since 1815, the most devastating attack on the mainland. So with all due respect—I'm sorry, yes?

Senator GREGG. My time's running out, but what would you think if they had their hands—if they got possession of a nuclear weapon, or a weapon of mass destruction, such as a chemical bomb. Do you think they would use it on, in the United States?

Secretary RICE. I think they would use it in the United States, and I think you would have a catastrophe of many, many, many greater times than September 11 using a weapon of mass destruction. I think there is no doubt that al-Qaeda has tried to get them. They continue to try to get them, and it is that nexus of terrorism and weapons of mass destruction that would be an enormous threat to our homeland.

Senator GREGG. And is not the source of their power mostly residing in the Middle East?

Secretary RICE. Yes, Senator. My point was that—we can—we are trying to do a lot to defend the homeland. Homeland Security is doing a great deal, but, in fact, because we have to be right 100 percent of the time, we have to go on the offense and the circumstances that produce them are in the Middle East. That is where al-Qaeda was born, and that has to be dealt with, if we are not to face a constant terrorist threat well into the lives of our children and grandchildren.

Senator GREGG. Thank you, thank you Mr. Chairman.

Chairman BYRD. Senator Dorgan.

Senator DORGAN. Mr. Chairman, thank you very much.

Secretary Rice, let me respond, just for the record, to two points that you made.

First, I think there's ample evidence from the inspector general's reports from at least a dozen hearings that have been held—with both reconstruction funding, the RIO contracts and LOGCAP projects or contracts, that there is some of the greatest waste, fraud, and abuse that we have ever seen in the history of this country. And I would refer you to the highest, highest-ranking contract official in the U.S. Corps of Engineers, which handled the RIO and the LOGCAP contracts. Here's what she says, "Publicly, I can unequivocally state that the abuse related to the contracts rewarded to KBR represents the most blatant, improper contract abuse I have witnessed during the course of my professional career." That doesn't deal with reconstruction. That deals RIO and LOGCAP, but

I would refer you to inspector general's reports, and you properly pointed to the Parson's contract and others.

All I can say to you is, I think there is rampant waste, fraud, and abuse in all three areas. And I think the evidence is substantial.

One additional point, if I might, one of my colleagues asked you about the sectarian violence. You said that is just one of the areas of violence and you quickly referenced to al-Qaeda. The national intelligence estimate just released, points out that the sectarian violence is the dominant violence in Iraq. And I don't, I don't know what you intended with that; but clearly the national intelligence estimate speaks to this, and the dominant violence in Iraq is sectarian violence.

MANAGEMENT OF IRAQ RECONSTRUCTION FUNDING

Secretary RICE. Senator, if I may respond on both.

First of all, I referenced the Parson's circumstance, and that obviously was a specific contract. I was asked about the reconstruction funds that were provided.

Senator DORGAN. I understand. I made that point.

Secretary RICE. And KBR, RIO and LOGCAP are not a part of reconstruction funding. I talked myself with the SIGIR head, and while there are certainly questions about whether or not we have met the targets and goals that we had intended. I do not think that there are arguments about widespread abuse in the IRRF program, but I will get a more formal answer for the Senator.

[The information follows:]

This is in response to the questions you raised with Secretary Rice during her testimony before the Senate Subcommittee on Appropriations and Foreign Operations on February 27 concerning the KBR RIO and LOGCAP contracts, as well as the Parsons contract to construct primary health care centers throughout Iraq.

As Secretary Rice stated in her testimony, the KBR RIO and LOGCAP contracts were not funded with Iraq Relief and Reconstruction Fund (IRRF) monies. These contracts were issued during the tenure of the Coalition Provisional Authority. The head of the Special Inspector General for Iraq Reconstruction (SIGIR), Stuart Bowen, has repeatedly highlighted in testimony and public statements that fraud and abuse have played a very small role in American reconstruction efforts in Iraq under the IRRF program.

Several audits have been conducted on the KBR RIO contract, including audits by SIGIR, the Defense Contracting Audit Agency and the International Audit and Monitoring Board for Iraq (IAMB). It is our understanding that the Department of Defense has resolved most, if not all, of the questioned costs in this contract and has reduced the amount paid to KBR. For specific information regarding the KBR RIO or LOGCAP contracts, we would suggest you contact the Department of Defense, which is better placed to provide detailed information.

IRAQ SECTARIAN VIOLENCE

Secretary RICE. I have to say that as to the sectarian violence, while it is true, as Secretary Gates has said, that we have in effect, four different sources of violence—I think we have to remember that the tremendous spike in sectarian violence came as the result of a deliberate strategy by al-Qaeda to do precisely that.

The Golden Mosque bombing, which most believe was inspired by al-Qaeda, the Zarqawi e-mails that we have found, in which he said that he intended to set off civil conflict between Shia and Sunnis. I think we have to recognize that there is even an al-Qaeda hand

in the sectarian violence, particularly from the time of the bombing of the Samarra Mosque.

Senator DORGAN. Well, Madam Secretary, the national intelligence estimate is pretty clear about what kind of violence exists in Iraq, the dominant violence is sectarian. And the transference to al-Qaeda with respect, I understand the attempt, but I don't believe that comports with the national intelligence estimate.

I want to mention two additional points if I may. Well, I have very limited time, I'm sorry. The issue of al-Qaeda, the top intelligence expert in the country said they continued—he said, as you suggested Madam Secretary, it's the terrorist organization that poses "the greatest threat to U.S. interests, including to our homeland. They continue to maintain," I'm quoting now, "active connections and relationships that radiate outward from their leader's secure hideout in Pakistan." One wonders if we had soldiers to surge somewhere, if we would not have wanted to surge and eliminate the leadership of al-Qaeda, Osama bin Laden and others, who have boasted they are the ones that murdered Americans. They have now been apparently in the hills of Pakistan for some 5 years. And whatever surge exists apparently doesn't exist with respect to the leadership of al-Qaeda that is so-called, "the greatest threat to U.S. interests."

FAILING OUR WOUNDED

And let me make one final point, and then I'll be happy to have you respond. And let me thank all of you for being here today to respond to questions. But I hold up Newsweek today, it says, "Failing Our Wounded." Inside it says, "Forgotten Heroes." It's a picture of a young woman with no legs. This is an embarrassment to this country, and Mr. Secretary this is about resources—it's not about resources. The fact is, I asked the same questions of your predecessor, at a similar hearing, with respect to the urgent supplemental. This supplemental comes to us—there's not a penny in it as I understand it—not a penny of it, in this supplemental dealing with veteran's issues.

And it's not just about a building on the Walter Reed grounds. This story, and the stories many others of us have heard repeatedly, is about the lack of resources in the whole system.

A mother called me last week. She said, "My son came home from Iraq. He was substance dependant. He was lying under his covers at night shaking with nightmares, all kinds of severe emotional problems and we couldn't get help for him at the VA Center. We went to private psychiatrists. It's been 1 year and he's much, much better now." And last week she said he got his alert notice for a June call-up to go back to Iraq.

The point is, it's a big, big issue. And this sort of story, I think, is an embarrassment to the entire country. And I hope—I hope very much—that we will not pass a supplemental out of this Congress without including funding for these folks. Yeah, they're veterans, but they're also soldiers. And there should be a continuum of care, whether they're in the active duty, at Walter Reed, or transferred to some other facility. So, I wanted to say that because I feel very strongly. It needs to be said. I'm know—I'm not suggesting you don't feel the same way and feel the same passion

about this. That's not my suggestion. I just think we have to publicly describe what is happening here, and take every step that's necessary to fix it, and fix it now.

Secretary GATES. Senator, I couldn't agree with you more. And when I referred to resources not being a problem, what I meant was that we will find the resources, as we diagnose what's wrong with this system, and what has led to some of these stories—both in the Department of Defense and, apparently, in Veterans Affairs. I think there's a mutual commitment on the part of the administration and the Congress to do what's right by these young people.

Senator DORGAN. Will you request the funding? Will you ask the administration to request the funding, whether it's active duty or veteran's needs?

Secretary GATES. Once we've identified the problem, if we don't have enough money, yes sir.

Secretary RICE. Senator——

Senator DORGAN. Madam Secretary, I'm sorry I interrupted you.

Secretary RICE. That is quite all right, Senator.

No, first of all, just on the sectarian violence. Obviously, the sectarian violence is a huge problem in Iraq, and particularly in Baghdad, and it is the reason that the President focused his strategy on trying to help the Iraqis in Baghdad.

But I think we should not lose sight of the fact that in provinces like Diyala and Anbar, we are talking about al-Qaeda, and a combination of insurgents and al-Qaeda, that is really the source of much of the violence against our forces. So I just want to be clear.

It is not that I am arguing that sectarian violence is not a major—even the major—problem, but we do have a significant al-Qaeda problem, and there was union of those problems in al-Qaeda's determination to try and bring about more sectarian violence.

Senator DORGAN. And was there any discussion anywhere in the administration about surging against the al-Qaeda leadership and perhaps eliminating the al-Qaeda leadership?

ELIMINATING AL-QAEDA LEADERSHIP

Secretary RICE. Well, perhaps General Pace should speak to this, Senator. But I am rather dubious that the surge of American forces into the federally administered tribal areas (FATA) of Pakistan, those tough mountains of places like North Waziristan, would have been a workable strategy.

ATTACK INTO PAKISTAN

General PACE. Sir, one of the most difficult problems we face in this war is, How do you attack an enemy inside of a country, with which you're not at war?

Chairman BYRD. Senator Domenici.

Senator DOMENICI. Thank you very much, Mr. Chairman.

Hello to all three of you, and since I'm getting tired I wonder how you feel. So, that probably means that I should hurry up.

Let me ask any of you, or each of you, or all of you: I as one Senator have decided that I support what the President has decided he would try to do under the leadership of the new General that was confirmed by the Senate, overwhelmingly.

Now, since we are going to be involved in something different—in some respects different we were told by the President, and by some of you on various occasions, that this change would be evidenced by certain things happening that weren't happening before, that could be measured and reported to the American people. Some of those were called benchmarks. Some of those events were given other names. This indicates that you would, in your respective capacities as leaders, see to it that information was put together in such a way that we the Congress and the American people—could discern that things were happening that are prompted by this new approach, so we can see if the new plan has a chance of succeeding. Am I all right so far? Is that an all right statement? And General Pace that's an all right statement? Only you and I know your real name, right?

General PACE. It is, sir.

Senator DOMENICI. Yes.

Now, could I ask, let's use the word "benchmark" for a minute. Iraq is expected to spend $10 billion of its money in reconstruction efforts, right? I note for the record everyone said yes. Now, who's in charge, and in what manner will this $10 billion in reconstruction efforts be monitored, so that in 4 months, the chairman might call a meeting and say, "We want to find out what happened to the benchmark of $10 billion." Tell us, how are we going to do that?

IRAQ RECONSTRUCTION COORDINATOR

Secretary RICE. Yes, Senator, that is the responsibility of the Embassy, and we have a person out there now Ambassador Tim Carney—whose responsibility it is to work with the Iraqis on budget execution, and making certain that $10 billion is spent for projects that are supportive of the general goals that we and the Iraqis have agreed on.

Senator DOMENICI. Now, Madam Secretary, I take it then that in a round about way in terms of hierarchal responsibility, you are the one responsible. Is that correct? It's yours.

Secretary RICE. It is mine. It is my responsibility.

Senator DOMENICI. Sure. Now, ma'am let me ask—are you serious enough about this that you are truly having somebody do it, so that in 3 months we won't say, "Oh, nobody knew how to do it," but rather you'd be able to tell us if it fell apart or it's ongoing.

Secretary RICE. Senator, I will track it very closely. It requires us to help the Iraqis develop the capability to spend the money. The problem has been their inability—just in terms of budget execution—to spend the money. But they have passed the budget, they have made the allocations, we have a person out there who is working with them. We want to help them get the money to the right places, including to the provinces, and we will be able to report to you on how it is going as they move along.

Senator DOMENICI. Now ma'am, and any of the others of you, let me say—since there is a chance that this change might work, I want to say to you that I think it's very, very important that whatever commitments were made about differentiating this new thrust that you truly try to do them, to mark them, to make sure that if they're not working, that it be noted early and often. Do you all feel that way? Is it important to you that the things that are supposed

to be different, and handled differently, are really going to be watched? And is the military going to be involved in that General?

IRAQI COMMITMENTS

General PACE. Sure, we will be. And, in fact, the briefings that will begin this week on Thursday to the full Senate and to the full House, closed session, will be focused on the commitments that have been made by the Iraqis, the commitments that have been made by us. Where are we? What steps have been taken? What have the effects of those steps been? And what's going to happen next?

Senator DOMENICI. I got it. Thank you very much. Thank you Mr. Chairman.

Chairman BYRD. Thank you. Senator Reed.

Senator REED. Thank you, Mr. Chairman.

Madam Secretary, you were right to cite the talent and courage of many individual Foreign Service offices. I had the occasion to run into John Weston in Fallujah and he was a one-man band, but that was the problem. He was the only person out there, really. And, institutionally, the State Department many times, I feel, have overpromised and underperformed. Let's take the PRTs, for example.

You said that you achieved your goal of 10 PRTs. In November 2005, you announced a goal of 15 PRTs. What happened to the five PRTs, and how confident can we be that this new goal will be achieved?

IRAQ PROVINCIAL RECONSTRUCTION TEAMS

Secretary RICE. Well, Senator, we did decide to take a hard look at how we could roll the PRTs out. I think we said up to 15 PRTs, I believe.

The big problem in many of these cases, is to provide adequate security for people in these very difficult areas in conjunction with the military. So we and the military sat down and began to roll out these PRTs one at a time. We finally settled on 10, I think 7 American—3 that are led by others—and we now believe that 20 is the appropriate number.

We will have all of the State Department people that we need for those PRTs available for duty in those 10 new PRTs. We have identified them, we are ready to go.

Senator REED. So you have 10 PRTs that are fully staffed?

Secretary RICE. Ten PRTs that are operational and staffed.

Senator REED. Operational and staffed. You hope to have 10 more?

Secretary RICE. That is correct.

Senator REED. Is that a hope, or a commitment?

Secretary RICE. No, we are committed to having 10 more. We have identified the State Department personnel who will lead those PRTs. The goal now is to identify other kinds of specialists who need to populate those PRTs. We do not have those specialties at State. We will have to get them from other Government agencies, or from the civilian population at large.

Senator REED. Thank you, Madam Secretary.

But, I think what I'm hearing is you've got State Department people identified, but you don't have full teams identified.

And let me just raise another issue. A few weeks ago when it was announced, the surge, you've indicated to the Department of Defense that 40 percent of the 300 State Department positions that were to be added would have to be filled by military personnel?

IRAQ PRT STAFFING

Secretary RICE. That is because those are not State Department positions in the sense that I have the personnel to fill them. The State Department was asked to recruit for the positions from the civilian population. Senator, it is an extremely important distinction, because we have filled the positions that State has the expertise to fill.

Senator REED. Let me just step back now. I think what you're saying, is that either you're the recruiting agent, but essentially have not yet mobilized the full national authority to go and staff these teams.

Secretary RICE. What I need, Senator, is the money.

Senator REED. Is the money in this budget?

Secretary RICE. The money is requested in this supplemental. I can then let the contract for civilian personnel, who are not in the U.S. Government. We have identified—we are in the process right now of identifying—those people and recruiting them. But for reasons having to do with the law, I cannot sign the contract until I have the money. So if we can pass the money in this supplemental we will be able to recruit the appropriate civilian personnel to go out to the field.

Senator REED. So these will not be Federal employees, they will be contractors.

Secretary RICE. Some of them will be Federal employees. We will get some from U.S. domestic agencies, and we have asked that we have the capacity to reimburse, for instance, the United States Department of Agriculture, or the Justice Department, or Homeland Security.

Senator REED. Have you previously asked for this type of money, going back to last year?

Secretary RICE. We did it on a nonreimbursable basis before. We believe that given the numbers that we needed, it was better to do it on a reimbursable basis, and so if I can get that authority and that money we can do this. But Senator I just——

Senator REED. Madam Secretary, my time is very short.

Mr. Secretary, have you been tasked to provide personnel to, under the auspices of the State Department for these PRT teams?

Secretary GATES. Yes, sir. On a temporary basis I think we've identified 129 people who will participate in the PRTs.

Senator REED. So they'll do that. And that takes away from your ability—I presume these are civil affairs officers, translators, people with some expertise.

Secretary GATES. Yes, sir.

Senator REED. And that takes away your ability to staff your units that are going into these neighborhoods in small unit groups, that need essentially the same type of personnel.

And I would add in my discussion with General Schoomaker, when he came up—he's the, generating these forces—he was not able to give us assurance that he could fulfill the civil affairs slots, and the translator slots.

RETIREES/VOLUNTEERS

General PACE. Sir, that's true. We are looking to the retired community, and a Reserve volunteers, first. And, if we're not able to fill those 129 spots from the retirees, and the volunteer Reserve, and Guard, then we will have to go to active duty forces, but we are committed to filling these spots.

Senator REED. Well, it just seems to me that this is more of the same, and there's reasons about security and contracting and money. But we have known for several years that if we didn't get these PRT teams in the field, not just 10, but upwards of 18 or 20, that the likelihood this whole mission would fail. And we're still messing around, trying to find people to fill these teams. Thank you.

Chairman BYRD. Senator Allard.

Senator ALLARD. Thank you, Mr. Chairman.

I have to remind myself—I think it's maybe not a bad idea to remind all of us—that we do deal with a voluntary military. And in light of that, General Pace, I'd like to thank you, and the men and women in our armed forces, for being willing to put their lives on the line, and fight for freedom, and the great job that they're doing throughout the world.

I would also like to thank Secretary Gates and Secretary Rice. I think you're trying to do a good job, and I appreciate your efforts, it can't be easy in these times.

Having said that, I want to direct my first question to Secretary Rice. We had some discussion earlier on, about the negotiations that were going on in the area. We talked about Syria and Iran negotiating with Iraq and the role that you're playing with that. I read in—I think it was this mornings clips, or maybe yesterday—where there are some negotiations going on between the Kurds in Iraq, and Turkey. Can you elaborate on where that's taking us, and what that's about?

TURKEY-IRAQ SECURITY DISCUSSIONS

Secretary RICE. Yes, Senator. That is concerning the existence of an organization that we list as a terrorist organization, the PKK, which has operated on the border between Turkey and the Kurdish ports of Iraq, and is responsible for attacks into Turkey.

We developed with the Turks a trilateral grouping, a trilateral commission, to try and deal with the problem of the PKK. Because, obviously we do not want—and the Iraqi government does not want—attacks coming from the territory of Iraq into Turkey.

So when we speak of negotiations, it is really discussions between the Kurds and the Turks, and the Iraqi government. The United States is facilitating these discussions, and I have retired General Ralston as an envoy to do this, to try and mitigate those circumstances and try to—to the degree that we can—diminish the ability of the PKK to attack Turkish territory.

Senator ALLARD. Thank you.

I've had an opportunity to have some very candid conversations with men and women who've come back from Iraq. They returned to Fort Carson, in Colorado, and they relate to me that they feel like they're making a difference in the country. They talk about building up the infrastructure, the relationship with Iraqis and everything. But if they seem to have some hesitancy, that has to be in the area of how invested the Iraqi forces are in making their own government work. And I was wondering maybe, if Secretary Gates, or maybe General Pace, or both of you, could help me respond to that concern that's raised by those soldiers.

IRAQI BATTLEFIELD SUCCESS

General PACE. Sir, I think it's a valid concern that is getting better. I think that many Iraqi youth are hedging their bet—had been hedging their bet—as far as whose going to come out on top on this: the local militias, or the central government, or some other entity. But, as the training of the units has improved, and as they have had success on the battlefield—the Iraqi army, especially—has been getting much better, both in performance and in retention, and in their capacity to control operations in the field.

So, I do understand that there are still some units in the Iraqi army that are not as proficient on the battlefield as we would like, but about 92 of their battalions now are either in the lead, or operating on their own. Another 27 are operating side by side with us, and about 19 or so are in the building phase. So, they are getting better, but they do need more assistance.

Secretary GATES. Senator, I would just add, on my trips to Iraq, I generally meet with our troops and have breakfast. And on my first trip, I met with some of our sergeants and others who are imbedded with the Iraqis. And they basically made the comment that General Pace made a little earlier, that success breeds success. And that, when these guys go out and fight with the Americans and they're successful, then all of a sudden they carry themselves a little bit differently. They get some pride, and they're more aggressive next time. And they begin to even want to look like the American soldiers, with the wraparound sunglasses and things like that—and they want to emulate our soldiers as they go through this experience with them. So, I think that this imbedding and this support role has the opportunity to accelerate that process of the Iraqi forces gaining confidence and capability, as well.

Senator ALLARD. One other area that I want to approach during my time here. In the last few weeks—or at least the last week—there's been some discussion in the papers about limited use of IEDs combined with chlorine gas for a makeshift chemical weapon. And this, apparently, is being prepared or has been used against some Iraqi civilians and our troops. Are our men and women prepared and equipped for a much wider spread of such devices, if it were to occur?

General PACE. Sir, we do have the protective equipment we need. We need to make sure that we learn the lessons from those several attacks that have taken place, that we learn the enemy's tactics and techniques and make sure that our folks on the ground know about it, to include those who are training up right now to go. But

we do have the protective equipment. We need to make sure we share that training.

Senator ALLARD. My time's expired. I just have one more question on Basrah. May I ask the question, Mr. Chairman?

Chairman BYRD. Your time has expired.

Senator ALLARD. I'll—we'll send you a question on Basrah. Thank you.

Chairman BYRD. Senator Kohl.

Senator KOHL. Thank you, Senator Byrd.

Secretary Gates, Secretary Rice, and General Pace—I believe everyone agrees that Iraq is an enormous problem for us and that by anyone's reckoning, it's been badly mismanaged. Republicans and Democrats alike are desperately searching for a way out that leaves behind a stable Iraq and allows the men and women in our military—who have done a magnificent job, and been stretched to the breaking point—to come home.

I also think we agree that the answer to our problems can not be found down the barrel of a gun. Changes that need to be made are more political than military. Our hopes increasingly focus on our diplomatic efforts. Iraq's neighbors must be more invested in quelling the country's violence, and Iraqis themselves need to believe in their government, and to take charge of their own security.

ALTERNATIVE STRATEGIES

Secretary Gates, a few weeks ago you said that if the surge did not work, that you were considering "alternatives." What concerns me about that statement is that it implies that there will be no end to our commitment. I'm worried that there is no point at which this administration would look at the situation in Iraq and say that it can not continue the way it is. Who knows, the administration could change strategies several more times. Is that right? Are you proposing an open-ended commitment with constantly changing strategies if necessary? And if not, Secretary Gates, when do we run out of "alternatives?"

Secretary GATES. Senator, I think the President, in December, essentially said, it can't go on like it is. And, I think there was general agreement—both within the administration, and here on the Hill—that whatever, that the strategy we were following at the time wasn't working.

The dilemma we all face is, we all would like to bring our troops home, but I think a very large preponderance of opinion also is, that if we leave Iraq in chaos that we are just storing up even worse problems for ourselves in the future—not only in the region—but more broadly.

So, my view is that we will know within a few months whether or not this strategy is working. As I say, the early signs are somewhat encouraging. That is certainly the message we're getting out of the field.

So, I would say to you—No, it clearly can't go on forever. The President himself has said that the patience of the American people is limited. And so, I think that you take those things into account when—if down the road this hasn't worked—you begin to think about the alternatives. The alternatives clearly involve, Where do we go next? In terms of both the limited patience of the

American people to continue dealing with this, but also the imperative need in terms of national security of the United States, that would not leave Iraq in chaos.

Senator KOHL. Okay, I understand what you're saying, and I understand how difficult it is to be precise in a situation that is so imprecise.

BAKER-HAMILTON REPORT RECOMMENDATIONS

But I would like to ask you another question. Secretary Gates, you were a member of the Iraq Study Council—the Iraq Study Group, I'm sorry—almost until the very end. And their report recommended moving away from the security mission in Iraq, and toward a training and support role, number one. Number two, engaging Iran and Syria on Iraq; and number three, the group believed that we could withdraw most of our troops by 2008.

You were a member of that group until almost the very end. And that was a unanimously signed report. You no longer were there when that report was signed. How do you reconcile the recommendations of the Iraq Study Group with the strategy the administration is pursuing now? And where do you stand on the recommendations in that report—which were as I say, unanimously signed—but you had left by that time.

Secretary GATES. Yes, sir. I had, I actually left just prior to the first meeting that they had when they began to come to their conclusions, or began to draw their conclusions.

First of all, I would note that Secretary Rice announced earlier in the hearing that there will be a regional conference involving Iran and Syria and so on, and so the diplomatic strategy proposed by the Baker-Hamilton Group, I think, is in train.

The study also provided that there were circumstances under which a surge of troops might be useful, and particularly if there was a specific mission and frankly this was the attitude of our senior officers. If there is a specific mission that would warrant having some additional troops, then we're willing to take that approach—then they were willing to entertain that possibility.

We've talked earlier in the hearing about the fact that—Senator Alexander asked a number of questions relating to this—that in some very important respects, the administration's policy at this point embraces the principal recommendations of the Baker-Hamilton Group.

Senator KOHL. Thank you, Senator Byrd.

Chairman BYRD. Thank you, Senator.

Senator Brownback.

Senator BROWNBACK. Thank you, Mr. Chairman.

Secretary Rice, Secretary Gates, General Pace, thank you for your great service. I know it's a difficult time and it's a difficult topic. And Secretary Gates, you may be, desire us to be back at Texas A&M with a good basketball team and all, now with the difficulties you're facing here.

Secretary GATES. Lousy timing, Senator.

Senator BROWNBACK. Let me ask you a couple of questions on a series of issues, if I could.

ENCOURAGING SIGNS IN IRAQ

First, General Pace—Secretary Gates was talking about encouraging signs from the initial surge report, and I was looking at a Stars and Stripes article today. What can you identify as—are there some things that you look at? I know we're only days into this, but that look at encouraging signs?

Secretary GATES. Several, sir. And I will just tick them off as they come to my head.

One, Lieutenant General Aboud, who was selected by Prime Minister Maliki, has been a very balanced leader, and all of his leaders below him have been selected by a team of Iraqi and U.S. leaders who have ensured that they will be balanced in their approach to getting criminals off the streets, regardless of whether they're Sunni, Shia or Kurd.

Next, the Iraqi units that were promised to be brought to the capital, three brigades consisting of nine battalions, each battalion being 500 or 600 troops. Seven of those brigades have, in fact, arrived. The next two will arrive over the next 10 days to 2 weeks. There's been a little bit of mix in that, with regard to one unit showed up as low as 45 percent manning. Several showed up in the 70s, but the last two are almost 90 percent in their manning. So, the Iraqi government has been learning—as they've been moving their people for the very first time from one part of the Nation to another—on how to do that, and how to make sure they show up in whole cloth.

The first operations against Sunnis was done by the Iraqi army, and was done with the support of the coalition forces. The first operations against Shia was done by the Iraqi army, supported by the Iraqi police, and supported by the coalition. And so the operations that have taken place so far have been balanced in approach to the problem. They have been done very well. They have been done by Iraqis in the lead, and to this point in time—all the promises that were made by the Iraqi government have been fulfilled.

Senator BROWNBACK. Good. Although you read some of the news accounts and it looks like the violence levels are still, and they are quite high, but I'm glad to hear that you tick off a series of things. Because—while I've not been supportive of the surge—I hope it goes well. And we need this to succeed as much as possible.

Secretary Rice, on President Musharraf's meeting with the Vice President yesterday—I was in Afghanistan and Pakistan about 6 weeks ago, and it does seem like, I mean, this is all—not all, but mostly—coming from the Pakistani side. And his agreement with the leaders in that region, the warlords, not to go in. Are we going to have some luck with—or I shouldn't say luck—but are we going to have some success in getting this dealt with, on that Pakistani frontier area? From what you heard back from the meetings yesterday with the Vice President?

PAKISTAN'S FEDERALLY ADMINISTERED TRIBAL AREA

Secretary RICE. Well, I have—the Vice President will come back, I think, and report to the President on what he learned. But I do think that we need to remember that the Pakistanis have a very strong interest also in not having extremism breed in the federally

administered tribal area. After all, al-Qaeda has had a couple of attempts on President Musharraf's life, and so, I am certain that the cooperation remains good.

The FATA is very, very tough and we do have some concerns about the plan that was put into place to which you are referring, Senator, and about how it is working. I believe we—in part Secretary Gates, who may want to speak to this because he was out in Pakistan, and in part Vice President Cheney, who went out to follow up—believe that we have the commitment of the Pakistanis to fight these extremists because they threaten Pakistan, as well.

We have had some problems with the particular agreement that was signed between the Pakistani government and some of the tribal leaders and we have been working our way through ways to cooperate with the Pakistanis to make sure that does not become a terrorist safe haven.

Senator BROWNBACK. Well, we need to have that success.

And two other things I want to mention very quickly. First, thank you on the issue of Sudan and what you put in the supplemental. I think that is critical. It's a broad base of support within the Congress. Food and support for the African Union troops, I think, is key for us to get any semblance of this under control from the genocide that it has been and continues to be. So, thank you for putting that in.

And finally, I was in Ethiopia, as well, on this same trip, and I was pleased to see their effort of engaging in the war on terrorism in Somalia, in an area that has been a very difficult spot. I want to commend the troops, General Pace for, as far as any sort of support that we gave to the Ethiopians, and I hope we can support both Ethiopia and Somalia in important ways—probably humanitarian ways—to help the rebuild so that this festering area doesn't continue, and I would just make that as a comment.

Chairman BYRD. Senator Lautenberg.

BONUSES FOR DEPLOYED TROOPS

Senator LAUTENBERG. Thank you, Mr. Chairman.

And first, I want to note my admiration and respect for each one of you even though there may be some policy differences. I know how hard you work and how able each one of you is. And I would ask a favor of you, and that is forgive me if I ask you to be as brief as possible with your answers.

And I will start with this, Secretary Gates, the families of reservists, in particular, are in financial distress with these long deployments that they're undergoing. Now, there are bonuses that are paid that amount to, I think, about 7.5 percent over their base salary when they're in the combat environment. Is there something we could do to—that we might double or triple combat pay for our people serving in Iraq and Afghanistan? I don't know, did you miss the question?

Secretary GATES. No, I got it. I was just confirming my recollection with General Pace. I'll double check this. But first of all, I think that we pay soldiers who are extended an extra $1,000 a month when they go beyond the length of their tour.

Senator LAUTENBERG. What is a tour length?

Secretary GATES. It depends upon the service. The marines have a 7-month rotation, the Army has a 12-month rotation, and generally they're extended for anywhere from 2 to 4 months—generally speaking.

But also, in some of the changes that I've made in Guard and Reserve policy, we're also looking at additional incentives to take it—to acknowledge the sacrifice that these families are making, in particular—as well as the soldiers, in terms of those who are called up early, and those who are extended, so that we can give them some recognition of the extra effort and the extra sacrifice that we know their families are making.

Senator LAUTENBERG. I would hope that that is a review that can take place, because the financial burden on those who aren't on a base, where medical care is readily available, like they are often in the regular service.

Madam Secretary, we've done a lot of economic assistance—$22 billion in economic assistance failures, contracts, some misconduct—I believe that the Iraqis are sitting on tens of billions of dollars, of atone dollars. Why should we continue to suggest aid, after we've had the kind of experience that we have had?

IRAQ RECONSTRUCTION FUNDING

Secretary RICE. Senator, I think we are through with the kind of major reconstruction effort that the IRRF was intended to be—the big national-scale projects. Those are almost coming to an end. They have achieved some—it has been difficult because of the security situation and because of the state of the infrastructure—but the monies now for that kind of reconstruction really have to come from the Iraqis. They have put $10 billion forward for reconstruction and infrastructure. They also are putting forward out of that $10 billion, $2 billion to their provinces for job growth and smaller projects.

The monies that we are requesting are for a different kind of assistance. They really are a part of our counter-insurgency strategy of having the provincial reconstruction teams out with local government, with communities, to help them to do smaller scale work that will help with job growth and that can marry up with Iraqi forces in an effective way.

STATE-DOD COOPERATION ON PROVINCIAL RECONSTRUCTION TEAMS

Senator, if you do not mind, I just have to say, because I think there was a misimpression left. We have completed the 10 PRTs that were part of the original plan. The State Department's requirement to fill an additional 10 PRTs is a requirement that we received in January, as a part of the President's new surge. And we will do that, but we need the help of the Defense Department to bridge. These monies are for that purpose—it's for more local, diversified efforts.

Senator LAUTENBERG. Okay, I see it as, kind of, one larger reserve.

General Pace, what's the recruiting situation like these days? I know it's fairly aggressive on our part. What's the response?

ACTIVE SERVICE

General PACE. Sir, the active services are all over 100 percent. The Army's about 109 percent, the Marine Corps, about 114 percent. Retention is the same—the Army's about 109 percent, the Marine Corps, about 214 percent of their objectives.

We are light in two places. One, the Navy Reserve is coming in at about 88 percent, but that's based on a decision made by the CNO to slim down the size of the Navy Reserve, and the other is the Army—not sure if it's the Army National Guard or Army—it's Army Reserve. The Army Reserve is at about 97 percent right now, sir, as far as recruiting. But they're making up for the total numbers because their retention is stronger than it otherwise has been.

Senator LAUTENBERG. Thanks. Mr. Chairman, I would like to be assured that written questions will get a response and that the record is kept open for that. I appreciate it.

Chairman BYRD. The Senator is so assured. Senator Feinstein.

Senator FEINSTEIN. Thank you very much. Mr. Chairman, I'm sorry I had to leave. The Governor of California was here, and I had a meeting with him, and so I'm sorry.

Madam Secretary, I noted with great interest, your regional initiative. I just want to thank you for it, congratulate you. I think it's really on the right track, and particularly involving Syria and Iran. So, thank you very much.

GUANTANAMO FACILITIES

Secretary Gates, if I could, I want to ask you a question about Guantanamo. Last December, as the ranking member of Milcon-VA, I was informed that the Pentagon planned to invoke 10 U.S.C. 2808 authority to expedite the construction of a permanent $102 million state-of-the-art courthouse and supporting facilities at Guantanamo. To make a long story short, I questioned the use of such authority, and I was later informed by Secretary England that based on the sensitivity of the issue and the significant opposition to invoking that section, DOD had decided to pursue funding through regular budget processes.

When the President's budget was released, I noted with interest that there was no request in either the 2008 or the 2007 supplemental for further construction at Guantanamo except for $1.6 million in facility upgrades. My question is this—does the Pentagon still plan to construct a large, permanent courthouse complex at Guantanamo?

Secretary GATES. The reason that got changed, Senator, is because I said so.

Senator FEINSTEIN. Good.

Secretary GATES. It seemed to me that, by the time I received it the request was, I think, for $92 million and I basically said, "This is ridiculous." And to be honest—and I guess because the hearing's at 3½ hours I'll be more candid than I probably should. I said——

Senator FEINSTEIN. I'm all for that.

Secretary GATES [continuing]. We'll be handed our hat if we go up to the Hill for $100 million for these prisons—for these courthouses. What we intend to do is use some temporary buildings like we've used in Iraq. We will begin the court processes. The trials are

likely to begin for the non-high value individuals in July. We will do that in the facilities that we already have, or those that are covered by the $1.6 million. We will then turn to these temporary buildings, of the kind we've used in Iraq, and that we can disassemble, and we're looking at a, I think, a total figure for the entire complex—we're trying to provide facilities not only for the trials themselves, but living conditions for the press, and for the clerks, and for the various others associated with trials going on—but, we're looking at a number that is a tenth of what we were originally contemplating.

Senator FEINSTEIN. But not in this supplemental and not in the 2008 budget?

Secretary GATES. No ma'am. To tell you the truth I'm not quite sure where the money is at this point, but I can get back to you on that.

[The information follows:]

The Department will use relocatable buildings and portable equipment wherever possible to minimize costs for facilities at Guantanamo. We expect these costs to be a fraction of earlier estimates. We are currently preparing planning documents and cost estimates for these additional facilities and will brief the Congress as soon as those cost estimates are complete.

Senator FEINSTEIN. I'd appreciate that. Thank you very much.

Over the past 4 years we've been told, time and time again—by both the Pentagon and White House—that once enough Iraqi security forces were trained, U.S. troops could come home. At one point, the goal was to train 325,000 Iraqis.

The latest DOD document that I have seen shows that as of February 20 of this year, there were 323,180 Iraqi security forces trained, "trained and equipped." What correlation do you now see between the number of Iraqi security forces trained, and the possible drawdown of U.S. troops from Iraq?

General PACE. Senator, I was part of that course last year, around last January, had you asked me the size of the force and when we'd be able to draw down, I would have told you last January that we were going to train the 328,000—which we did—we were going to equip the 328,000 by December—which we did—and we were going to turn over to them the responsibility, which we did not.

We did not, because in February of last year the Golden Mosque bombing and all the sectarian violence that ensued from that, we realized by around June that we were not going to be able to come down, even though we were training up the right number of Iraqis for the environment that we thought we were going to be in. The violence got out ahead of our ability to control it. That led us, then, to the reevaluation and the recommendations for the increase in the U.S. numbers of troops, more importantly the increase in good governance and the increase in economics.

That, then, will allow us, with 328,000 Iraqis plus the 42,000 more that Prime Minister Maliki is budgeting in his budget, that will allow us, then, to have the right number of troops—but they're going to need our help—to get the security situation. But, I was part of the group that would have told you 1 year ago that—13 months ago—that we could have been down substantially by the end of December, and then the enemy voted the way they did.

Senator FEINSTEIN. Thank you.

Thank you, Mr. Chairman.

HOW THE WAR IN IRAQ WILL END

Chairman BYRD. Thank you, Senator Feinstein.

Senator Gates—Secretary Gates—do we have a plan that explains how the war in Iraq will end in terms of the presence of U.S. combat forces, and in terms of our long-term relationship with Iraq? In other words, Mr. Secretary, what is the happy ending to this ill-considered war, and when will it occur? What are the greatest obstacles we have to overcome?

Secretary GATES. Mr. Chairman, I think that the outcome we would hope for is that in the coming months we are not only able to reduce the overall level of violence in Baghdad, but in the space that is bought for the Iraqi government in that respect, by their own troops and with ours in support, that political reconciliation can go forward. And there are some early signs on that, as Secretary Rice mentioned earlier, on the hydrocarbon law and so on.

That economic development will proceed and there are several initiatives associated with that, in addition to the provincial reconstruction teams that we've been talking about. And as this violence is quieted over the months, we will be able to begin—as we had hoped to do so last year—drawing down our forces with the Iraqis remaining in charge and keeping security in these neighborhoods.

I believe we will need to have some kind of a military presence in Iraq for some prolonged period of time, but at a fraction of the level of forces that we have now. Partly because the Iraqis are going to continue to need help with the logistics and communications and intelligence and various other aspects and training. I believe that we, clearly, have no desire for permanent bases in Iraq. And I think the outcome of this, if this plan works out as we hope, will be that an Iraqi government that can, in fact, sustain itself and defend itself and be an ally of United States in the war on terror, and at the same time a barrier to Iranian influence in the region, rather than a bridge for it.

Chairman BYRD. You say that you think we'll have a presence in Iraq for some time to come. Can you tell us a little more about that? How long?

Secretary GATES. I think that at a very much reduced level we will probably have some presence in Iraq, as we have had in Korea, and Germany, and a variety of other places around the world where we've been at war, for a prolonged period of time, a number of years. But as I say, at a fraction of the level of troops that we have there now.

I thank the witnesses. I thank the witnesses for their testimony. Are you tired, Secretary Rice?

Secretary RICE. No, Senator, but I am hungry.

Chairman BYRD. You're not tired?

Secretary RICE. No sir, but it is dinner time for all of us.

Chairman BYRD. The Committee is expecting to mark up the supplemental bill on March 20.

ADDITIONAL COMMITTEE QUESTIONS

Do any of the witnesses have anything further? Let me thank the witnesses for their testimony. You have been patient. I know that you are tired. You have done a good job.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO HON. ROBERT M. GATES

QUESTIONS SUBMITTED BY CHAIRMAN ROBERT C. BYRD

JUSTIFICATION OF THE FISCAL YEAR 2007 SUPPLEMENTAL BUDGET REQUEST

Question. In the past, this Committee has expressed concerns about the lack of detailed justification materials in support of supplemental budget requests. While the Department has provided much improved materials along with the fiscal year 2007 Supplemental budget request and is to be commended for its efforts, I believe there is still room for improvement.

Secretary Gates, will the Department work with the Committee to ensure that the Committee receives all the information it requires in a timely manner for this and the fiscal year 2008 Budget request?

Answer. It is my understanding that for the fiscal year 2007 Supplemental request and the fiscal year 2008 Budget request, the Department submitted almost all of the required detailed justification during the first week of February 2007.

MONTHLY COST OF THE WAR IN IRAQ

Question. The explanatory material which accompanies the fiscal year 2007 emergency supplemental request lists the cost of the war in Iraq at $8.6 billion per month, up from $7 billion per month in fiscal year 2006, and $5.9 billion in fiscal year 2005.

Secretary Gates, why does the cost of the war continue to increase? Does the fiscal year 2008 supplemental appropriations request anticipate further increases to the cost of the war in Iraq? If so, how much do you estimate the war in Iraq will cost each month in the next fiscal year?

Answer. The major drivers in the increased cost of the war are the cost to replace and repair equipment and the cost to train and equip the security forces. Military operations costs have increased some as force levels and pace of operations have changed in theater. The cost of repairing and replacing equipment continues to increase as more equipment is lost due to battle damage and it is no longer economically feasible to repair. Accelerating the training and equipping of the Iraqi Security Forces so that they can assume responsibility for providing for the security of Iraq also drives an increase in cost. In addition, we continue to ensure that U.S. forces have the best force protection equipment available. The fiscal year 2008 budget request for the Global War on Terror for activities supporting operations in Iraq is $109.7 billion—or roughly $9.1 billion per month—this includes costs for military operations, equipment procurement, construction, and training and equipping Iraq Security Forces.

EXPANSION OF AUTHORITIES AND FUNDING

Question. The supplemental includes $300 million in continued funding for Coalition Support Funds in addition to the $900 million previously provided in the fiscal year 2007 Bridge supplemental. These funds reimburse partner nations that support our efforts in Iraq and Afghanistan.

Secretary Gates, the supplemental requests for coalition support continue to rise. It seems we are only able to secure coalition support with the commitment of these funds. Since this is not the road we want to continue on for future conflicts, where do we see an end to this funding?

Answer.

—Coalition Support Funds are critical to the United States' success in the global war on terror, helping to multiply the force and save money. Without a means to reimburse Pakistan, Jordan, and other key cooperating countries, U.S. forces would be required to conduct these military operations, which could require additional U.S. forces to be deployed. In some instances, U.S. forces may not be as effective as the indigenous forces can be.

—Many countries, including several of the newer NATO countries, have an intense desire to participate in U.S. military operations but do not have the economic means to finance their logistical support. With Coalition Support Funds, the United States is able to financially assist these countries in fighting the global war on terror and at the same time reduce the numbers of U.S. soldiers required for this fight.

—Use of Coalition Support Funds to reimburse other nations for their support to U.S. military operations generally saves money because most countries have lower operational costs than U.S. troops.

—Finally, with the United Kingdom reducing its forces in Iraq, the use of Coalition Support Funds is expected to increase to reimburse replacement countries for necessary logistical support previously provided by the United Kingdom. If Coalition Support Funds are not available, U.S. forces may be required to fill those gaps.

—For these reasons, the Department will continue to need Coalition Support Funds to support the global war on terror into the near future.

Question. The fiscal year 2007 National Defense Authorization Act continued a provision granting the Secretary of Defense the authority to train and equip partner nations in our efforts in the Global War on Terrorism. The authority allows the Department of Defense to use up to $300 million from O&M accounts for this purpose and the fiscal year 2007 Defense Appropriations Act subjected this provision to our prior approval reprogramming procedures. The President requests the full $300 million for this Global Train and Equip authority in the fiscal year 2007 supplemental request without following prior approval reprogramming procedures.

Secretary Gates, to date, the Department has only sought this authority for activities in Lebanon. What is the planned use for the full $300 million?

Answer. The Department has not yet used any of the fiscal year 2007 Global Train and Equip authority. Currently, the Departments of Defense and State are finalizing the prioritization of $300 million in projects for fiscal year 2007. Proposals from Combatant Commanders and U.S. Embassies total more than $800 million. Once the projects are approved by the Secretaries of Defense and State, the Department of Defense will notify the Congress as required by law. The Department of Defense expects to use the entire $300 million of authority in fiscal year 2007 and asked the Congress to provide the necessary funding when it enacts the fiscal year 2007 Supplemental.

Question. Secretary Gates, when this authority was first granted, the Department requested a change that took the President of the United States out of the required approval process. Now the Department is seeking to take Congress out of the approval process by avoiding the reprogramming requirement. Why are you attempting to circumvent congressional oversight on activities that could be extremely controversial?

Answer. The Department does not believe it is attempting to circumvent congressional oversight. The Global Train and Equip authority requires the Department of Defense to notify Congress 15 days prior to initiation of any program. The notification includes the source of funds and is provided to the same committees as a reprogramming action thus ensuring Congressional oversight of all aspects of the program, including the funds that will be used to finance the train and equip programs. In the fiscal year 2007 Supplemental, the Department is requesting dedicated funding to support train and equip programs to ensure resources are available exclusively for this program. The Department will still be required to provide Congress with the 15-day notification prior to initiating any program.

GLOBAL LIFT

Question. The President requests $50 million for a new global lift and sustain authority. These funds would finance operations outside of Iraq and Afghanistan. The specific use of these funds is not delineated in the request.

Secretary Gates, what is the planned use for this funding?

Answer. The Department of Defense has requested $50 million in the GWOT Supplemental of the $100 million of global lift and sustain authority in fiscal year 2007 providing lift and sustainment to eligible coalition partners supporting combined military operations in Bosnia, Kosovo, the Philippines, and elsewhere. These funds will be expended in the fourth quarter of fiscal year 2007. The Department has requested $50 million because of the need to coordinate requirements for global lift and sustainment from the Combatant Commanders and to ensure proper documentation and approval of those requirements in line with the legislation authorizing the program. If requirements exceed $50 million, the Department will identify sources within the appropriated resources.

IMPACT OF SUPPLEMENTALS ON THE BASE BUDGET

Question. Secretary Gates, I have repeatedly expressed my concerns over the Department's continued reliance on supplemental budgets for the war when in fact many of the war's costs—such as costs for military personnel—are quite predictable and could thus be included in the regular defense budget. Yet the Department continues to seek supplemental funding for the war.

Why is the cost of war not included in the regular defense budget?

Answer. The cost of the war is included in the President's fiscal year 2008 submission to Congress. The Department of Defense's fiscal year 2008 Global War on Terror (GWOT) request includes $141.7 billion for war-related costs.

Question. It is my understanding that the guidance given to the Services when assembling this supplemental request was broader than guidance provided for previous supplementals. Consequently, it appears that certain items that have previously been funded in the regular budget have migrated into the supplemental budget request.

Secretary Gates, why was the guidance for the fiscal year 2007 supplemental budget request expanded compared to previous supplemental requests?

Answer. That guidance was issued before I arrived. It is my understanding that in his October 2006 memorandum, Deputy Secretary of Defense England expanded the ground rules to capture the Department's overall efforts related to the Global War on Terror (GWOT) and not strictly limited to OIF and OEF theaters of operation. This widening of the scope was done not to provide a new avenue for funding of base programs. These ground rules focused on including the Department's need to reconstitute forces and accelerate specific force capabilities and to make available necessary funds for Combatant Commanders to address worldwide emerging terrorist threats outside of Iraq and Afghanistan that are part of the broader GWOT.

Question. What are the criteria for funding requirements in the supplemental request instead of the regular baseline budget?

Answer. The general criterion that the Department uses to submit requirements for the global war on terror supplemental funding is that the requirement should only be for the incremental costs above the baseline funding. This means that if it were not for the global war on terror, these costs would not be incurred. This includes not only the operations costs but also replacing and maintaining equipment that has been lost or worn out and it is no longer economical to repair it. The Department also includes force protection requirements to ensure that U.S. Forces are protected with the best possible equipment available. Supplemental requests have included other unforeseen, emergency requirements that may not appear to be directly related to GWOT, but have emerged as must fund requirements. Once the Department has an opportunity to budget for these requirements lead-time away, it does (e.g., growing the Army and Marine Corps force structure).

Question. Mr. Secretary how is the Department's continued reliance on supplementals affecting the strategic programming and planning process that informs the formulation of the regular budget?

Answer. The Department is not continuing to rely on supplementals. The cost of the war is included in the President's fiscal year 2008 submission to Congress. The Department of Defense's fiscal year 2008 Global War on Terror (GWOT) request includes $141.7 billion for war-related costs. The Department continues to use a strong strategic programming and planning process to formulate its annual budgets.

FORCE PROTECTION

Question. The fiscal year 2007 supplemental request contains $8 billion for force protection. Of the $8 billion, $1.6 billion is specifically for body armor.

Secretary Gates, what body armor equipment is being bought with the fiscal year 2007 supplemental request? Are these replacement items, or are there still forces that are without the required protection level for all combat operations?

Answer. The $1.6 billion requested in the fiscal year 2007 supplemental for body armor includes $347.6 million specifically for body armor ("equivalent whole set" quantities and replacement items), and $1,291 million for "other protective gear."

BODY ARMOR SAPI/E–SAPI EQUIVALENT SETS, QUANTITIES

	Army	USMC	Navy	USAF	SOCOM	DOD Totals
Fiscal year 2004 through fiscal year 2006 baseline, title IX and supplemental	825,477	63,306	5,750	137,404	28,108	1,060,045
Fiscal year 2007 baseline	.....	14,000	725	.....	7,562	.....

BODY ARMOR SAPI/E–SAPI EQUIVALENT SETS, QUANTITIES—Continued

	Army	USMC	Navy	USAF	SOCOM	DOD Totals
Fiscal year 2007 title IX	202,846	25,000	3,300	6 062	.....	259,495
Totals fiscal year 2004–2007 title IX	1,028,323	102,306	6,475	140,704	41,732	1,319,540
Fiscal year 2007 Supplemental	61,220	.....	10,000	30,000	.....	101,220
Totals fiscal year 2004–2007	1,089,543	102,306	16,475	170,704	41,732	1,420,760
Requirement, whole sets	966,000	75,000	7,200	177,000	4,900	1,230,100
Above (+)/Below (−) Goal	123,543	27,306	9,275	−6,296	36,832	190,660

With funds appropriated through fiscal year 2007, including Title IX, the Department has procured 1,420,760 sets, with both Small Arms Protective Inserts (SAPI) and Enhanced Small Arms Protective Insets (E–SAPI) for all Active, Reserve and National Guard forces, both deployed and non-deployed. The fiscal year 2007 supplemental request procures an additional 101,220 "equivalent whole sets," all E–SAPI, and represents a replacement program for older and worn out sets. While some body armor sets are constantly being replaced with better components, all deployed and next-deployers units have the required protection level for combat operations.

For example, in fiscal year 2007, the Army used the $1 billion from the fiscal year 2007 DOD Appropriations Act, Title IX funding to acquire 264,000 sets of E–SAPI ($875 million); 7,700 ($10 million) for Air Save Body Armor; and Advanced Combat Helmets ($108.2 million). The current fiscal year 2007 Supplemental request will allow the Army to complete the fiscal year 2007 fielding of the projected Improved Outer Tactical Vest (OTV) with quick release. This acquisition results in a total of 671,000 sets of E–SAPI out of an overall requirement for 966,000 body armor sets for all Army, Army Reserve, and Army National Guard units. This will meet all personnel assigned to combat operations, including next-deployers. The combination of the Title IX and supplemental funding will outfit 150,000 fiscal year 2007 deployers, 88,400 next-deployers, and 25,600 for Reset. In addition, the Army will acquire 156,000 Improved Outer Tactical Vest (OTV) and conversion kits, as well as 306,000 Advanced Combat helmets. Similarly, fiscal year 2007 supplemental funding will buy the Navy and Air Force an additional 10,000 and 30,000 body armor sets, respectively.

In addition, $1,291 million is requested for Other Force Protection equipment, as follows:

[In millions of dollars]

	Amount
C3I Force Protection: Army—Bio Surety and Hotline	126.3
Other Personal Protection:	
Army—Automated Biometrics ID System	136.9
Army—OEF/OIF/Horn of Africa/Philippines Uniforms, special/fire retardant clothing	488.7
Army—Rapid Fielding Initiative (boots/gloves/goggles/helmets/etc.)	72.1
Marine Corps—Special/fire retardant clothing and other gear	20.0
Navy—Special/fire retardant clothing and other gear	44.1
SOCOM—Special/fire retardant clothing and other gear	14.0
USAF—Special/fire retardant clothing and other gear	66.0
Other Force Protection:	
AFIS—Joint Communication/Transformation	3.5
Army—Individual Chemical/Biological Countermeasures	7.4
Army—Munitions Clearance	124.3
Army—Rapid Equipping Force	67.5
Army—Asymmetrical Warfare Group	102.6
Defense Wide—Defense Critical Infrastructure Program (DCIP)	9.3
Defense Wide—Rewards Program	3.0
Air Force—Personnel Security	5.3
Total	1,291.0

COMMANDER'S EMERGENCY RESPONSE PROGRAM

Question. Secretary Gates, what are lines of distinction between projects funded through CERP and projects funded through the Iraq Reconstruction and Relief Fund (IRRF)?

Answer. The Iraq Relief and Reconstruction Fund (IRRF) is an appropriation that provided funding for security, relief, rehabilitation, and reconstruction in Iraq. The IRRF was made available through September 30, 2006 and has been managed by the State Department. It was allocated among a variety of sectors, including security and law enforcement, water resources, electricity, etc., with a focus on relatively large, longer-term reconstruction programs and projects.

By contrast, the Commander's Emergency Response Program (CERP) is a Department of Defense program designed to enable military commanders in Iraq and Afghanistan to respond to urgent, humanitarian relief and reconstruction requirements within their areas of responsibility by carrying out small-scale projects that will immediately assist the local population. The CERP complements security operations by giving military commanders a flexible source of funding that can create immediate effects for the Iraqi people and establishes goodwill between the military and the local populace. Examples of CERP projects include area clean-up, repair of battle damaged structures, supplies for schools and hospitals, seed for farmers, etc.

NATIONAL GUARD EQUIPMENT

Question. It has been often reported that the National Guard units not deployed overseas are short of critical equipment, such as trucks, radios, and other equipment.

Secretary Gates, how much of the $93.4 billion in the defense supplemental appropriations request is intended to address National Guard shortages here at home? What steps are being taken to see that new equipment for the National Guard will be distributed to units with the most urgent shortages here at home?

Answer. The Army National Guard has $1.48 billion and the Air National Guard has $242.1 million included in the fiscal year 2007 Supplemental request for equipment. For the Air National Guard, $237.2 million was submitted by Air Force as part of the aircraft procurement requirements; along with $4.1 million for the Guard Operations and Maintenance Appropriation. Aircraft procurement and equipment funding will not be allocated to a specific state. The procurement funding for the National Guard is executed by the services; procured equipment is then allocated to units based their wartime mission requirements with consideration given to the states' emergency response requirements.

Question. The number of National Guard troops deployed to Iraq has decreased since the initial invasion, but the continuing deployment of large numbers of Guard members still has an impact on Guard readiness. In December, General Schoomaker told the Commission on the National Guard and the Reserves that the Army may have to call upon our citizen-soldiers more often as a short-term measure until the size of the active duty Army can be increased.

Secretary Gates, of the troops now serving in Iraq, what percentage are members of the National Guard?

Answer. There are currently approximately 15,200 Army National Guardsmen or 16 percent of the total Army forces serving in Iraq and over 1,400 Air National Guardsmen or 12 percent of the total Air Force personnel currently serving in Iraq.

NATIONAL GUARD DEPLOYMENTS

Question. Secretary Gates, many members of the National Guard are concerned that more National Guard troops are going to be deployed to Iraq as a result of the surge and the troop rotations scheduled for next year. How many members of the Guard are having their deployments extended as a result of the surge?

Answer. Approximately 4,000 Army National Guard soldiers have been impacted by the surge with the extension of the 1/34 Brigade Combat Team. The Air National Guard does not expect to have current or future deployments extended as a result of the surge. We do expect the number of CENTCOM requirements and mobilizations to be increased to support the surge.

Question. Secretary Gates, do you expect the number of Guardsmen deployed to Iraq to increase this year? What about next year? If you expect more members of the Guard to either stay longer in, or deploy to Iraq, that will cause even more strains on Guard equipment. Are we resetting the Guard fast enough to counter this strain on National Guard equipment?

Answer. The number of Army National Guardsmen deployed to Iraq is currently not projected to increase this year; however, there may be an increase in the num-

ber of Air National Guardsmen. The Army rotation program requirement for fiscal years 2006–08, called for 21,000 National Guardsmen. However, through the remainder of this fiscal year and through fiscal year 2009, the Army National Guardsmen deployments will be sustained at about 23,500 troops. The pace of reset of the National Guard equipment is not optimal at this point in time but the Department is committed to reset the National Guard as quickly as capability allows.

RIVERINE FORCE

Question. The supplemental requests nearly $30 million in emergency funds for equipment for the Naval Expeditionary Combat Command, also known as the Riverine force. This request comes one year after Congress rejected funds to equip the new Riverine force using emergency funds in the fiscal year 2006 supplemental appropriations bill.

Secretary Gates, knowing that Congress did not approve emergency funds for a similar purpose last year, why should Congress look differently upon this request?

Answer. The Navy Expeditionary Combat Command (NECC) was established in January 2006, per CNO Guidance of 2006 to serve as the single functional command for the Navy's expeditionary forces and as central management for readiness, resources, manning, training and equipping of those forces. NECC consolidates, aligns, and integrates diverse expeditionary capabilities and combat support elements to create consistent expeditionary practices, procedures, and requirements and logistics in the joint battle space. Specifically, NECC integrates the following capabilities: the Naval Construction Force, Explosive Ordnance Disposal, Mobile Diving and Salvage, Naval Coastal Warfare, Navy Expeditionary Logistics Support Group, Expeditionary Combat Readiness Center, Expeditionary Training Command, Maritime Civil Affairs Group, Combat Camera, and the Riverine Force.

For clarification, the Riverine Force (comprised of Riverine Group [RIVGRU] ONE; and three deployable commands; Riverine Squadrons [RIVRONs] ONE, TWO and THREE) is an operational component of the NECC. Also, the Navy included $73.942 million in the fiscal year 2007 Supplemental Request (principally Other Procurement Navy [OPN] and a small amount of Procurement of Ammunition Navy and Marine Corps [PANMC]), vice nearly $30 million, to support initial outfitting of the Riverine Force.

Congress should look differently upon this request because Navy and RIVGRU ONE have fully assumed the riverine mission in OIF from the Marine Corps. Acceleration of initial outfitting of the Riverine Force is necessary to sustain this OIF and Global War on Terror mission. This request is considered justified due to factors such as the lack of equipment for the Riverine Force being available from existing stocks (beyond what has already been provided), the long delivery timelines for much of the equipment required for initial outfitting of three deployable RIVRONs (that can exceed 10 months from contract/contract option award to delivery), the fact that each RIVRON is deployed/scheduled to deploy to OIF within the next 21 months and the demand signal from all Geographic Combatant Commanders for a riverine capability in respective Areas of Responsibility.

The Navy approved establishment of the Riverine Force in late 2005. Two components of that Force, RIVGRU ONE and RIVRON ONE, were commissioned in May 2006 and RIVRON ONE deployed in February 2007 in support of Operation Iraqi Freedom (OIF). RIVRON TWO has been commissioned, is in training and will relieve RIVRON ONE in Fall 2007. RIVRON THREE will be commissioned Spring 2007 and will relieve RIVRON TWO in Spring 2008.

In fiscal year 2006 the Navy reprogrammed procurement resources, within established thresholds, to partially fund initial outfitting of the Riverine Force. In fiscal year 2007 the Navy used funding from a modestly resourced Riverine Force program of record and additional funds from reprogramming to continue initial outfitting. The Navy has also programmed funding in fiscal year 2008 and planned funding in future years for this purpose; the goal being for the Riverine Force to achieve Full Operational Capability by fiscal year 2010. These measures will provide approximately two-thirds of the procurement funding required for initial outfitting. Approximately one-third of the funding required for initial outfitting constitutes the request in the fiscal year 2007 Supplemental.

Specifically, the $73.942 million of the requested fiscal year 2007 Supplemental will be used to buy deployable CBR equipment, boats, communications gear, Civil Engineering Support Equipment (CESE) and material handling equipment (MHE) which will be used by RIVRON TWO (slated to deploy later this year), up-armored HMMWVs, tactical vehicles, body armor, and training for RIVRON TWO and THREE, as well as other requirements for RIVGRU. Without these funds deploying Sailors may not have the highest levels of individual protective equipment, nor will

their vehicles have the best force protection capabilities that currently exist. Additionally, training will be drastically curtailed. This will impact the deployability of Riverine Squadron THREE.

ARMED RECONNAISSANCE HELICOPTERS

Question. The supplemental request includes $38 million for two Armed Reconnaissance Helicopters. This is a new type of helicopter, which will not be fielded until 2009.

Secretary Gates, why is there an emergency need for a new type of helicopter that will not be available to our troops for nearly two years? Considering the Army has also requested 37 Armed Reconnaissance Helicopters in its fiscal year 2008 base budget request, what would be the effect on our troops if the request for emergency funds for these two helicopters were to be delayed?

Answer. The replacement of OH–58D with ARH that this request provides is a key part of the Army Aviation Transformation and Modernization stemming from the termination of Comanche and the reinvestment of those dollars into the fleet. Since 9/11, the Army has had 30 OH–58D operational losses. As the Army no longer procures the OH–58D aircraft, the ARH is a one-for-one replacement for the OH–58D. With the continuing OH–58D operational losses, increased operational tempo and age of the fleet, it is becoming more challenging to meet our requirements. There is a 24- to 36-month lead time from aircraft combat loss to the receipt of the ARH aircraft to the Army. This supplemental will ensure that the Army losses are filled by buying forward the ARH requirement to meet our operational requirements.

RECRUITING AND RETENTION

Question. The supplemental request includes $1.7 billion for retention and recruiting, which is a 30 percent increase over fiscal year 2006. In recent years, the services have struggled to reach their recruiting goals. Last year, all of the active components achieved their goals but the National Guard and Reserves still fell slightly short.

Secretary Gates, will the $1.7 billion provide sufficient resources for the services to reach their fiscal year 2007 recruiting and retention goals?

Answer. The recruiting and retention funding in the fiscal year 2007 supplemental request for the military personnel accounts is now $1.8 billion rather than $1.7 billion, as mentioned in the briefing. An additional $0.3 billion is also included in the fiscal year 2007 supplemental request for the Operation and Maintenance accounts to support recruiting and retention. The $2.1 billion will enable the Services to achieve their recruiting and retention goals.

Question. Secretary Gates, the Army Reserve experienced the largest recruiting shortfall last year at 4.5 percent below targeted recruiting levels, yet the supplemental request cuts funding for Army Reserve recruiting and retention by $9 million, or by nearly 5 percent. Why was funding cut when Army Reserve recruiting results are still short of desired levels?

Answer. The Army Reserve's budget for manning supports both recruiting and retention missions. The $9 million referenced in the question reflects the 1,733 reduction in the Army Reserve's retention mission.

Question. Although the Department recently announced plans to increase Army and Marine Corps permanent end strengths, the increase will be gradually achieved over several years. Currently, the National Guard and Reserves are shouldering a great deal of the Global War on Terror burden and, with the new "surge" effort, significant troop deployments will continue.

Secretary Gates, how do you see this heavy burden affecting recruiting and retention of the National Guard and Reserves in the coming year? Do you have a feel for how an effort such as the "surge" has on the retention of our troops?

Answer. Though it is difficult to predict the impact of a specific action on retention, I believe that our continued prudent and judicious use of Reserve component members during this "surge" will help toward sustaining reenlistment and attrition trends established over the past several years. Last year, reenlistment goal achievement increased for the fourth straight year, attaining the second highest level since fiscal year 1990. Similarly, Reserve component attrition rates, the best metric for measuring Reserve retention, continued its positive trend, decreasing to a loss rate of 18.4 percent, the lowest since fiscal year 1991. These data, coupled with survey results, tell us that those Reserve component members, who receive proper notification, treatment, and consideration of family and employer issues, will serve and remain. But we also know that overuse will have a negative impact, making it critical

that we continue to employ our prudent and judicious use tenets throughout this "surge" effort.

QUESTION SUBMITTED BY SENATOR DIANNE FEINSTEIN

GUANTANAMO

Question. When the President's Budget was recently released, I noted with interest that there was no request in either the fiscal year 2008 Budget or the fiscal year 2007 Supplemental for further construction at Guantanamo, except for $1.6 million in facility upgrades.

Does the Pentagon still plan to construct a large, permanent courthouse complex at Guantanamo?

Answer. We will use the $1.6 million in the fiscal year 2007 Supplemental to upgrade the existing courtroom.

QUESTIONS SUBMITTED BY SENATOR FRANK R. LAUTENBERG

Question. What changes to recruitment standards has the military made since the beginning of the war in Iraq (March 2003)?

Answer. The military has made no changes to our recruitment quality standards since March 2003. The quality of new active duty recruits remains high—well above the average of the youth population. For instance, in 2006, DOD-wide, 91 percent of new recruits were high school diploma graduates (against the goal of 90 percent). This compares favorably to the national average in which only about 80 percent graduate from high school. On the Armed Forces Qualification Test, 69 percent are drawn from the top half of America's youth (versus a desired minimum of 60 percent).

Question. Do you think that we should double or triple combat pay for our troops serving in Iraq and Afghanistan?

Answer. We do not believe an increase in the current rate is warranted at this time. All military members serving in Iraq and Afghanistan receive a total additional $430 per month: $225 in Hostile Fire/Imminent Danger Pay; $100 in Hardship Duty Pay; and $105 for incidental expenses. Members who have dependents receive $250 per month in Family Separation Allowance. Additionally, all members in Iraq and Afghanistan are entitled to Combat Zone Tax Exclusion.

Question. Why are funds being requested in the fiscal year 2007 Supplemental for items like the Joint Strike Fighter, which will not help us either in Iraq or Afghanistan?

Answer. Our original fiscal year 2007 Supplemental request included the F–35 Joint Strike Fighter because combat losses of our aircraft must be replaced, and the best use of taxpayers' dollars is not to spend them on legacy aircraft, but rather to invest in the latest capability—such as the F–35.

IRAQ AND AFGHANISTAN

Question. Why was the RIO contract repeatedly given to Halliburton/KBR, against the advice of auditors, and despite that companies track record of unsupported charges?

Answer. The mission to execute the Contingency Support Plan was assigned by the Department of Defense to Army on January 18, 2003. Army assigned the Contingency Support Plan mission to the Corps of Engineers on February 13, 2003. At the time, the mission was still classified and it appeared that the services would be needed quite soon. The Corps of Engineers was ordered to begin executing the Contingency Support Plan on March 17, 2003, just 32 days after being assigned the mission.

Under the circumstances, which were fully explained in the written justification requesting authority to award a sole source contract, Kellogg, Brown and Root Services (KBRS), the developer of the Contingency Support Plan, was the only contractor who could have provided the required services within the required time frame. This justification was reviewed and approved by the Assistant Secretary of the Army for Acquisition, Logistics, and Technology on February 28, 2003. The sole source contract was awarded on March 8, 2003 and pre-positioning of equipment and personnel began on that same date.

Before awarding the sole source contract, the contracting officer followed normal procedures and checked with the Logistics Civil Augmentation Program (LOGCAP) contracting officer and the Defense Contract Management Agency (DCMA). Neither

provided any negative information concerning KBRS. There was no information available to the contracting officer indicating any problems with unsupported costs on the LOGCAP contract or any other KBRS government contract. Similarly, there was no advice from auditors indicating that the contract should not be awarded to KBRS.

The Government Accountability Office (GAO) reviewed the award of the sole source contract. In Report No. 04–0605, it found, ". . . the Army Corps of Engineers properly awarded a sole-source contract for rebuilding Iraq's oil infrastructure to the only contractor that was determined to be in a position to provide the services within the required time frame. The Corps documented the rationale in a written justification, which was approved by the appropriate official."

The Special Inspector General for Iraq Reconstruction (SIGIR) also reviewed the award of the sole source contract and found it to be proper.

In addition to the initial sole source contract, KBRS also was awarded one of the two fully competitive contracts which replaced the sole source contract. Prior to awarding the competitive contract to KBRS, the procurement action was reviewed by a Source Selection Evaluation Board whose recommendations were ultimately adopted by the Source Selection Authority. The Board included representatives from both DCMA and the Defense Contract Audit Agency (DCAA), who reviewed available audit reports and checked with personnel from their agencies and others as part of the evaluation process. On November 12, 2003 the DCMA Corporate Administrative Contracting Officer advised the Board that KBR's accounting system was considered adequate for the accumulation and reporting of costs under government flexibly priced contracts. The board concluded that, "the risk associated with the adequacy of the accounting system for KBE is no risk to minimal." The Source Selection Evaluation Board, which included members from DCMA and DCAA, recommended KBRS receive one of the contracts. The Source Selection Advisory Counsel concurred with the Source Selection Evaluation Board. The Source Selection Authority made his decision and his decision document was signed and forwarded for a final sufficiency review on January 13, 2004.

The Corps of Engineers was not familiar with all audit reports which may have been generated on KBRS dealing with contracts other than RIO, particularly those which may have been completed after the Source Selection Evaluation Board made its recommendations. The only audit report on the RIO sole source contract available to the Corps of Engineers which had not been available to the Source Selection Evaluation Board when the award of the competitive contracts were made, was a draft audit report issued by DCAA in December of 2003. That audit report included $62 million in questioned costs based on the difference between the cost of delivering fuel to Iraq from Turkey and Kuwait. For a variety of reasons, this comparison was questionable and DCAA chose not use this comparison in its final audit report. The Source Selection Authority did review the audit report but did not change his decision. He signed a final decision document, with minor revisions on January 16, 2004. The contracting officer had not yet completed his responsibility determination and did carefully consider this audit report before making a positive responsibility determination. He noted that the estimating system remained approved by DCMA.

In reference to the question on unsupported costs. Audits generally are an iterative process. An auditor determines if the costs are adequately supported by the documentation available at the time and raises questions about certain transactions. The contractor normally provides supporting documentation for unsupported costs or drops them from the proposal. The contractor also normally provides additional information about the questioned transactions, which may or may not resolve the questions. When the audit has been finalized, it is given to the contracting officer, who is responsible for resolving any remaining questioned costs with the assistance of appropriate technical staff and DCAA.

There were no significant unsupported costs on the RIO sole source contract at the time the award of the competitive contracts were made. In subsequent audit reports, there were significant unsupported costs. However, the contractor either provided the necessary support or deleted them from his proposal. By the time the final versions of the audit reports were prepared, there were no significant unsupported costs. No payments were made to reimburse the contractor for costs which were not supported.

Question. Why was the Army Corps given the responsibility for being the Army's delegated contracting authority in Iraq? Had the Corps ever previously held such responsibilities?

Answer. The Army Corps of Engineers was not given responsibility for being Army's delegated contracting authority in Iraq. The Army office responsible for Iraq Reconstruction Contracting is the office of the Assistant Secretary of the Army for

Acquisition, Logistics, and Technology. The Corps of Engineers provided construction management support to the Army reconstruction effort until October 2006 at which time the Corps of Engineers assumed responsibility for both construction and program management of Army reconstruction projects in Iraq.

Question. Could you describe the new guidelines being formulated regarding religious exercise in the military? What grievance procedure can they use so that they will not have fear of penalty or retaliatory harm to their careers?

Answer. The guidelines provided by the National Defense Authorization Act for Fiscal Year 2007 and current law are clear and sufficient guidance. The Services provide both formal and informal Military Equal Opportunity grievance procedures for Service members who believe that their rights (to include their religious exercise rights) have been violated. Those procedures are designed to guarantee Service members freedom from penalty or retaliatory harm.

QUESTION SUBMITTED BY SENATOR BEN NELSON

Question. $28.5 million of the NE Guard's shortfall is equipment Nebraska units deployed in the Global War on Terrorism were directed to leave behind when returning home. The type of equipment includes such items as night vision goggles, trucks, trailers, tool sets, camouflage netting, and radios. As you know, this equipment serves a dual use because the Guard is a shared resource having State and Federal missions.

How much funding is in the supplemental for National Guard equipment in fiscal year 2007? How will this funding allocated to the states?

Answer. The Army National Guard has $1.48 billion and the Air National Guard has $242.1 million included in the fiscal year 2007 Supplemental request for equipment. For the Air National Guard, $237.2 million was submitted by Air Force as part of the aircraft procurement requirements; along with $4.1 million for the Guard Operations and Maintenance Appropriation. Aircraft procurement and equipment funding will not be allocated to a specific state. The procurement funding for the National Guard is executed by the services; procured equipment is then allocated to units based on their wartime mission requirements with consideration given to the states' emergency response requirements.

QUESTION SUBMITTED BY REPRESENTATIVE KEN CALVERT

GUANTANAMO POWER SUPPLY

Question. The Navy has requested $34 million in emergency funds for new generators and associated military construction at Guantanamo Bay.

Secretary Gates, are these generators intended to anticipate future construction at Guantanamo, such as new courthouses for trials of detainees or other new detention facilities? How much of the increase in power demand at Guantanamo is a result of the construction of detention facilities since 2002?

Answer. No. The need for new generators and the associated Power Plant MILCON aboard Naval Base Guantanamo Bay, Cuba are not due to any anticipated future requirements. They are required to provide reliable, efficient electrical generation for the current load that GTMO is experiencing due its mission of supporting the Navy's, the Coast Guard's, and the Joint Task Force's various counter drug, migrant, and contingency operations. While the current project is not designed to provide power for the additional load that any future construction may carry, it will possess the capability to expand to meet an increase in demand.

Exact data on the electrical demand the current detainee operations places on the existing GTMO system are not available, however in February 2001 the average daily load was 10MW. In February 2007 the average daily load was 14MW. Additionally, the base has average summertime requirements of 17MW with peak requirements over 20MW. This load exceeds the upper limit of the existing switchgear's capacity, resulting in frequent breaker trips and power outages. In order to be able to provide a reliable source of electricity to meet the existing power requirement, a new power plant and switchgear is needed.

COMMITTEE RECESS

Chairman BYRD. So, if you don't mind, General Pace, we're going to say here, Secretary Rice, that the committee stands in recess.

Thank you, Secretary Gates. Thank you and good night. Good evening, I should say.

[Whereupon, at 6:08 p.m., Tuesday, February 27, the hearing was concluded, and the committee was recessed, to reconvene subject to the call of the Chair.]

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