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S. HRG. 110–394, PT. 1

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2009

HEARINGS

BEFORE THE

COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE

ONE HUNDRED TENTH CONGRESS

SECOND SESSION

ON

S. 3001

TO AUTHORIZE APPROPRIATIONS FOR FISCAL YEAR 2009 FOR MILITARY ACTIVITIES OF THE DEPARTMENT OF DEFENSE, FOR MILITARY CONSTRUCTION, AND FOR DEFENSE ACTIVITIES OF THE DEPARTMENT OF ENERGY, TO PRESCRIBE PERSONNEL STRENGTHS FOR SUCH FISCAL YEAR, AND FOR OTHER PURPOSES

PART 1

MILITARY POSTURE
POSTURE OF THE UNITED STATES ARMY
POSTURE OF THE UNITED STATES NAVY
UNITED STATES CENTRAL COMMAND AND THE UNITED STATES SPECIAL OPERATIONS COMMAND
POSTURE OF THE UNITED STATES AIR FORCE
UNITED STATES SOUTHERN COMMAND AND UNITED STATES NORTHERN COMMAND
UNITED STATES PACIFIC COMMAND AND UNITED STATES FORCES KOREA

FEBRUARY 6, 26, 28; MARCH 4, 5, 6, 11, 2008

Printed for the use of the Committee on Armed Services

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DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2009

WEDNESDAY, FEBRUARY 6, 2008

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

MILITARY POSTURE

The committee met, pursuant to notice, at 9:31 a.m. in room SD–106, Dirksen Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Kennedy, Reed, Akaka, Bill Nelson, E. Benjamin Nelson, Pryor, Webb, Warner, Inhofe, Sessions, Collins, Chambliss, Dole, Cornyn, Thune, and Martinez.

Committee staff members present: Richard D. DeBobes, staff director; Leah C. Brewer, nominations and hearings clerk; and Mary J. Kyle, legislative clerk.

Majority staff members present: Daniel J. Cox, Jr., professional staff member; Madelyn R. Creedon, counsel; Gabriella Eisen, counsel; Evelyn N. Farkas, professional staff member; Richard W. Fieldhouse, professional staff member; Creighton Greene, professional staff member; Michael J. Kuiken, professional staff member; Gerald J. Leeling, counsel; Peter K. Levine, general counsel; Thomas K. McConnell, professional staff member; Michael J. McCord, professional staff member; William G.P. Monahan, counsel; Michael J. Noblet, professional staff member; and William K. Sutey, professional staff member.

Minority staff members present: Michael V. Kostiw, Republican staff director; William M. Caniano, professional staff member; David G. Collins, research assistant; Gregory T. Kiley, professional staff member; Lucian L. Niemeyer, professional staff member; Lynn F. Rusten, professional staff member; Robert M. Soofer, professional staff member; Sean G. Stackley, professional staff member; Kristine L. Svinicki, professional staff member; Diana G. Tabler, professional staff member; Richard F. Walsh, minority counsel; and Dana W. White, professional staff member.

Staff assistants present: Jessica L. Kingston, Benjamin L. Rubin, and Brian F. Sebold.

Committee members' assistants present: Sharon L. Waxman and Jay Maroney, assistants to Senator Kennedy; James Tuite, assistant to Senator Byrd; Frederick M. Downey, assistant to Senator

Lieberman; Elizabeth King, assistant to Senator Reed; Bonni Berge, assistant to Senator Akaka; Christopher Caple and Caroline Tess, assistants to Senator Bill Nelson; Andrew R. Vanlandingham, assistant to Senator Ben Nelson; Jon Davey, assistant to Senator Bayh; M. Bradford Foley, assistant to Senator Pryor; Gordon I. Peterson, assistant to Senator Webb; Stephen C. Hedger, assistant to Senator McCaskill; Sandra Luff, assistant to Senator Warner; Anthony J. Lazarski, assistant to Senator Inhofe; Lenwood Landrum and Todd Stiefler, assistants to Senator Sessions; Mark J. Winter, assistant to Senator Collins; Clyde A. Taylor IV, assistant to Senator Chambliss; Lindsey Neas, assistant to Senator Dole; David Hanke, assistant to Senator Cornyn; John L. Goetchius and Brian W. Walsh, assistants to Senator Martinez; and Erskine W. Wells III, assistant to Senator Wicker.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody. The committee meets this morning to receive testimony from the Secretary of Defense, Robert M. Gates, and the Chairman of the Joint Chiefs of Staff (JCS), Admiral Michael J. Mullen. Joining them is Comptroller of the Department of Defense (DOD), Tina Jonas. Our witnesses are here to present the President's fiscal year 2009 budget request for DOD, including both the so-called base budget and the additional bridge fund requested for operations in Iraq and Afghanistan for just the first part of fiscal year 2009.

I want to start by welcoming if he is here, but he is not, but I will welcome him anyway, a new member of our committee, Senator Wicker. We're glad to have him and I will want him to know that I have it on unassailable authority from a former colleague of his, a member of the House of Representatives who I have known for over 70 years, my brother, that he will make a fine addition to this committee.

First some thanks to our witnesses for their service and the very positive way that you have worked with this committee. We very much appreciate the relationships which have been created and which are so important.

I know our witnesses would agree that our first thanks will go to the men and women serving in our military. We are all truly grateful for their professionalism and dedication to our country and for the sacrifices that they and their families make.

Last year this committee on a bipartisan basis compiled a record of accomplishment that we can be very proud of. First, we enacted the historic Wounded Warrior Act which will improve the health care and benefits of recovering veterans and service members and their families. Our law will vastly improve the coordination between the DOD and Department of Veterans Affairs (VA). It will end the confusing and conflict system of disability determinations that have existed for too long between the DOD and the VA.

We also enacted legislation that requires private security contractors operating in combat zones in Iraq and Afghanistan to comply with orders and directives from military commanders and with DOD rules relative to the use of force. Our legislation established a commission on wartime contracting in Iraq and Afghanistan to investigate Federal agency contracting for reconstruction, logistics

support, and security functions in those countries. We established a new Special Inspector General (IG) for Afghanistan reconstruction to provide oversight and address contracting abuses. We extended the term of the Special IG for Iraq Reconstruction (SIGIR).

We enacted the far-reaching Acquisition Improvement and Accountability Act, which tightened the rules for DOD acquisition of major weapons systems, subsystems, and components, to reduce the risk of contract overpricing, cost overruns, and failure to meet contract schedules and performance requirements.

We legislated a defense acquisition workforce development fund to ensure that DOD has enough skilled people to effectively manage its contracts; and we strengthened statutory protections for whistleblowers.

We established a chief management officer for the DOD and each of the military departments to ensure continuous top level attention to DOD management problems.

I'm highlighting what we achieved last year in areas of oversight and accountability because we are here today to talk about a request for over half a trillion dollars of taxpayer funds for the DOD for the next fiscal year, excluding the cost of Iraq and Afghanistan, and possibility exceeding $700 billion when you include the full cost of those wars next year. We are jointly responsible with the President for how those funds are spent.

Last year's actions to strengthen oversight and accountability were necessary, but they're not sufficient. The DOD faces huge problems in its acquisition system. Over the last few years we've seen an alarming lack of acquisition planning, the excessive use of time and materials contracts, undefinitized contracts, and other open-ended commitments of DOD funds. These problems have been particularly acute in Afghanistan and Iraq, but they are in no way limited to those two countries.

The Government Accountability Office (GAO) has reported that cost growth on seven of DOD's largest acquisition programs ranged from 26 to 188 percent. In a period of just 5 years, the GAO told us, the cost of DOD's top five weapons systems programs had almost doubled, growing from $290 billion to $550 billion.

The reforms that we adopted last year, now signed into law, are an important step towards addressing problems in DOD's acquisition programs. But it will take years of work by DOD and close oversight by Congress to make sure that we get the job done.

Many other challenges lie ahead. We have an Army and a Marine Corps which are way overstretched. The stress on our forces from operations in Iraq and Afghanistan continues to build. The media reports that there is a strong possibility that General Petraeus will recommend that force levels in Iraq remain at the pre-surge level of approximately 130,000 troops for some unspecified period of time once the five surge brigades complete their redeployment this summer.

Meanwhile, our Army troops continue to face multiple tours of 15-month duration, with only 12 months or less at home between rotations, and Marines also see more time deployed than at home. These levels of deployment without adequate rest for the troops and repair and replacement of equipment simply cannot be sustained.

Over the past year, 30,000 additional troops have helped produce a welcome lessening of violence in Iraq and a lower U.S. casualty rate. But the purpose of the surge as stated by the President has not been achieved. That purpose, again as stated by the President, was to "provide enough space so that the Iraqi Government can meet certain benchmarks or certain requirements for a unity government."

But the Department of State (DOS) reported to us as recently as November 21, 2007, that "Senior military commanders now portray the intransigence of Iraq's Shiite-dominated government as the key threat facing the U.S. effort in Iraq, rather than al Qaeda terrorists, Sunni insurgents, or Iranian-backed militias."

The military progress on the ground was achieved with huge sacrifice and brilliance. We cannot accept that that sacrifice will be squandered by Iraqi leadership continuing to fail to achieve the key political benchmarks that they set for themselves long ago, in particular amending the constitution, passing a hydrocarbons law that fairly shares Iraq's oil wealth with all citizens, passing a provincial powers act, and conducting provincial elections.

The value of the new de-Baathification law, if it is a law, despite the constitution of Iraq saying that it isn't because it failed to get the unanimous approval by the presidency council required for it to become a law, the value will depend upon how it is implemented.

For years, the Iraqi leaders have failed to seize the opportunity our brave troops gave them. It's long past the time that the Iraqi leaders hear a clear, simple message: We can't save them from themselves. It's in their hands, not ours, to create a nation by making the political compromises needed to end the conflict. That message is not the language of surrender. It's common sense, pragmatism, and the only realistic path to success.

A critical priority for this and future budgets must be the war in Afghanistan. Unlike the war in Iraq, the connection between Afghanistan and the terrorist threat that manifested itself on September 11, and is clear, and American support for the Afghanistan mission remains strong. Unfortunately, as a number of reports issued recently made clear, the administration's strategy in Afghanistan is not yet producing the results that we all want.

A report by the Afghanistan Study Group chaired by retired General Jim Jones and Ambassador Thomas Pickering, finds the Afghanistan mission is "faltering." The report states that "violence, insecurity, and opium production have risen dramatically as Afghan confidence in their government and its international partners falls."

Last year was the deadliest year since 2001 for U.S. and coalition forces in Afghanistan. A separate report from the Atlantic Council states: "Make no mistake, the North Atlantic Treaty Organization (NATO) is not winning in Afghanistan."

The United States has recently announced its decision to commit an additional 3,200 marines to Afghanistan, despite our already overstressed U.S. forces. Unfortunately, some of our allies have not demonstrated a similar commitment to providing troops and equipment which are needed for the Afghanistan mission.

Finally, I'm disappointed that the budget request does not include a request for the full amount of the estimated expenditures

in Iraq and Afghanistan for next year, as required by our law. While the monetary cost is not the most important part of the debate over Iraq or Afghanistan, it does need to be part of that debate and the citizens of our Nation have a right to know what those costs are projected to be.

Again, with thanks to our witnesses, I turn to Senator Warner.

STATEMENT OF SENATOR JOHN WARNER

Senator WARNER. Thank you, Mr. Chairman. I join you and all members of the committee in welcoming our witnesses today.

Senator Levin and I have had quite a few years in the context of these hearings and I think the Gates-Mullen team is going to set new high records for cooperation between the civilian side and the military side of the DOD. I have watched each of you very carefully here in the past month or so and, Admiral Mullen, this is your first appearance as Chairman; and Mr. Secretary, you have a fine teammate there. You really have earned the respect and the admiration and the confidence, of not only the Congress of the United States, but indeed the men and women of the Armed Forces and their families, which is the bottom line why we're here today.

So I wish you luck.

I join my colleague in drawing your attention to that law. It was the National Defense Authorization Act for Fiscal Year 2007. It was very explicit in requiring the full presentation of your expected costs in Iraq and Afghanistan. Nevertheless, I'm sure you have an explanation and we'll receive it.

We are seeing signs of progress in Iraq, some progress in Afghanistan. But I think by any fair standard that level of progress to date is falling below the expectations that we had hoped here as a Nation. Senator Levin quite appropriately observed that the elected officials in Iraq are simply not exercising the full responsibility of the reins of sovereignty, and that puts our forces in a certain degree of continuing peril and risk. I would hope the administration and indeed the witnesses before us would do everything we can to expedite and get some reconciliation, because time and time again I think every single panel that's been up here in all these years, Mr. Chairman, has said there is no military solution for that problem; it has to be a political one.

I also would be interested to know if you're beginning to lay plans as to how you convey a year hence this Department to a new administration and what steps you might take to lay that foundation, to have hopefully a seamless transition, Mr. Secretary, in your case to the successors who will come in. The Admiral hopefully will remain on. But I think we should begin to look at that at this time.

I also join the chairman in recognizing the important work done by General Jones, Ambassador Pickering, the Atlantic Council, and the National Defense University that presented papers here to the Senate in the past week. I stayed throughout that hearing and found it extremely beneficial—a clear example of how the nongovernmental organizations (NGOs) are doing responsible work and making valuable contributions toward the problems that face us today.

Dwell times, deployment lengths, terms of service in Iraq, these are high on our agenda and I do hope both of you give us your best

views as to what period might we anticipate that the 15-month tour can be reduced, hopefully to 12 and even beyond that if facts justify it. But the young men and women of the Armed Forces and their families all over the world are going to follow this hearing, and listen to what you have to say on that point.

One of our most important duties each year is procurement and I point out that this committee, and indeed Congress, passed extensive acquisition reform last year. I urge you to bring to the attention of Congress how well that is working or, in the case it is not working to your satisfaction, to draw that to our attention.

We also had as a committee chartered a commission to study the Reserve and National Guard. There were excellent individuals on that committee. They received mixed reviews in the press, but I would hope that that report did bring to your attention some necessary corrective measures and that you will spend some part of the time in your testimony addressing that.

Ms. Jonas, thank you very much for year after year coming up here with all the figures. Now you have a little extra money. We're going to watch very carefully how you spend that money.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Warner.

Secretary Gates?

STATEMENT OF HON. ROBERT M. GATES, SECRETARY OF DEFENSE; ACCOMPANIED BY HON. TINA W. JONAS, UNDER SECRETARY OF DEFENSE-COMPTROLLER

Secretary GATES. Thank you, Mr. Chairman. Mr. Chairman, members of the committee: It is a pleasure to be here for my second and last posture statement. Let me first thank you for your continued support for our military these many years. I appreciate the opportunity today to discuss the President's fiscal year 2009 defense budget request.

Before getting into the components of the request, I thought it might be useful to consider it quickly in light of the current strategic landscape, a landscape still being shaped by forces unleashed by the end of the Cold War nearly 2 decades ago. In recent years, old hatreds and conflicts have combined with new threats and forces of instability, challenges made more dangerous and prolific by modern technology, among them terrorism, extremism, and violent jihadism, ethnic, tribal, and sectarian conflict, proliferation of dangerous weapons and materials, failed and failing states, nations discontented with their role in the international order, and rising and resurgent powers whose future paths are uncertain.

In light of this strategic environment, we must make the choices and investments necessary to protect the security, prosperity, and freedom of Americans for the next generation. The investment in defense spending being presented today is $515.4 billion, or about 4 percent of our gross domestic product (GDP) when combined with war costs. This compares to spending levels of 14 percent of GDP during the Korean War and 9 percent during Vietnam.

Our fiscal year 2009 request is a 7.5 percent increase, or $35.9 billion, over last year's enacted level. When accounting for inflation, this translates into a real increase of about 5.5 percent. The difference consists of four main categories, which are outlined in

more detail in my submitted statement. Overall, the budget includes $183.8 billion for overall strategic modernization, including $104 billion for procurement to sustain our Nation's technological advantage over current and future adversaries; $158.3 billion for operations, readiness, and support to maintain a skilled and agile fighting force; $149.4 billion to enhance quality-of-life for our men and women in uniform by providing the pay, benefits, healthcare, and other services earned by our All-Volunteer Force; and $20.5 billion to increase ground capabilities by growing the Army and the Marine Corps.

This budget includes new funding for critical ongoing initiatives, such as global training and equipment to build the security capacity of partner nations, security and stabilization assistance, foreign language capabilities, and the new Africa Command (AFRICOM).

In summary, this request provides the resources needed to respond to current threats while preparing for a range of conventional and irregular challenges that our Nation may face in the years ahead.

In addition to the $515.4 billion base budget, our request includes $70 billion in emergency bridge funding that would cover war costs into the next calendar year. A more detailed request will be submitted later this year when the Department has a better picture of what level of funding will be needed.

The National Defense Authorization Act for Fiscal Year 2007, as you have pointed out, requires the DOD to provide an estimate of costs for the global war on terror. We would like to be responsive to the request. Indeed, I was responsive to a similar request last year. Some have alleged that the administration has taken this position in order to somehow hide the true costs of the war. Nothing could be further from the truth. DOD has been very open about what we know about our costs as well as what we don't know.

So the challenge we face is that a realistic or meaningful estimate requires answers to questions that we don't yet know, such as when and if the DOD will receive the requested $102 billion balance of the fiscal year 2008 supplemental war request and for how much, and what if any adjustments to troop levels in Iraq will result from the upcoming recommendations of General Petraeus, U.S. Central Command (CENTCOM), and the JCS.

We should also keep in mind that nearly three-quarters of the fiscal year 2009 supplemental request will likely be spent in the next administration, thus making it even more difficult to make an accurate projection.

I have worked hard during my time in this job to be responsive and transparent to this committee and to Congress. Nothing has changed. But while I would like to be in a position to give you a realistic estimate of what the DOD will need for fiscal year 2009 supplemental funds, I simply cannot at this point. There are too many significant variables in play.

I can give you a number. I will give you a number if you wish. But I will tell you that the number will inevitably be wrong and perhaps significantly so. So I will be giving you precision without accuracy.

As I mentioned earlier, Congress has yet to appropriate the remaining balance of the fiscal year 2008 war funding request,

$102.5 billion. The delay is degrading our ability to operate and sustain the force at home and in the theater and is making it difficult to manage DOD in a way that is fiscally sound. The DOD, as I've said, is like the world's biggest supertanker: It cannot turn on a dime and it cannot be steered like a skiff.

I urge approval of the fiscal year 2008 request as quickly as possible.

Finally, I would like to thank the members of this committee for all you have done to support our troops as well as their families. I thank you specifically for your attention to and support of efforts to improve the treatment of wounded warriors over the past year.

In visits to the combat theaters and military hospitals and in bases and posts at home and around the world, I continue to be amazed by the decency, resilience, and courage of our troops. Through the support of Congress and our Nation, these young men and women will prevail in the current conflicts and be prepared to confront the threats that they, their children, and our Nation may face in the future.

Thank you, Mr. Chairman.

[The prepared statement of Secretary Gates follows:]

PREPARED STATEMENT BY HON. ROBERT M. GATES

Mr. Chairman and members of the committee: Thank you for your continued support of our military these many years. I appreciate the opportunity to discuss the President's fiscal year 2009 defense budget request.

Before getting into the components of this request, I thought it useful to consider it in light of the current strategic landscape—a landscape still being shaped by forces unleashed by the end of the Cold War nearly two decades ago. In recent years old hatreds and conflicts have combined with new threats and forces of instability—challenges made more dangerous and prolific by modern technology. Among them:

- Terrorism, extremism, and violent jihadism;
- Ethnic, tribal, and sectarian conflict;
- Proliferation of dangerous weapons and materials;
- Failed and failing states;
- Nations discontented with their role in the international order; and
- Rising and resurgent powers whose future paths are uncertain.

In light of this strategic environment, we must make the choices and investments necessary to protect the security, prosperity, and freedom of Americans for the next generation.

The investment in defense spending being presented today is $515.4 billion, or about 3.4 percent of our Gross Domestic Product. This request is a 7.5 percent increase—or $35.9 billion—over last year's enacted level. When accounting for inflation, this translates into a real increase of about 5½ percent.

I also strongly support Secretary Rice's request for the international affairs funding. This request is vital to the Department of Defense (DOD); in the current strategic landscape, we need civilian expertise and robust engagement around the world to build goodwill, represent United States values and commitment to our partners, complement the contributions of our military, and set the long-term conditions for peace, prosperity, and an environment inhospitable to extremism.

STRATEGIC MODERNIZATION—FUTURE COMBAT CAPABILITIES

The fiscal year 2009 budget request provides $183.8 billion in strategic modernization to meet future threats, a 4.7 percent increase over the previously enacted level. This category includes more than $104 billon for procurement.

Joint Combat Capabilities

The base budget provides $9.2 billion for ground capabilities, including more than 5,000 Humvees and 4,000 tactical vehicles. This request provides $3.6 billion to continue development of the Future Combat System, the Army's major modernization program.

A total of $16.9 billion is allotted for maritime capabilities, with $14.2 billion for shipbuilding, including:

- The DDG–1000, the next generation surface combatant;
- Two littoral combat ships;
- Two joint high speed vessels;
- Two logistics ships; and
- One *Virginia*-class submarine.

The ships being built today must provide the capability and capacity to maintain the Navy's global presence and influence in the future. A fleet sized at 313 ships offers the agility required to meet a broadening array of operations and requirements with allies around the globe.

To improve air capabilities, the budget includes $45.6 billion, a $4.9 billion increase over last year's enacted levels.

This includes:

- F/A 18 Hornet and E/A–18G Growler fighters;
- F–35 Joint Strike Fighters;
- F–22 Raptors
- V–22 Ospreys;
- Unmanned Aerial Vehicles; and
- Recapitalization of various missiles and other weapons.

The Air Force's number one acquisition and recapitalization priority is the tanker fleet, specifically the KC–135, which is an average of 48.5 years old. This aircraft is increasingly expensive to maintain and less reliable to fly every day. The Air Force is proceeding with a traditional acquisition program for the KC–X, which will be able to refuel Air Force, Navy, and allied aircraft.

Retirement of aging aircraft is a vital component of recapitalizing our air assets. I urge Congress to continue to authorize aircraft retirements, lifting restrictions from previous years to help the Air Force maintain readiness and perform missions more safely.

Space

This request provides $10.7 billion to strengthen joint space-based capabilities in several categories, including:

- Space-based infrared systems; and
- Communications, environmental, Global Positioning System, and Advanced Extremely High Frequency satellites.

The Department's heavy reliance on space capabilities is clear to potential adversaries, some of whom are developing anti-satellite weapons. Protecting our assets in space is, therefore, a high priority. In the past, the Department has been slow to address this vulnerability, but we are ramping up to properly address this problem.

Research and Development

As changes in this century's threat environment create strategic challenges—irregular warfare, weapons of mass destruction, disruptive technologies—this request places greater emphasis on basic research, which in recent years has not kept pace with other parts of the budget.

This request for $11.5 billion will sustain ongoing science and technology research. Within this category, the fiscal year 2009 budget includes $1.7 billion for basic research initiatives. In total, I have directed an increase of about $1 billion over the next 5 years for fundamental, peer-reviewed basic research—a 2 percent increase in real annual growth.

Missile Defense

The 2009 base budget provides $10.4 billion to continue developing, testing, and fielding a multi-layered system to protect the U.S. and its allies from tactical and strategic ballistic missile attack.

The Missile Defense Agency has successfully fielded elements of the ballistic missile defense system since 2004. Today, for the first time in history, our Nation has an initial missile defense capability. In coming years, the Department seeks to grow this capability by testing against more complex and realistic scenarios, and by negotiating with like-minded nations. Since becoming the Secretary of Defense, I have been personally involved in ongoing discussions with Poland and the Czech Republic on hosting U.S. missile defense assets. I will continue to press for increased cooperation with our partners.

READINESS, OPERATIONS, AND SUPPORT

The fiscal year 2009 request provides $158.3 billion, a 10.4 percent increase over last year's enacted level, for operations and training, as well as facilities and base support. $68 billion of the request will maintain combat readiness, focused on next-to-deploy units. The budget invests in readiness measured in terms of tank miles driven per month, ship steaming days underway per quarter, and flying hours per month. Additionally, this request includes:

- $33.1 billion for logistical, intelligence, and service-wide support;
- $32.6 billion for facility and base support;
- $11.8 billion for equipment maintenance to accommodate increased requirements, expanded scopes of work for repair and refurbishment of equipment, and the transition of systems from development to sustainment in the field;
- $10.7 billion for training, recruiting, and retention to ensure that the All-Volunteer Force has the right people with the right skills; and
- $2.2 billion for sealift efforts and commissary support.

The Department will continue investing in a number of critical initiatives that will have long-term implications for the readiness of our forces and the Nation's ability to meet future threats.

Global Train and Equip

The global train and equip authority provides commanders a means to fill long-standing gaps in our ability to build the capacity and capabilities of partner nations. It allows the State and Defense Departments to act in months, rather than years, to help other countries build and sustain capable security forces. The program focuses on places where we are not at war, but where there are emerging threats and opportunities. It creates the opportunity to reduce stress on U.S. forces by decreasing the likelihood that troops will be used in the future. Combatant commanders consider this a vital tool in the war on terror beyond Afghanistan and Iraq. It has become a model of interagency cooperation between State and Defense—both in the field and in Washington, DC, Secretary Rice and I both fully support this authority. Its benefits will accrue to our successors in future administrations. The fiscal year 2009 base budget requests $500 million, along with a request for $750 million in authority. I urge Congress to provide funding and permanent authority to meet enduring requirements.

Security and Stabilization Assistance

The fiscal year 2009 budget invests $200 million in security and stabilization assistance along with a corresponding request to increase the authority. This authority will allow the Department to transfer up to $200 million to the State Department to facilitate whole-of-government responses to stability and security missions—bringing civilian expertise to bear alongside our military. This would give Secretary Rice additional resources to address security challenges and defuse potential crises that might otherwise require the U.S. military to intervene.

Africa Command

This request includes $389 million, or $246 million above previously enacted funds, to launch the new Africa Command, allowing the Department to have a more integrated approach than the existing arrangement dividing the continent up among three different regional commands. This new command will help:

- Strengthen U.S. security cooperation with African countries;
- Train and equip our partners;
- Improve health, education, and economic development; and
- Promote peace and stability.

Foreign Languages

The fiscal year 2009 budget includes $586 million for the Defense Language Program, a $52.3 million increase from last year. Thus far, our approach to improving language skills is having an impact. Proficiency in Arabic has increased 82 percent since September 2001. Although the value of foreign languages and cultural proficiency is recognized by our Special Forces, these capabilities are essential for all forces preparing for irregular warfare, training and advising missions, humanitarian efforts, and security and stabilization operations.

QUALITY OF LIFE

The fiscal year 2009 request includes $149.4 billion in military pay, health care, housing, and quality of life for Service personnel and their families.

The request provides for $107.8 billion in pay and benefits an increase of 9.8 percent over the fiscal year 2008 enacted level. This includes a pay raise of 3.4 percent for the military. Since 2001, military pay has increased by an average of 37 percent. For example, in fiscal year 2009, the average enlisted E–6 (Army Staff Sergeant) will see a pay increase of $1,289. The pay of the average O–3 (Army Captain or Navy Lieutenant) increases by $1,943 in fiscal year 2009.

Family Housing

The budget request includes $3.2 billion that will construct new family housing, improve existing housing, eliminate inadequate housing overseas, operate and maintain government-owned housing, and fund the privatization of 12,324 additional homes. The Basic Allowance for Housing increases by 5.0 percent and the Basic Allowance for Subsistence increases by 3.8 percent.

Wounded Warriors

We have a moral obligation to see that the superb lifesaving care that the wounded receive initially is matched by quality out-patient treatment. To provide world-class health care to all who are wounded, ill, or injured serving the Nation, the Department is taking action on the recommendations made by the President's Commission on Care for America's Returning Wounded Warriors. To do so, we have formed a senior oversight committee—chaired by the Deputy Secretaries of Defense and Veterans Affairs—to examine several key areas:

- Case Management—integrate care management throughout the life of the wounded, ill, or injured servicemember to ensure they receive, as the President made clear, the "right care and benefits at the right time in the right place from the right person";
- Disability and Compensation Systems—streamline the disability evaluation system making it a single, supportive, and transparent process;
- DOD and VA Data Sharing—ensure appropriate information is accessible and understandable between departments; and
- Traumatic Brain Injury (TBI)/Psychological Health Issues—improve access and quality of care by reducing the stigma associated with mental health care and establishing new programs, such as a TBI registry.

The Department has already approved new standards for all facilities housing the wounded and we have placed pay management teams at numerous sites to better educate troops and their families about pay, entitlements, and benefits.

The budget requests $466 million to support construction of health care facilities at Bethesda and Fort Belvoir, as well as establish a Warrior Transition Unit at Bethesda. The transition unit will ensure the wounded receive optimum care, especially during the outpatient convalescent phase of recovery.

Future Health Care Issues

In fiscal year 2009, DOD military healthcare costs are projected to be $42.8 billion in order to maintain benefits for 9.2 million eligible military members and their families, as well as retirees—more than double the level in 2001. By 2015, the Department's health care costs are projected to reach $64 billion, or 11.3 percent of the budget.

Because of these concerns, the Department must also seek legislation to increase out-of-pocket health care expenses for retirees under age 65. The Department continues to believe that modest increases to TRICARE out-of-pocket costs for working-age military retirees are essential to make military health benefits affordable and sustainable for current and future retired servicemembers.

Global Posture

The base budget requests $9.5 billion to continue U.S. Base Realignment and Closure (BRAC) efforts. For the approved fiscal year 2005 BRAC recommendations, the budget fully funds 24 major realignments, 25 base closures, and 765 lesser actions. The Department is continuing to reposition U.S. forces at home and abroad in keeping with post-Cold War realities. Consequently, several units stationed overseas will be brought home. The Commander of European Command has requested that the Army activate two heavy brigade combat teams (BCTs) in Germany in 2008 and 2010 to support near-term security needs and allow time for construction in the United States.

INCREASE GROUND FORCES

Increasing the size of the Army and Marine Corps will relieve stress on the force and enable the Nation to meet its commitments at home and abroad. This growth

in end strength is a continuation of growth that began last year and is expected to continue through fiscal year 2013.

U.S. Army

The fiscal year 2009 base budget provides $15.5 billion to increase Army active end strength to 532,400, which includes an increase of 7,000 over the fiscal year 2008 request. The Army request includes the cumulative cost of personnel added as part of a temporary increase in end strength after September 11, 2001—an increase which had previously been paid for in supplemental appropriations.

The Army plans to grow its active ranks to 547,400 by fiscal year 2012. In fiscal year 2009, the number of active Army BCTs will increase by 2 BCTs, from 40 to 42, with a goal of 48 BCTs by 2012.

I am concerned that the percentage of new Army recruits with high school diplomas has declined in recent years. While still above the minimum standard established by Congress, we are watching these numbers closely, and are determined to grow the Army in a way that does not sacrifice the quality we have come to expect in the All-Volunteer Force.

U.S. Marine Corps

The base budget seeks $5 billion to grow the Marine Corps' end strength to 194,000, an increase of 5,000 over the fiscal year 2008 request. As with the Army, the Marine Corps' request includes the cumulative cost of personnel added after September 11, 2001. The Marine Corps' plans to increase end strength to 202,000 by fiscal year 2011, in order to achieve three balanced Marine Expeditionary Force units and to increase time at home station between deployments. This will enable the Corps to continue to be, as it has historically been a "two-fisted" expeditionary force excelling at conventional warfare and counterinsurgency.

WAR FUNDING

In addition to the $515.4 billion base budget, our request includes $70 billion in emergency bridge funding that would cover war costs into the next calendar year. A more detailed request will be submitted later this year when the Department has a better picture of what level of funding will be needed.

The National Defense Authorization Act for Fiscal Year 2007 requires the DOD to provide an estimate of costs for the global war on terror. We would like to be responsive to this request. The challenge facing us is that a realistic estimate requires answers the Department does not currently have to several key questions, such as:

- When and if the Department will receive the balance of the fiscal year 2008 supplemental war request, and for how much; and
- What, if any, adjustments to troop levels in Iraq will result from the upcoming recommendations of General Petraeus.

We should also keep in mind that nearly three quarters of the fiscal year 2009 supplemental request will likely be spent in the next administration, thus making it even more difficult to make an accurate projection.

In short, while I would like to be in a position to give you a realistic estimate of what the Department will need for fiscal year 2009 supplemental funds, I simply cannot at this point. There are too many significant variables in play.

As I mentioned earlier, Congress has yet to appropriate the remaining balance of the fiscal year 2008 war funding request, $102.5 billion. Delay is degrading our ability to operate and sustain the force at home and in theater, and is making it difficult to manage this Department in a way that is fiscally sound. The DOD is like the world's biggest supertanker. It cannot turn on a dime and cannot be steered like a skiff. The consequences of not receiving the balance of this request may include:

- Retarding daily efforts in support of Iraqi and Afghan national security forces, to include training and equipping efforts;
- Halting our ability to pay military personnel and continue operations; and
- Limiting reset of equipment lost and damaged by ongoing operations.

I urge approval of the fiscal year 2008 global war on terror request as quickly as possible.

CONCLUSION

At this, my second and also last opportunity to present a budget before this committee, I thank the members of this committee for all you have done to support our troops as well as their families. In visits to the combat theaters, in military hospitals, and in bases and posts at home and around the world, I continue to be

amazed by their decency, resiliency, and courage. Through the support of Congress and our Nation, these young men and women will prevail in the current conflicts and be prepared to confront the threats that they, their children, and our Nation may face in the future.

Chairman LEVIN. Thank you.

Admiral Mullen?

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

Admiral MULLEN. Good morning, Mr. Chairman. Thank you, Senator Warner, distinguished members of this committee. Thanks for the opportunity to appear before you today. I'm honored to be here alongside Secretary Gates, a man whose leadership and insight I greatly respect and admire.

We are here to discuss with you the President's fiscal year 2009 budget submission and, more broadly, the state of our Armed Forces. Let me speak for a moment about the latter. The United States military remains the most powerful, most capable military on the face of the Earth. No other nation has or can field and put to sea the superb combat capabilities resident in our Army, Navy, Air Force, and Marine Corps.

I say this not with false pride or arrogance. I say it with conviction, for it is an indisputable fact. This stands as testament, of course, to the brave, talented men and women who serve, Active-Duty, Reserve, National Guard, and civilian, as well as their families. I've been on record as saying that they are the finest I have ever seen. I meant it then, I mean it now. Each trip to the field, each visit to a base, each bedside I stand beside, only reaffirms that for me.

I know you have also made such visits and can attest to the same. So I also believe our enormous strength speaks well of the hard work of this committee and Congress as a whole, as it does of the American people, who through you, their elected representatives, have invested heavily and wisely in their national defense.

We are grateful. We will continue to need that support, for, however powerful we may be today, that power is not assured tomorrow. That is why the budget we are submitting this week includes more than $180 billion for strategic modernization, including $3.6 billion for the Army to continue to develop the Future Combat System (FCS), and another $3.5 billion to procure 20 more F–22 fighters, and another $700 million in research and development.

That's why it calls for money to continue to build the next generation aircraft carrier and guided missile destroyer, increased spending on missile defense, as well as funding to complete the standup of AFRICOM. It's why we are asking for more than $20 billion to increase the size of the Army and the Marine Corps.

Some have argued there isn't much new in this budget, no big surprises. Maybe so. Quite frankly, we ought to take a little bit of pride in that, because it says to me that we've looked pragmatically at all our requirements, that we did our homework, and that from a fiscal perspective we have a good handle on where we want to go.

A reporter reminded me just the other day that investment budgets are really a type of strategy. If that's so, and I believe it is, this

budget reveals great balance in our strategy for the future, a realization that, while we continue to fight and develop counterinsurgency warfare, we must also prepare for, build for, and train for a broad spectrum of traditional war-fighting missions.

We are doing well in Iraq, no question. Violence is down, business is up, al Qaeda is clearly on the run. Ambassador Crocker and General Petraeus deserve a lot of credit. The surge of forces we sent them and their innovative application of counterinsurgency tactics have markedly improved security on the ground. As both men have made clear, this progress is tenuous and must be carefully watched. I understand their concerns as we keep bringing home the surge brigades. Conditions on the ground count.

But tenuous, too, sir, are the long risks we are taking to our security commitments elsewhere in the world if we do not address the toll that ongoing combat operations are taking on our forces, our gear, our people, and their families. The well is deep, but it is not infinite. We must get Army deployments down to 12 months as soon as possible. People are tired. We must restore our Marine Corps expeditionary capabilities. They are dangerously on the wane. We must stay dominant at sea, in space, as well as in cyberspace. Others are beginning to pace us in the speed of war.

We must do a better job identifying and treating not only the wounded we see, but the wounds we do not see. Too many of our returning warriors suffer in silence. I greatly appreciate the law that you put into effect last year specifically with respect to treating our wounded warriors.

This budget allocates $41.6 billion to provide world-class care and quality-of-life for the entire force. We must honor military families by enhancing the government-issued (GI) benefits transferability, by broadening Federal hiring preferences for military spouses, and by expanding child care benefits in appreciation for their many sacrifices.

We must continue to stay persistently engaged around the globe, building partner capacity, improving international and interagency cooperation, and fostering both security and stability.

I urge Congress to enact the authorities in the joint DOS and DOD Building Global Partnerships Act. I was called to testify before the House Armed Services Committee a few weeks ago about our progress in Afghanistan. I told them then that we are seeing only mixed progress and that Afghanistan was by design an economy of force operation. I told them we do what we can there. I stand by those comments even as we prepare to send more than 3,000 marines over there and even as Secretary Gates continues to press our NATO allies for more support.

The business of war, not unlike governing, is about choices. Military leaders must make hard decisions every day, choices that affect the outcome of major battles, whole nations, and the lives of potentially millions of people. As we head into this new year with fresh assessments of our progress in Iraq, a new push in Afghanistan, and a continued fight against violent extremists, as we consider the depth and breadth of traditional capabilities, we must improve. Please know that I and the Joint Chiefs remain committed to making informed choices, careful choices, and choices which pre-

serve at all times and in all ways our ability to defend the American people.

Thank you.

[The prepared statement of Admiral Mullen follows:]

PREPARED STATEMENT BY ADM MICHAEL G. MULLEN, USN

Chairman Levin, Senator McCain, and distinguished members of the committee, I am privileged to appear before you and report to you on the posture of the U.S. Armed Forces.

Let me begin by recognizing and thanking our servicemembers and their families. The brave men and women who answer the noble call to defend our Nation and the spouses, children, and parents who support them are our most valuable national asset.

Your Armed Forces, and their families, have faced the challenges of continuous combat for more than 6 years. Our men and women in uniform serve our Nation, accepting unwelcome separation from their loved ones, long hard work under difficult circumstances, and in some cases making the ultimate sacrifice.

Military families are equally deserving of our gratitude. They bear the brunt of the loneliness, the uncertainty, and the grief that too often comes home when our Armed Forces are at war. Acknowledging the importance of their support, we must consider new initiatives such as transferring GI bill benefits to military spouses and children, military spouse employment support, expanded childcare and youth programs, and long-term comprehensive support of Wounded Warrior families.

We must provide our servicemembers and their families with the leadership, the resources and the support required to defend the homeland, win the Long War, promote security, deter conflict, and win our Nation's wars.

INTRODUCTION

Over the past year, your Armed Forces have done much to improve the security environment. Operating globally alongside allies and partners, often in concert with the interagency and non-governmental organizations, they have successfully protected our Nation's vital interests: a homeland secure from catastrophic attack, assured access to strategic resources, a strong national and global economy, sustained military superiority and strategic endurance, and sustained global influence, leadership, and freedom of action.

A diverse set of perils threaten those interests and demand sustained action. Those threats include the proliferation of nuclear weapons and technology, transnational terrorism and rising regional instability. Today, these challenges manifest themselves most clearly in the Middle East.

We face additional challenges in other areas: a number of state actors who appear intent on undermining U.S. interests and regional stability, a growing global competition for scarce natural resources, the constant threat of natural disasters and pandemics, as well as increasing cyber and space threats. Our military is capable of responding to all threats to our vital national interests, but is significantly stressed while conducting combat operations in Iraq and Afghanistan and other operations worldwide as part of this multigenerational conflict against violent extremism. A decline in our strength or a gap in readiness will undermine the U.S. Armed Forces capability to complete its range of missions from combat overseas to providing civil support at home. That is why I believe we must reset, reconstitute, and revitalize our Armed Forces while balancing global risk.

We do not—and should not—face these challenges alone. Today, more nations are free, peaceful, and prosperous than at almost any point in history. While each has its own heritage and interests, most share our desire for security and stability. Increasing free trade, regional security partnerships, treaties, international institutions, and military-to-military engagements and capacity building strengthen the bonds between us and other nations. Our engagement with allies and friends demonstrates our leadership and resolve to fulfill security commitments, and works toward the common good. Most often, it is by taking collective action—and not going it alone—that we increase our ability to protect our vital interests.

With this context in mind, and in consultation with the Secretary of Defense, I have set three strategic priorities for our military. First, we need to increase stability and defend our vital national interests in the broader Middle East. Second, we must reset, reconstitute, and revitalize our Armed Forces. Third, we need to deter conflict and be prepared to defeat foes globally by rebalancing our strategic risk. Finally, to achieve our objectives in each of these areas we need to place increased emphasis not only on development of our own capabilities and the capacity

of other agencies (State, U.S. Agency for International Development, Agriculture, Treasury, and Commerce and so forth), but also on building the capacity of our foreign partners to counter threats including terrorism and to promote regional stability.

DEFEND OUR VITAL NATIONAL INTERESTS IN THE BROADER MIDDLE EAST

Although our vital national interests are clearly global in nature, the broader Middle East is the epicenter of violent extremism. Too many countries suffer from burgeoning populations and stagnant economies, which have increased radicalization. State and non-state actors alike foment instability. Terrorists and insurgents are at war with governments in the region. The confrontational posture of Iranian leaders with respect to nuclear proliferation, the Israeli-Palestinian conflict, Sunni-Shia rivalries, the threat of terrorism, tensions in Pakistan, Hezbollah in Lebanon, political instability in the Maghreb, and the existence of al Qaeda and like-minded groups, all threaten regional stability and, ultimately, our vital national interests.

My near-term focus remains combat operations in Iraq and Afghanistan. The surge of U.S. forces to Iraq, a well executed counterinsurgency strategy and an Iraqi population increasingly weary of violence, and willing to do something about it, have all combined to improve security conditions throughout much of the country. Violent activities against our forces and against the Iraqi people have substantially decreased. These reductions have come about because of the hard work of coalition and Iraqi security forces and the decisions of the Iraqi people and their leaders. Insurgent activity is down and al Qaeda in Iraq is on the run—although both remain dangerous. Much hard fighting remains for Iraqi and coalition forces before the job is done. Increased security has promoted reconciliation in some key provinces and the beginnings of national level reconciliation. We are working to secure a long-term security relationship with Iraq that will serve the mutual interests of both countries. As we continue to progress forward, congressional support of future war-funding will remain critical to success. An important component of that funding will go to building the capacity of increasingly capable Iraqi security forces.

Security is a necessary condition but is not sufficient for achieving our strategic end-state in Iraq. Political, diplomatic and economic development together with expanded governance and the rule of law form the foundations that will underpin long-term stability and security in Iraq. We are making solid progress, but we still have a long way to go. I ask that Congress continue its support for increased interagency participation in Provincial Reconstruction Teams (PRTs), stability and reconstruction initiatives, U.S. business investment, Department of Defense (DOD) business transformation efforts, and good governance initiatives. I encourage your continued emphasis on the importance of achieving political and economic goals. Your visits with the Iraqi Government and other Iraqi political leaders support the efforts of American, coalition, and Iraqi forces.

In Afghanistan we are seeing a growing insurgency, increasing violence, and a burgeoning drug trade fueled by widespread poppy cultivation. In response, more U.S. forces will deploy to Afghanistan. At the same time, the Afghan National Army and Police have increased in numbers and capability. The Afghan PRTs continue to aid the local populations, and President Hamid Karzai is reaching out to support the provinces. In the U.S. section of RC East, access to basic health care has more than doubled and provincial councils have become functioning entities active in development. North Atlantic Treaty Organization (NATO) forces provide a credible fighting force, but the alliance still faces difficulty meeting its force level commitments and some nations' forces in theater must be more operationally flexible. These challenges emphasize the importance of retaining U.S. freedom of action on a global scale. Just as in Iraq, your continued support for funding U.S. operations and efforts there, including PRTs, Afghanistan National Security Force development, and infrastructure development, is needed.

In short, a stable Iraq and Afghanistan that are long-term partners and share our commitment to peace will be critical to achieving regional stability and security. This will require years, not months, and will require the support of the American people, our regional allies, and concerted action by the Iraqi and Afghan people and their leaders.

I see daily reminders of other challenges in this part of the world. Recent irresponsible actions by Iran's Islamic Revolutionary Guard Corps in the Strait of Hormuz could have led to a crisis between our Nations. Restraint in our response does not signal lack of resolve or capability to defend ourselves against threats. Much more worrisome in the long-term, however, is Iran's hegemonic intent, their continued refusal to verifiably suspend uranium enrichment, their continued sup-

port of terrorism and the resultant instability these actions foster throughout the region.

Al Qaeda safe havens in the under-governed regions of Pakistan, combined with the recent assassination of Benazir Bhutto, also contribute to regional instability. In my judgment, the most likely near term attack on the United States will come from al Qaeda via these safe havens. Continued congressional support for the legitimate Government of Pakistan braces this bulwark in the long war against violent extremism.

Despite—or maybe because of—these diverse challenges, we are fortunate to enjoy the cooperation of many courageous partner nations in the region. A recent regional commitment to work toward an Israeli-Palestinian peace accord is one example. We should not inadvertently signal ingratitude toward any of these nations. Foreign Military Financing (FMF) and International Military Education and Training (IMET) are programs that have the potential to have significant strategic repercussions. I therefore seek congressional support to ensure the Department of State's FMF and IMET programs remains fully funded.

After three visits to the Middle East since becoming Chairman, I am more convinced than ever that we will not achieve regional security and stability unless we strengthen all instruments of international cooperation, regional partnerships, and national power. We need to ensure our plans sustain current gains and chart a course that both capitalize on lessons learned while focusing on future demands and dynamic conditions on the ground. Our forces must remain in theater as long as necessary to secure our vital interests and those of our partner nations, and they must operate with the full confidence and support of the American people and Congress.

RESET, RECONSTITUTE, AND REVITALIZE OUR FORCES

To be successful in defeating our enemies and deterring potential foes, U.S. Armed Forces require talented people who are fully trained in their specialties and well equipped with warfighting systems. The pace of ongoing operations has prevented our forces from fully training for the full-spectrum of operations and impacts our ability to be ready to counter future threats. This lack of balance is unsustainable in the long-term. We must restore the balance and strategic depth required for national security. Continued operations without the requisite increase in national resources will further degrade our equipment, platforms, and people.

Our Nation's servicemen and women—and their families—are the primary focus of my efforts to reset, reconstitute, and revitalize our forces. Caring for them is a critical consideration in every decision I make. Our All-Volunteer Force continues to meet the requirements and demands of national security, but with great sacrifice. This is the longest time that our All-Volunteer Force has been at war. Our servicemembers, in particular our ground forces and their families, are under significant strain. However, they remain dedicated, they are resilient and combat hardened, and they are taking the fight to our enemies. I do not take their service for granted and recognize that their resilience has limits. I am extremely concerned about the toll the current pace of operations is taking on them and on their families, on our equipment, and on our ability to respond to crises and contingencies beyond ongoing operations in Iraq and Afghanistan.

The Secretary of Defense fixed and limited deployment cycles at 15 months deployed/12 months home for the Army, 7 months deployed/7 months home for the Marines, and 1 year mobilization with 5 years back for the National Guard and Reserves. I strongly support his decision as it stabilized rotations and provided predictability. However, at our current force levels, we cannot sustain these cycles. Fifteen month deployments are too long. To preserve personal, operational, and family readiness, we must shift the Army's deployment cycle to 12 months deployed followed by 12 months at home and then as quickly as possible to 12 months deployed followed by 24 months at home. We must do the same for the Marine Corps by moving to 14 months at home for each 7 month deployment. Therefore, the most important investment in the President's fiscal year 2009 budget is the commitment to expand our Army, Marine Corps, and Special Operations Forces. This continuation of the "Grow the Force" initiative is a long-term plan to restore the broad range of capabilities necessary to meet future challenges and restore a capacity for sustained action. This commitment encompasses nearly 33 percent of the total real growth of the DOD budget from fiscal year 2008 to 2009.

Recruiters have a tough job during peacetime and it is made even more difficult now given the expansion of both the Army and the Marine Corps and the decrease in the propensity of key influencers to encourage potential recruits to enlist during this period of war. In spite of these challenges, our recruiters are doing exceptional

work. The military departments met their recruiting goals for fiscal year 2007 and remain on track for fiscal year 2008. We are also making sure we retain the people and the skills we need. The Services are using the full range of authorities given to them by Congress in the form of retention incentives, and I ask your continued support for these programs to sustain our combat-experienced force. Last year, the Army and Navy employed the Critical Skills Retention Bonus to retain mid-career active duty officers who fill key positions. Likewise, the Services have offered bonuses to senior enlisted members of our Special Operations Forces. Investment in our people as our most important resource is vital. The cost of people continues to grow and we need to recognize this as we debate the right level of investment in defense.

Retention challenges impact more than just our Active-Duty Forces. Though they met their recruiting and retention goals this last year, the Army Reserve and National Guard have experienced some shortages in company grade officers and mid-grade noncommissioned officers who lead our troops. We are overcoming these personnel shortfalls through enhanced incentives for Reserve and National Guard service, flexibility in terms of service requirements, competitive pay, and enhanced retirement benefits. These initiatives are important steps towards transitioning the Reserve components from a "strategic Reserve" role to part of the "operational Reserve," creating the depth and staying power to respond to multiple global requirements, and maintaining our professional Guard and Reserve Force.

Maintaining our professional Armed Forces, however, takes more than talented recruiters, attractive incentives, and competitive pay. We must understand our next generation of soldiers, sailors, marines, and airmen. Their affinity for technology and collaboration may revolutionize the way we fight. The willingness of future generations of Americans to serve is directly related to how they, and their role models, perceive the veterans of today are treated and appreciated. The All-Volunteer Force depends upon the trust and confidence of the American people in our institution; it depends on trust and confidence in our leaders; and, it depends upon trust and confidence that America's sons and daughters will be well-trained, well-equipped, and well-cared for in peace and in war.

While all our servicemembers and their families have done their duty with great discipline and honor, one group in particular stands out: our returning Wounded Warriors and the parents, spouses and family members who care for them when they come home. As a Nation, we have an obligation to care for those who have borne the battle and who bear both the seen and unseen scars of war. Their sacrifices will not end following completion of their initial treatment. We should strive to provide only the finest medical and rehabilitative care for them and their families for the remainder of their lives.

As leaders, we must ensure all our Wounded Warriors and their families receive the appropriate level of care, training, and financial support they need to become as self-sufficient and lead as normal a life as possible. Our support can mean the difference not just between life and death, but between a life of severe disability and one of manageable limitations. To the degree that we fail to care for them and their families, and enable their return to as normal a life as possible, we undermine the trust and confidence of the American people and ultimately put at risk the preservation of our professional All-Volunteer Force.

It is also imperative that we retain the experience of our combat hardened leaders. We live in a dangerous and unpredictable world and in a time of incredible change. I believe this change will accelerate, not slow down. Today's combat veterans are the ones that will take our military into the future. Their experience in fighting terrorists and insurgents as well as caring for those wounded on the fields of battle will enable us to better prepare for the challenges of tomorrow, but we cannot afford to lose their hard earned experience today.

In addition to taking care of our people, we must repair, rebuild, and replace the equipment that has been destroyed, damaged, stressed, and worn out beyond economic repair after years of combat operations. As you are well aware, Service equipment has been used at higher rates and in harsher conditions than anticipated. In addition to the wear and tear experienced by our ground vehicles in Iraq and Afghanistan, our airframes and ships are aging beyond their intended service lives. Indeed since Operation Desert Storm, 17 years ago, the U.S. Air Force and U.S. Navy have flown near continuous combat missions over the Middle East and the Balkans. The impact of this usage is illustrated in the recent groundings of the oldest F–15 Eagle fighters, our repeated request to retire some of our C–130 Hercules and KC–135 Stratotankers, and the strains placed on our 29-year-old P–3 Orion reconnaissance aircraft.

Despite usage levels sometimes five to six times above peacetime rates, and in the midst of extremely demanding environments, equipment readiness in theater re-

mains high, well above the peacetime goals. Your support has been helpful in accomplishing this mark. However, this high in-theater equipment readiness comes with a price—namely the impact on the remainder of the Service equipment. For example, our ground forces borrow equipment from non-deploying units in order to equip deploying units. While our deploying units are fully resourced to meet the challenges of the fight that they are in, we must get ahead of this challenge.

Our forces are relying upon the balance of funds requested in the fiscal year 2008 global war on terror request to accomplish equipment reset and to address readiness shortfalls. I urge Congress to quickly appropriate the remaining global war on terror request for fiscal year 2008, as it is essential to have continued, predictable, and adequate funding for the repair and replacement of both operational and training equipment. I also ask for your continued support for our upcoming fiscal year 2009 global war on terror funding request.

Revitalization includes force recapitalization, modernization, transformation, restationing, and repositioning, along with personnel and family support programs. A revitalized force creates a vital deterrent effect. Preventing future wars is as important as winning wars. Such prevention requires global presence and persistent engagement. A revitalized force provides the means to expand cooperative relationships with other nations and contribute to a global capacity to promote security and stability for the benefit of all. A revitalized force will also ensure that we remain prepared to meet our global responsibilities.

Finally, a revitalized force is central to balancing global strategic risk. A revitalized force is a balanced total joint force, capable of operating across the spectrum of conflict. A balanced force possesses the capability and capacity to successfully conduct multiple simultaneous missions, in all domains, and at the required levels of organization, across the full range of military operations. A modernized, balanced total joint force is necessary if we are to successfully answer enduring and emerging challenges, and win our Nation's wars.

PROPERLY BALANCED GLOBAL STRATEGIC RISK

Beyond the Middle East, and in addition to revitalizing our forces, we must take a worldwide and long term view of our posture and its implications for global strategic risk. We have global security responsibilities across the range of military operations. The challenges in Asia to the vital interests of the U.S. and our allies are an example.

We must be sized, shaped, and postured globally to leverage the opportunities for international cooperation and build the capacity of partners for stability, while at the same time, deterring, confronting and preparing for profound dangers of the future. I am concerned, as are the combatant commanders, that we do not have sufficient resources to meet all the needs. By working with other growing powers, and by helping emerging powers become constructive actors, we can ensure today's dynamic environment does not devolve into a prolonged state of conflict and disorder.

The imbalance between our readiness for future global missions and the wars we are fighting today limits our capacity to respond to future contingencies, and offers potential adversaries, both state and non-state, incentives to act. We must not allow the challenges of today to keep us from being prepared for the realities of tomorrow. There is risk that we will be unable to rapidly respond to future threats to our vital national interests.

Funding by Congress is critical to restoring balance in the long term. But resources alone are not enough. We must think more creatively, more deeply, and more systematically about how to best use our resources. We have learned a great deal about how to leverage modern technology and interagency participation to counter terrorism—those lessons can be shared with our partner nations, and applied to other security threats such as our Nation's counter narcotics efforts. Similarly, our new maritime strategy emphasizes the importance of leveraging other nation's capabilities. The growing interdependency of the community of nations will continue to offer similar opportunities. I support the United States' accession to the United Nations Law of the Sea Convention, and I believe that joining the Convention will strengthen our military's ability to conduct operations.

Our enduring alliances and partnerships promote stability and security. The 27 nation NATO leads the effort to help extend security and stability inside Afghanistan. Australia and Japan have also made key contributions to operations in Afghanistan and Iraq. Another key ally, the Republic of Korea, has supported Operation Iraqi Freedom for the past 3 years—and continues to maintain a robust national commitment to security in Northeast Asia. Singapore and the Philippines work with us to counter international terrorist threats in Southeast Asia. Colombia's highly successful counterinsurgency struggle promotes stability in a critical re-

gion of South America. Our military to military relationships with Mexico and Canada are laying the ground work for greater Homeland Security. Enhancing our teamwork with our allies and partners is essential if we are to protect our shared interests.

Persistent engagement and capacity building with allies and international partners is a key means of properly balancing global strategic risk. Persistent engagement consists of those cooperative activities that build partner capacity, provide humanitarian assistance, counter common threats, and safeguard the global commons. As I noted earlier, we need to fully fund our FMF and IMET programs and streamline the process for executing these and similar funds. Fostering and sustaining cooperative relationships with friends around the world contributes significantly to our shared security and global prosperity. Relationships take time to grow—and they require investment to stay strong.

In many cases, other countries have significant competencies, relationships, and resources that can promote security and stability. One way to build relationships with other nations is to help them accomplish the goals they cannot achieve alone. Helping other nations overcome security problems within their borders by increasing stability and eliminating terrorist safe havens bolsters our security as it boosts theirs. Our Theater Security Cooperation programs also form a foundation for shared and interoperable response to contingencies. Regional Combatant Commands—such as U.S. Northern Command, U.S. Southern Command, and U.S. Africa Command—are being structured with interagency and international relationships in mind to boost our security and humanitarian assistance capabilities, and to foster long-term U.S. military relationships with regional nations and security institutions.

Legislation that increases the expeditionary capacity of civilian U.S. Government agencies is critical to rebalancing global strategic risk. Increasing the ability of the U.S. Government, as a whole, to deal with crises reduces the strain on our military forces. We need to empower the State Department to help other countries prevent and recover from conflict. I also fully endorse increased support for our intelligence agencies' global activities—upon which our Armed Forces depend. We additionally need to look at increasing the capacity of other U.S. Government agencies—such as the Justice and Agriculture Departments, which are otherwise oriented on domestic missions—to help contribute civil expertise that the military lacks in stabilization and capacity building missions overseas.

Rebalancing strategic risk also means addressing capability gaps. The technology advantage that we have long enjoyed has eroded, with significant ramifications. Interruption of our access to cyberspace could substantively damage our national defense and civil society. Addressing this threat, the President's budget for fiscal year 2009 includes funds to reduce our cyber vulnerabilities. Likewise, freedom of action in Space is vital to our economic, civil, and military well being. We need to increase our capacity to defend our access to that domain. We must also address shortfalls identified by our combatant commanders in our Intelligence, Surveillance, and Reconnaissance sensors and processing infrastructure.

Fighting and winning wars is the main mission, but deterring them is always preferable. This is even more the case in deterring nuclear threats. We now face the prospect that nuclear weapons will be employed against us and our allies by non-state actors and rogue states. To defend our Nation and assure our allies, we must enhance our capability to rapidly locate and destroy targets globally. We seek to improve conventional prompt global strike capability, further develop global missile defense systems, and modernize our strategic weapons systems and infrastructure, to include developing a Reliable Replacement Warhead and a conventional ballistic missile. These components of our "New Triad," together with improved intelligence and planning systems, will help to ensure credible deterrence across a range of threats in the 21st century strategic environment.

BUILDING PARTNERSHIP CAPACITY

Building partnership capacity underpins all three of my strategic objectives and is an area that requires additional congressional support. Unfortunately, there are serious shortfalls in the U.S. Government's ability to build the capacity of foreign partners—both within and outside DOD. The Departments of State and Defense conducted a systematic review of gaps in authority and developed an omnibus bill called the Building Global Partnerships Act which was personally brokered by the Secretaries of State and Defense. I strongly urge Congress to enact all of these authorities.

Foremost, DOD requires extension and expansion of its Global Train and Equip authority. Every single combatant commander cites this as DOD's most important authority to counter terrorism and to promote regional stability by building the ca-

pacity of partner military forces. These programs will not get funded or executed properly unless DOD funds them and collaborates with State on implementation. Over the past 3 years, all combatant commanders, the former Chairman of the Joint Chiefs of Staff, the Commandant of the Coast Guard, the Secretary of Defense, and the Secretary of State have requested extension, expansion, and funding for these programs. Now is the time to make Global Train and Equip authority permanent, to increase the ceiling, and to provide annual baseline funding.

The Commander's Emergency Response Program has been enormously successful in Iraq and Afghanistan, and other combatant commanders have requested this same authority to enhance prospects for mission success in other regions of the world. Our commanders in the field view this as a critical force protection tool that allows them to shape the operational environment so force is not required.

Building the security capacity of our partners is important, but partners often need additional assistance to promote stability. Stabilization and reconstruction assistance authority allows DOD to transfer funds to the Department of State to provide assistance to aid foreign police forces, to improve governance, rule of law, economic development or essential services, and for humanitarian assistance. Stabilization and reconstruction assistance authority recently allowed DOD and State to enhance stability in Haiti, Somalia, Nepal, Trans-Saharan Africa, Yemen, and Southeast Asia.

We are in a new national security era that requires building new institutional capacity that does not currently exist. Most authorities to provide other broader forms of assistance reside at the Department of State, where patriotic foreign service officers and development professionals are doing everything they can with the force they have. But that force is woefully small relative to need. I support Secretary Rice's request for the Civilian Response Corps and ask Congress to enact quickly legislation authorizing its creation. I also strongly support the significant plus-up in people that the State Department and U.S. Agency for International Development are seeking in the President's 2009 budget as well as its request for increased foreign assistance funding. The increases that Secretary Rice is seeking in 2009 are crucial to supporting our foreign policy goals; underfunding these activities undermine our national security. I would also support the reconstitution of the U.S. Information Agency or an equivalent functional entity to more effectively counter extremist ideology. Finally, I appreciate Congress' direction to study the national security interagency system, and will strongly support that effort.

CONCLUSION

The past year saw America's men and women in uniform continue to engage in combat in Iraq and Afghanistan, while they also provided humanitarian assistance, worked with partner nations, and stood guard around the globe. Our soldiers, sailors, airmen, marines, and our Nation's coastguardsmen are making a positive difference. They do so willingly and unflinchingly. Their valor and dedication are inspiring and they serve this Nation superbly. It is an honor to serve alongside them and my most solemn responsibility to represent them.

The American Armed Forces have evolved throughout our Nation's history. During the 19th century, while our country was an emerging power, the norm for our military included service at either small army posts on the Nation's western frontier or single ship patrols off whaling stations in the Pacific. Throughout the twentieth century, our military fought—and deterred—large scale conflicts against powerful competitor nation-states, or their proxies, around the world. Today and for the foreseeable future, we are embarked on something new.

Our military challenge is to protect and preserve the American way of life by promoting greater global security, stability, and trust—building up the strength of our friends, defeating violent extremists, and deterring regional conflicts. Our strategic environment requires that we have a force that is ready for operations across the range of military missions.

We have yet to fully institutionalize the lessons learned particularly as it applies to building the capacity of partners and reforming the interagency. America has undertaken a staggering array of tasks in the past 6 years: securing the homeland, fighting global terrorism, applying a new counterinsurgency doctrine, expanding governance and rebuilding armed forces in shattered countries, and increasing our capability and capacity to assist other nations through a variety of material aid programs and expeditionary teams. All of these efforts have seen successes and setbacks. They have come at considerable cost to our Nation's sons and daughters, and to the treasure of the American people. We must do more than just document our lessons learned. We must accept that the future will likely require sustained engagement and continued operations that will focus on interagency and international

participation. We must go beyond pondering and push to embed these lessons into a truly reformed interagency. We need continued congressional support to make this imperative a reality.

As for your Armed Forces, we need a total, joint, expeditionary force that is suited to irregular warfare against asymmetric threats as well as supporting civil authorities at home and abroad. We also need a large-scale total force capable of major combat operations against traditional nation-state foes. We cannot do it alone; our forces must be part of a more encompassing team that includes other Federal departments and partner nations. We must also recognize building international and interagency capability will take time. In the interim, our superb military men and women, and their families, will fill the leadership role demanded of them.

All this takes sustained, robust investment and partnership. With your continuing help, our military will be ready for the challenges and opportunities ahead. Thank you for your unwavering support in time of war.

Chairman LEVIN. Thank you, Admiral.

We're going to do our best to get the Secretary and the Admiral out as close to noon as we can, so let's try a 7-minute first round.

Mr. Secretary, you've indicated all the reasons why an estimate that you give us about war costs for 2009 would not, necessarily at least, turn out to be a realistic estimate, but that you are still willing to give us that estimate as the law requires, if we ask. So I'm asking. What is your estimate?

Secretary GATES. A straight line projection, Mr. Chairman, of our current expenditures would probably put the full year cost in a strictly arithmetic approach at about $170 billion.

Chairman LEVIN. The bridge funding in the budget is $70 billion. That's included in the $170 billion.

Secretary GATES. Yes, sir.

Chairman LEVIN. So that means that the total if that estimate turned out to be accurate, that the total then would be the $515 billion base budget plus the $170 billion.

Secretary GATES. Yes, sir.

Chairman LEVIN. That would be a total then of $685 billion, does that sound right?

Secretary GATES. Yes, sir. But as I indicated, I have no confidence in that figure. Part of the reason I've felt able to comply with the law last year was that I felt the assumptions that underpinned were fairly reliable and that we could have confidence in them. I think you saw the analysis that underpinned it and made it possible for us to do that. We just don't have that at this point and we will certainly provide it just as soon as we have it.

Chairman LEVIN. Thank you.

General Petraeus recently said that he thinks "it would be prudent to do some period of assessment before deciding on further troop reductions after we get back to the 130,000 pre-surge level in July." Do you agree with General Petraeus that we should have a period of waiting before we make any further decisions after we get back to the 130,000 pre-surge level?

Secretary GATES. I have not discussed this with General Petraeus. I have made clear to him that I believed his recommendation should be based on his view of the situation on the ground in Iraq. I have tried to structure the decision process this time around as I did last August and September. General Petraeus will give us, the President and I, his recommendations based solely on the views he has in the situation in Iraq.

Chairman LEVIN. So at this time at least, you can't say that you agree with what he has said?

Secretary GATES. That's right, I neither agree nor disagree. I intend to be visiting Iraq again in the near future and I'm sure we'll have that discussion.

Chairman LEVIN. Then the President has said, however, to General Petraeus that if he wants to slow down the reduction it's up to him. The President has explicitly said that it's up to General Petraeus as to whether the drawdown will continue. Is that your understanding?

Secretary GATES. As I started to say, Mr. Chairman, we will also receive the evaluation and recommendations of Admiral Fallon at CENTCOM and also of the Joint Chiefs. Frankly, I expect that I will have my own views, and I would expect that, as last fall, the President will take into account all of those points of view before making a decision.

Chairman LEVIN. You're not telling us, then, what the President said, that it's up to Petraeus, is what will in fact occur? Your understanding is that it's not "up to Petraeus," that it's going to be a matter of many recommendations given to the President and he will then decide; is that correct?

Secretary GATES. The President certainly will decide. I certainly don't want to put any daylight between myself and his comments. It's clear that General Petraeus' view will have a very strong impact on this, but I think that the President will need to hear other points of view as well.

Chairman LEVIN. Mr. Secretary, any agreement with another nation, whether it's called a Status of Forces Agreement (SOFA) or something else, has always been submitted to the Senate for advice and consent as a treaty if it contains a commitment to defend another nation with military force. Now, is it the intention as far as you know to submit any agreement which is negotiated with the Government of Iraq to the Senate for its advice and consent if there is any commitment in such an agreement to defend Iraq beyond the term of this administration?

Secretary GATES. I'm certainly no lawyer, but I would say that any elements in the agreement, in any agreement that's put together that involves the treaty ratification authorities of the Senate, would require that it be submitted. At the same time, I would tell you that we have somewhere at any given time between 80 and 100 SOFAs with other nations, none of which over history have been submitted to the Senate. So I think it will depend very much on the content of the agreement.

Chairman LEVIN. Do you know of any SOFA agreement which has committed our forces to the defense of a country?

Secretary GATES. I'm not that well versed. I'd have to check.

Chairman LEVIN. Would you let us know, because we don't.

Secretary GATES. Okay.

Chairman LEVIN. It's a major difference. We have all kinds of SOFAs with other countries, 80 to 100, whatever the number is, but those SOFAs, those agreements, do not contain commitments to defend other countries. Those commitments are contained in treaties which are submitted to the Senate, and if you have any

evidence or any information to the contrary would you submit that for the record?

Secretary GATES. Yes, sir.

[The information referred to follows:]

None of the Status of Forces Agreements in force between the United States and other countries commits U.S. forces to the defense of the other country.

Secretary GATES. I will just tell you that the subjects that I have seen listed that we are interested in in this SOFA do not include that kind of a commitment.

Chairman LEVIN. Except that there was a declaration of principles for a long-term relationship that was signed between the President and the Prime Minister of Iraq, and it includes the following language: "Providing security assurances and commitments to the Republic of Iraq." So those words are in there, words which I think should raise real concerns on a bipartisan basis. This is not a partisan issue. This has to do with the constitution of the United States and the role of the Senate.

So if there's any information you have about those SOFAs which make commitments, security commitments to other countries, please let us know, would you?

Secretary GATES. Yes, sir.

Chairman LEVIN. The security adviser of Iraq, Adviser Rubae, recently said that the Iraqi Government is at a stalemate. Do you agree with that?

Secretary GATES. No, sir, but it's pretty slow.

Chairman LEVIN. Now, this is Iraq's own security adviser. Now, are you concerned by the slowness of the political coming together in Iraq?

Secretary GATES. Yes, sir, although I would say that, particularly at the national level, and I would say that just in recent weeks, there has been some evidence that they are beginning to move on some of these pieces of legislation. The de-Baathification law, and the accountability and justice law has passed and they have become law. According to the Iraqi constitution, if the presidency council does not veto it or act upon it within 10 days it becomes law, it has to be published and then it will become law.

They are debating the provincial powers law as we speak. They are debating a budget. So they are beginning to act on some of these pieces of legislation, and of course you have been briefed many times on the activities that are taking place at the provincial level. So it's clearly important for them to continue to move and in my view to move faster on some of the legislation they are finally debating.

Chairman LEVIN. Just in terms of what the constitution of Iraq provides, it specifically provides that legislation requires unanimous approval of the presidency council within 10 days of its delivery in order to become law or it is sent back to the council of representatives. I know what's been stated about it, but nonetheless that's what the constitution provides.

So we'd appreciate it if you'd have your lawyer take a look at the language of the constitution and then tell us, given that language, whether or not we have confidence that, despite the Iraq constitution's own language, that nonetheless that is the law.

But I think you would agree that, even if it is "the law," that how it is implemented is critically important. Would you agree with that?

Secretary GATES. It is critically important the spirit in which it is implemented. I would say further that I understand that President Talabani and the presidency council may also introduce some amendments to the law.

Chairman LEVIN. Thank you very much.

Senator Warner.

Senator WARNER. Thank you, Mr. Chairman.

I just go back to the chairman's question about the SOFA. Have your researchers check 1951, the NATO type of structure. That did come to Congress. It was a very important one. I just feel that Congress should be made a full partner in the decisions with respect to both Afghanistan and Iraq as we go forward into the next administration, and that we need the support of Congress because therein rests the support of the American people. So I do hope that you lay that foundation.

Returning to the NATO issue, I want to commend you for the very strong and pragmatic public statement you've made with regard to your concern concerning that situation in Iraq and the participation or lack of participation by certain countries who've committed forces to that military operation. The problem of national caveats has been one that's been before this country and Congress for deliberation many times. But it's just a question of basic burden-sharing, risk-sharing of the forces that are committed to that region. I find it difficult that we can ask the U.S. forces, the British, the Canadians, and several others who do fully participate in sharing the risks, to do the whole thing and the others simply do not participate.

So I hope that you continue with your strong statements and efforts to reconcile that problem. That brings me directly to the question of the decision by the President, which I support and I think Congress thus far has supported, of sending two Marine Corps battalions over there this coming spring.

Was that decision necessitated by the shortfalls in the commitments made by the NATO partners?

Secretary GATES. Yes, sir. I would say that, in reference to my public comments, I have achieved a goal I have been working for for the last year. I have brought unity to the alliance, unfortunately not in the right direction.

Yes, sir, this is a concern. I think we have to be realistic about the political realities that face some of the governments in Europe. Many of them are coalition governments. Some of them are minority governments, and they are doing what they think is at the far end of what is politically acceptable.

But I worry a great deal about, and will say so in a conference in Munich this weekend, the alliance evolving into a two-tiered alliance, in which you have some allies willing to fight and die to protect people's security and others who are not. I think that it puts a cloud over the future of the alliance if this is to endure and perhaps even get worse.

I believe that focus on people meeting their commitments in Afghanistan will be an important element of the Bucharest summit

of NATO in early April. I leave here this afternoon, after the House hearing, to go to a NATO defense ministers meeting in Vilnius and once again will become a nag on the issue, but I think it is important. There are allies that are doing their part and are doing well. The Canadians, the British, the Australians, the Dutch, and the Danes are really out on the line and fighting. But there are a number of others that are not.

Senator WARNER. I would not suggest you use the word "nag." I think you've been very forthright, clear, and I think convincing of the need to rectify this situation. So press on, Mr. Secretary, because you owe no less to the men and women of our country and the other countries who are taking the full measure of the burdens and the risks in that region.

The most troubling aspect of that region, of course, is this each year enhanced drug trade, and the revenues from that drug trade in Afghanistan, the poppy crop, are recycled directly to the Taliban. The Taliban then invests them in weapons and use those weapons against our forces and our other allies in that region.

What should be done in your judgment? We just can't start another nine-point plan and a six-point plan. Somebody has to say this has to be addressed head-on.

Secretary GATES. This gets to a larger issue in Afghanistan and that is in my view the continuing need, as I suggested almost a year ago, for a strong figure empowered by NATO, the European Union, and if necessary the United Nations (U.N.), to coordinate international efforts in the nonmilitary side of the effort in Afghanistan. I very much regret that the appointment of Lord Ashdown didn't work, but it goes to the counternarcotics problem.

First of all, I believe that our allies do not take this problem as seriously as we do, even though most of that opium ends up on the streets of Europe. Afghanistan at this point, I think, produces 93 percent of all of the opium, or heroin rather, in the world.

Also, I think we've gotten too caught up in debates about specific means of eradication. The United States favors aerial spraying because we've seen it work in other places, such as Colombia and so on. It's clear that the Afghans themselves, the Afghan Government, and most of our allies are opposed to it. So my view is let's move on and figure out what kind of a comprehensive strategy we should have.

My view is that if you're going to eradicate a man's crop you better be there the day before with money and seeds to let him know that he's going to have a livelihood for the next year, and you better have roads so that he can take those crops to market. So I think we have to do all these things at once. You can't do it serially, doing one thing and then do another. It seems to me you have to do eradication, you have to do interdiction, you have to do alternative development, and so on.

Senator WARNER. Thank you, Mr. Secretary.

Admiral Mullen, the tours of our men and women of the Armed Forces, the current tour of the Army of some 15 months, what can you share with the committee with regard to the future and the likelihood that that'll be brought down to a more realistic level of one for one, in other words at least a month back home for every month over there, and those months over there not to exceed 12?

Admiral MULLEN. It is the views of the Joint Chiefs and many in leadership that we need to get to one to one as quickly as we can, 15-month deployments are too long. General Casey has spoken to this very consistently. That said, there's a very delicate balance between what we need to do on the ground to sustain the gains in Iraq and balance that with the stress on the force.

In fact, there is a review that's ongoing to look at when that might occur. We've had discussions about it, and my goal would be to support that sooner rather than later, but that decision clearly hasn't been made.

Senator WARNER. I conclude with one of your quotes. In October 2007, you said: "The ground forces are not broken, but they are breakable." I draw your attention to some statistics that I reviewed yesterday. Whether it's divorce, absent without leave, alcohol, suicide, and I could go on, there are some very serious indicators and they could be directly the result of the pressures.

Admiral MULLEN. I think they in great part are, and it has built up since October. I'm still in the same position. I don't think that we are broken, but we clearly can break them. We are focused on this very heavily in literally every decision we review.

Chairman LEVIN. I thank you. I share your view that they're not broken, but we must be alert. It's an All-Volunteer Force and it's the most valuable asset we've had as a part of our DOD for generations.

Admiral MULLEN. Yes, sir.

Chairman LEVIN. Thank you, Senator Warner.

Following our usual early bird approach, Senator Reed.

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

Thank you, gentlemen, for your service. Mr. Secretary, one item in the defense budget is not often cited, but it's important. That is the investment in critical basic research for universities, and I commend you for maintaining that in a very difficult budget environment.

Secretary GATES. I was heavily lobbied by some of my former colleagues, but, frankly, I felt it was very important to send a signal that we were going to again emphasize fundamental research, peer-reviewed research. So it's about $300 million for 2009 and about $1 billion over the Future Years Defense Program.

Senator REED. Thank you, Mr. Secretary.

Admiral Mullen, following on Senator Warner's line of questioning, if there is a decision to freeze our force levels at 15 brigades in Iraq this summer, would that almost automatically require continued use of 15-month deployments for the Army and an accelerated callup of Reserve and National Guard forces to maintain that force structure?

Admiral MULLEN. In the review of this that I've undertaken so far, General Casey has indicated that that may not be the case. He's really working his way through that right now, that in fact it is possible that we could get to shorter deployments. But that again is all tied into General Petraeus and Ambassador Crocker coming back with their assessment and their recommendation, what the President decides, because clearly that's the bulk of the deployed force right now and both sustaining what we're doing as

well as creating any relief is going to be in great part based on that decision.

Senator REED. But I think one of the obvious consequences is that the real opportunity to reduce the tours to 12 months would be seriously compromised if in fact we commit to 15 brigades indefinitely.

Admiral MULLEN. With some assumptions, we think it's actually doable, and in fact then if you end up with a 12-month out to a 12-month back, and to sustain at a certain level, say if we sustain it at 15 brigades, you just would end up deploying sooner.

Senator REED. Does that put pressure on Reserve and National Guard units?

Admiral MULLEN. It would put pressure on the entire force, including the Reserve and National Guard.

Senator REED. Mr. Secretary, the Army needs approximately $260 billion for their grow the force initiative, reset, and reequip modernization operations through fiscal year 2011. It looks as if there's about $141 billion roughly committed. There's a big delta. Are you concerned that we won't be able to continue this modernization and force increase for the Army?

Secretary GATES. I must say, I think that if you look at the total cost of the FCS over the entire duration, I think the total cost of that program is about $120 billion and, frankly, it is hard for me to see how that program can be completed in its entirety. One of the things that I think is attractive about the way the Army has approached this is that as they are developing new technologies they are putting them into the field right away, instead of waiting to bring this thing full up.

But I think that, in light of what inevitably are going to be pressures on the defense budget in the future, I think that is one we will have to look at carefully.

Senator REED. Tomorrow or later this week, Mr. Secretary, we'll hear from the Commission on the National Guard. One of their concerns is a shortage of equipment within the National Guard inventories for response to a civilian incident here in the United States, and they're estimating that it's about a $47 billion shortfall which is not being covered at the moment.

Do we have such a gap? Does it effectively compromise our ability to respond to incidents within the United States?

Secretary GATES. There is a gap. We have in fact $46.8 billion in the budget between fiscal year 2007 and fiscal year 2013 for the National Guard, and we will push $17.5 billion worth of equipment to the National Guard over the next 24 months—helicopters, 16,000 trucks, communications, and so on. But the historic fill rate for equipment for the National Guard has been about 70 percent. That fell to about 40 percent in 2006, was up to 49 percent in 2007. We'll get it to about 65, 66 percent during the course of 2008, and we hope into the low 70s by the end of 2009.

Our goal with what we have budgeted now would put the Army at a fill rate of 77 percent in 2013 and the Air Force, the Air Guard, at about 90 percent. If you want to try and get them to 100 percent, which we've never done before, that would require an additional amount of money. But one important part about this new equipment going to the National Guard, is that it is exactly the

same equipment that is in the Active Force. That will be a first. They have always in the past had either equipment that had been used by the Active Force or equipment the Active Force was no longer using because it had been replaced by more technologically sophisticated stuff. What we're going to be sending out to them is the same stuff, the same equipment that is provided to the Active Force.

Senator REED. I appreciate your efforts and your concern about this issue, but it seems we do have an equipment gap here with our National Guard Forces, principally attributed to deploying equipment in Iraq, leaving it there, and then, as you point out, trying to modernize old equipment that's been in the inventory too long.

This raises a very general point and that is, do you agree with Admiral McConnell's assessment that al Qaeda in Pakistan is growing in its capacity and capability to recruit, train, and position operatives within the United States, or conduct an attack against the United States? Doesn't it raise some serious questions on our overall strategy if we have basically weakened our position in the United States in civil response? We have committed hundreds of thousands of troops to Iraq. We've put billions of dollars—we're debating how many billions will go to Iraq. Yet our enemy, which poses an existential threat to the United States, according to our intelligence leaders, is growing in their capacity as we discuss and debate Iraq.

Secretary GATES. I think that Admiral McConnell is correct in saying that al Qaeda is taking advantage of the safe havens on the Pakistani side of the Afghan border to expand and train for attacks. Much of what we hear concerns attacks in Europe, to be frank about it. But clearly there's no doubt that they have the intent of attacking the United States and, frankly, I think that's one of the reasons why you're seeing a major push for equipment over the next 24 months.

Senator REED. Mr. Secretary, I don't think anyone has done a more credible job in my short tenure here as you, and unfortunately your short tenure, too. I want to also commend Admiral Mullen for his distinguished service. But I think we will look back and seriously question some of the strategic decisions that have been made in the last several years, particularly in reference to our last discussion.

Thank you.

Chairman LEVIN. Thank you, Senator Reed.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

Let me first of all say to both our witnesses, I really believe your opening statements were about the best I've ever heard—very direct, and you got into some areas other people don't want to get into. Secretary Gates, for the first time I ever heard anyone in the last 7 years talk about where we should be in our overall defense systems in the future. It's been 7 years since that's really been discussed with this panel, and you talked about percentages of GDP, where we've been in the past, and where we are today.

I believe I'm accurate when I say that if you go back to the 100 years of the 20th century that it averaged 5.7 percent of GDP.

Then of course, at the end of the drawdowns of the 1990s it went down to under 3 percent, about 2.7 percent. Unfortunately, a war came right after that, so you don't know what's going to happen, that's an uncertainty.

Another uncertainty is what our needs are going to be in the future, because when I was serving in the House just in 1994 we had a witness that said in 10 years we'll no longer need ground troops. So I think that you'll be surrounded with very brilliant admirals and generals trying to say what our needs are going to be in the distant future of say 10 years from now and they're going to be wrong.

So, having said that, where we are today if we include the supplemental spending over this last year would be up to 4.7 percent; without that, 3.7 percent. I know you've probably given some thought in looking into the future about where we should be. Do you want to share any thoughts with us that you've had on that subject?

Secretary GATES. I used to say during the Cold War that if you were to graph the defense budget of the United States over a 30- or 40-year period it would look like an electrocardiogram of a fibrillating heart, and there would be deep cuts and then great increases, and it would go up and down. It is not an efficient way to do business.

One of the advantages that I believe the Soviets had was they had fairly steady growth in their military spending over a protracted period of time. Four times in the 20th century, we made the same mistake. We fought a war, thought the world had changed for the better forever, and disarmed ourselves—after World War I, World War II, Vietnam, and the Cold War. Every time it turned out the world hadn't changed and so we had to rearm.

Now, it seems to me that if we had a steady state and a bipartisan agreement of the investment of America's wealth that are required over the long-term to protect the Nation and everybody agreed and pretty much stuck to that figure, then I think we would all be advantaged, and I think, frankly, that when we do have to fight again we will save both lives and treasure.

I think that number, if you look at it historically, probably ought to be in the 4 percent of GDP range.

Senator INHOFE. I appreciate that very much.

You generally agree with his comments, Admiral?

Admiral MULLEN. Yes, sir.

Senator INHOFE. One of the reasons that I bring this up is because there is an expectation of the American people that our kids that are over there have the best of everything, and it's just not true, in terms of equipment. I know that Senator Warner has left now, but I can recall when he was chairman of this committee that I said the best non-line of sight canon or artillery piece that we have for close support is a Paladin, which is World War II technology, where you actually have to swab the breech after every shot. That's something people don't understand. There are five countries, including South Africa, that make a better one.

I bring it up at this point because we're making some decisions that I think are very significant. When John Jumper in 1998 had the courage to stand up and say that now the Russians—and he

was referring to their Su–27s and Su–30s—are making a better strike vehicle than ours. Of course, he was referring to the F–15s and F–16s. In many ways they were better. During that timeframe China made a very large purchase. That was unclassified.

But I think that's very significant, because until we got into the F–22 we were in a position where we didn't have the best. Yes, our pilots are better, but the equipment wasn't in some ways as good. Some people say we could get by now with expanding the F–15s, maybe the E models, but they're not stealthy, that wouldn't work.

Now, we're set up right now, we are flying 112 F–22s, 6 are being accepted by the Air Force, 50 to be built, and ultimately 183, and it's my understanding that that's when it stops and that would mean that the line would start deteriorating around 2009 or 2010. This is something that does concern me and I'd like to get your comments as to what—and then of course it would be another year before you'd get into the Joint Strike Fighter (JSF) and others.

Do you agree with this level of procurement in F–22s?

Secretary GATES. Yes, sir, we are, as you say, we are keeping the line open. There is a buy of 20 F–22s in the base budget. We will probably ask for several more as part of the supplemental. But we do intend to keep the line open. I'm persuaded that the 183 is probably the right number, or something in that ballpark. I know that the Air Force is up here and around talking about 350 or something on that order.

My concern is that the F–22 is $140 million a copy and the JSF will be about half that, about $77 million a copy. My worry is that if the F–22 production is expanded that it will come at the expense of the JSF. The reality is we are fighting two wars, in Iraq and Afghanistan, and the F–22 has not performed a single mission in either theater. So it is principally for use against a near-peer in a conflict, and I think we all know who that is, and looking at what I regard as the level of risk of conflict with one of those near-peers over the next 4 or 5 years until the JSF comes along, I think that something along the lines of 183 is a reasonable buy.

Senator INHOFE. I'd like to ask Secretary Gates and all of your people to keep an open mind on this, because this is moving. It's not static.

The last question I would ask would be just a real quick response if I could, Admiral Mullen. I've had occasion to spend quite a bit of time in both the Middle East and Africa, some 27 trips. The one thing I consistently hear is that we have to enhance our train and equip, our 1206, 1207, 1208, and the Commander's Emergency Response Program (CERP). Those are the two most popular programs out there. I would like to know if you agree with that?

Admiral MULLEN. I do, very strongly. General Petraeus and General McNeil in Afghanistan speak literally about CERP money as ammo for making good things happen. Clearly the 1206 train and equip has tremendous leverage, far beyond the value of the money that we're actually spending.

Senator INHOFE. Making it global?

Admiral MULLEN. Making it global.

Senator INHOFE. I agree with that.

I know my time has expired, but just for the record if you could give us your thoughts about what's happening with AFRICOM

now, and particularly as the five African brigades that we have been concerned about, but nothing seems to happen there. I think of Africa as being a real critical area. So maybe for the record you could—thank you, Mr. Chairman.

[The information referred to follows:]

The African Stand-By Force is intended to be an African multidisciplinary contingent force with military and civilian components ready for rapid deployment within their respective African regions. It is planned that the force will be operational by 2010. The African Stand-by Force may be tasked to conduct peace support missions, post conflict operations, humanitarian assistance missions and other task as mandated by the African Union's Peace and Security Council. The African Stand-By Force five Brigades exist in theory and will be aligned roughly with Africa's five Regional Economic Communities. U.S. African Command (USAFRICOM) is engaging with the African Union's Regional Economic Communities in order to promote the professional development of the brigades. General Ward, Commander, USAFRICOM, is adopting a regional approach to the strategic environment. Our African partners have encouraged this viewpoint as it aligns with their strategic security concept. USAFRICOM intends to concentrate and prioritize its activities in the five African Union designated regions to further security across the continent. To achieve reliable partnerships while developing security partner capacity at the regional level, USAFRICOM will help develop capable professional militaries among our partner nations.

Chairman LEVIN. Thank you so much, Senator Inhofe.

Senator Bill Nelson.

Senator BILL NELSON. Thank you, Mr. Chairman.

Gentlemen, you know my personal appreciation and affection for the job that you're both doing. You've brought a candor that was desperately needed in DOD. This opinion that I express is shared by many of us on this committee and we appreciate it.

Now, one of the areas with the lack of candor has been brought out in the questioning by the chairman today. There's a budget request of $515 billion and over and above that is what is called a bridge fund of $70 billion for the war, when in fact the testimony here, asked by the chairman, it's $170 billion. So I realize your hands are tied by the White House and specifically the budget office of the White House, and I agonize for you as you go through this. But this is part of the candor that we need. Again, I just reiterate, thank you for the candor that you have brought in the relationship between Congress and DOD.

Let me just ask a series of questions, some of which deal with the subcommittee that I have the privilege of leading here, the Strategic Forces Subcommittee. First of all, I want to get for the record, do we have any other difference, Admiral Mullen, on the question of whether or not we ought to have the 11 aircraft carriers that we have for projection of our defense, or should it be less?

Admiral MULLEN. 11.

Senator BILL NELSON. Okay. Now that that environmental impact statement (EIS) has been completed on the question of making Mayport nuclear-capable and therefore spreading the Atlantic fleet of carriers from just one port to two ports, do you think that the DOD will budget for the necessary improvements to Mayport in order to make it capable of receiving a nuclear carrier?

Admiral MULLEN. I remain where I was when I was the Chief of Naval Operations (CNO) and we discussed this, Senator Nelson, which is I believe that strategic dispersal is important, or that capability is important. It was tied to this process, and obviously I would lean on Admiral Roughead and Secretary Winter for rec-

ommendations to myself and the Secretary of Defense, but clearly to have that capability you need to invest in it, and we need to continue to do that.

Senator BILL NELSON. On another subject, you in the uniformed military are working up a recommendation to the Secretary of the Navy and the Secretary of Defense about reactivating the Fourth Fleet to give Admiral Stavridis more power to project in the Western Hemisphere. Have you made that recommendation yet, and if not——

Admiral MULLEN. It has not been made to me. I thought it was a great idea when I was the CNO.

Secretary GATES. One reason I like to come to these hearings is I learn so much. [Laughter.]

Senator BILL NELSON. That's exactly why I brought it up, Mr. Secretary, so you would hear it firsthand.

In the subcommittee that the chairman has given me the privilege of heading, we're getting back from some of our combatant commanders that they do not have the near-term capabilities against the existing short- and medium-range missiles that would threaten our forward-deployed forces. We even stated this 2 years ago in our National Defense Authorization Act for Fiscal Year 2007, to place a priority on the near-term effective missile defense capabilities. Yet the DOD in its budget is not placing more emphasis and resources on these near-term capabilities.

So I'm wondering, where the disconnect is here?

Admiral MULLEN. Senator, I'm a big proponent of missile defense and in fact we have fielded capability on a number of our ships which give us some of the capability that you're talking about, and that capability continues to be fielded. It's not out there now as we would have it be in the future and I think we need to continue to emphasize that.

My view is the challenge in the Missile Defense Agency has been how to best proportion the investments there for the future. In fact, the overall missile defense budget this year has been increased. But it's a growing concern, growing threat, and it's one I think we need to continue to focus on, not just in the near-term but in the far-term.

Senator BILL NELSON. We're talking about the Aegis, we're talking about the Standard Missile——

Admiral MULLEN. Yes, sir.

Senator BILL NELSON.—interceptor, and we're talking about Terminal High Altitude Area Defense (THAAD). Our concern in our subcommittee is that the military analysis shows that you're only planning to buy half as many THAAD interceptors and the standard missile interceptors as the commanders are asking for.

Admiral MULLEN. We deal with the commanders, the combatant commanders, all the time and we work these requirements. The combatant commanders are not going to get everything they ask for. There's an affordability as well as distribution and risk-taking aspect of this, all of which goes into the equation.

We have, in fact, fielded that capability, as you indicated, in some parts of our fleet and it's, as is always the case, a balance between meeting the requirement, the timing of it, affordability, and where those systems are in development.

Senator BILL NELSON. A final question. I have the privilege also of serving on the Senate Select Committee on Intelligence. Yesterday in the open session, General Hayden, the Director of the Central Intelligence Agency (CIA), stated his belief that Pakistan, the government, finally has a new appreciation of the problem of the uncontrolled tribal areas, and his opinion was that the Pakistani Government for the first time sees the situation in this area poses a direct threat to the stability of the Government of Pakistan.

Do you agree with this assessment?

Secretary GATES. Yes, sir, I do. I think it's a fairly recent development and probably brought home most vividly to them by the assassination of Mrs. Bhutto, that this is a serious threat. Al Qaeda has been public about threatening the leadership of the Pakistani military and the Pakistani civilian government. They have declared their desire to overthrow the Pakistani Government, plus the insurrectionist activity that's going on in the northwestern part of the country has really gotten the Pakistani Government's attention.

Now, the problem that they face in a way is a little bit of the problem that the NATO alliance faces. The NATO alliance has trained and equipped over the past 50 years, almost 60 years, to meet the Soviets coming through the Fulda Gap. Pakistan has been focused for all these years on the threat to their east, to the Indian conventional military threat. So my view is that the Pakistanis, just as they recognize a new kind of threat to the stability of the country, are going to have to make some changes in terms of the training and equipping of their force.

Senator BILL NELSON. Of course, that's the next question that we have to ask, and part of that has to be off the record.

Thank you all very much for your service to our country.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Nelson.

Senator Sessions.

Senator SESSIONS. Thank you very much.

Gentlemen, thank you for your service. You have indeed won a great deal of respect and credibility on both sides of the aisle here in Congress. Your candor and good judgment, I think, have been responsible for that and we appreciate it very much.

Secretary Gates, I think your opening remarks, in which you talk about the new strategic threats we face, failed states, terrorism, and the like, represent a significant statement. You have indicated that we need to confront and be prepared to confront those threats for years and years to come. Are you confident that what we're doing within DOD now is the right balance between a potential peer competitor some time in the future, hopefully some years out, and the immediate threat of these kind of failed states and terrorist activities?

Secretary GATES. I think we do have a good balance. I think it would be probably unrealistic for me to say with confidence that we have it all just right. When you have a budget this big and so many programs, you hope to get the balance in the right place. I think that what we have to do is figure out how to prepare for the diverse kinds of threats we're going to face.

One of the issues, for example, that I've been discussing with the Army and where General Casey, frankly, has been very helpful is the fact that the Army is more likely to face asymmetric kinds of threats in the years to come, than it is a major conventional war, and how do they prepare and equip for that over the long term and at the same time be able to retain the full spectrum capabilities?

So it's a matter not of one foot or the other, but the amount of weight you put on one or the other foot. So I think that another example of this is in the kind of ships that the Navy is buying. We've had these problems with these Littoral Combat Ships (LCS), but I think that they're exactly the right kind of ship for the kind of threat we're going to face in places like the Persian Gulf, where they can take on swarms of small boats and where they can go in shallower water and so on.

So I think we have it pretty right, but I would never be in a position with a budget this big to say we have it exactly right.

Senator SESSIONS. Admiral Mullen, do you want to comment on that?

Admiral MULLEN. I think, to Senator Inhofe's statement earlier about projecting, predicting the future, we're in an incredibly uncertain time. It's a dangerous time, and to best prepare for that I think we have to have a balance. We have to have this irregular warfare thing right. We need to continue to swing in that direction. But I also think we need to invest well for the future with respect to our conventional forces.

I mentioned space and cyberspace. Those are of great concern to me as well. Most importantly, we have to get it right for our people, particularly our young people, so that they see that we're headed in the right direction, because they're the ones that always have to fight the fight.

Senator SESSIONS. Thank you. I appreciate the Secretary mentioning the LCS and I hope, Admiral Mullen, we can break through some of the delays that are occurring there and not lose momentum on that critically important ship.

I'm also pleased, Mr. Secretary, in your written remarks that you noted the need for the Air Force number one priority, the tanker. We'll soon be having a selection on that and it's something we're going to need to invest in for a number of years. Forty-eight-year-old tankers just cannot continue to meet our Nation's need.

You mentioned cyberspace, Admiral Mullen. I am concerned about that. Even our new defense structure commits us even more deeply to high tech, satellite, communications, and computer systems. Of course the history of warfare has been that enemies have figured ways to penetrate communications systems and whole wars have turned on intelligence and spying activities. We of course have nations like China and others that are highly sophisticated in these areas.

Are you confident that as we commit more to a high tech military that we have the defensive capabilities to guarantee the security of those systems in the event of a conflict?

Admiral MULLEN. I'm confident that we recognize the problem. The threat is exactly as you described it today, as it has always been; and that we have taken significant steps to invest to get it

right for the future. But I would not sit here and give you a 100 percent guarantee that we could defend. It's a very active domain.

Senator SESSIONS. I just have to tell you, the history of warfare is that somebody always figures a way to break these systems, and we're investing in them so heavily that I hope you will invest a lot in security.

Admiral MULLEN. We are.

Secretary GATES. Senator, I might just say that one of my concerns is not only that they break them, but that somehow they figure out a way to deny them to us. One of the things that I've asked for is a study of what kind of, if you will, old capabilities we could resurrect as a backup in the event we lost some of the high tech capabilities to communicate and so on that we have right now.

This world of cyber war is going to be very unpredictable and very dangerous, and it seems to me we ought to look back at some old pretty simple technologies so that we're not blind, deaf, and dumb if we're denied some of these high tech capabilities.

Senator SESSIONS. Thank you very much for that insight. I think you need to press that because we absolutely could find ourselves in a situation where we're not able to utilize some of the technologies we thought we would be able to utilize.

Missile defense site in Europe. Secretary Gates, you noted you personally have met with our Polish and Czech friends, that progress is being made there for a radar site at the Czech Republic and interceptors in Poland. Could you give us an update on that and why you think it's important?

Secretary GATES. I think that we're continuing to move forward. It is my hope that we can reach agreement and break ground this fiscal year. I think that the Polish Foreign Minister when he made his public remarks after meeting with Secretary Rice indicated that the effort would go forward. I think the Poles clearly are concerned about whether there is an increased threat to their own security as a result of hosting these sites. Obviously the Russians are making a lot of threats. So we will be discussing that with them. But I think it is continuing to go forward.

Senator SESSIONS. I would just note, I can't imagine why the Russians would object to this system. It poses no real threat to their massive capability in missiles. It's just very frustrating and another example of bad behavior by the Russians that's disappointing.

Secretary GATES. We would like for them to be our partners in this, and we have made a number of forthcoming offers. Anybody can understand that this is not capable of being used against Russian missiles. The geometry is all wrong, the number of interceptors. I told President Putin: If your problem is breakout, that you think 10 years from now we'll do something different with this site that would make it a threat, we'll negotiate that with you so that there are limits. We talked about reciprocal presence in the sites.

So we've really put a lot on the table in the hope that the Russians will see we're serious about this partnership. We both face the same challenge and that is the growing Iranian ballistic missile threat.

Senator SESSIONS. You promised when you took this office that you would personally analyze conditions in Iraq and that you

would give us your best judgment about where we should deploy, how we should deploy, the number, and so forth. In all the discussions that we'll be having, we want that opinion.

Secretary GATES. Thank you.

Chairman LEVIN. Thank you, Senator Sessions.

Senator Ben Nelson.

Senator BEN NELSON. Thank you, Mr. Chairman.

Let me add my appreciation to your service and particularly for the candor that you've been able to express in your position, Mr. Secretary and Admiral Mullen, as you continue in your role. I know you're going to give us your best estimate on what we need to do to keep our country safe in the midst of growing concerns and different kinds of challenges.

Mr. Secretary, I dropped a letter your way today about the budget. My concern is the concern that was raised initially and one that you've responded to. I understand the difference between precision and accuracy. I don't know why they have to be at odds as far as they are in terms of the numbers.

My concern is that we continue to bring together our desire for precision and getting it right accurately as well, so that the distance between the bid and the ask isn't quite so great, because it makes it very difficult to have anything back here called a budget. I don't know if I coined this word, but we came up with it in the office: It looks like a budget is now a "fudge-it." There's fudging in it, just because you don't know certain things.

But I think we need to narrow down those differences as much as we possibly can. I know you told us that you were going to try to do that. The system here is broken and it's not your fault, but it is an opportunity for you to try to help us fix it so that we don't go through the rest of this decade with a broken system, to be inherited by the next administration. It just isn't going to enable us to get something that we can deal with.

On high technology, let me say that I really think that, whether it's asymmetrical war or whether it's cyber concerns, that we have to be not only in a defensive posture—clearly we have to be able to defend what we have. If we lose our high tech capability, you're right, we better have some low tech response capability to be able to deal with that. But I also hope that we're at a position where we're not bragging, but making the world aware we have the ability to be on the offense on this as well.

If the rest of the world understands that we can take out their cyber, assuming we can, we can take out their cyber capabilities, perhaps we can ultimately agree to certain things and reduce that risk to both sides, so that we don't continue to face the uncertainty of what high tech cyber war might look like.

What I'd like to do is go just for a minute on the Pakistan military aid funding. I've been watching the media reports, the coalition support funds (CSF), and the foreign military financing aid that have been provided to the Government of Pakistan and it seems, according to the reports, this funding seems to have been used for means other than to fight al Qaeda and Taliban forces in Waziristan.

According to a New York Times article on December 24, "Military officials believed that much of the American money was not mak-

ing its way to front-line Pakistani units. Money has been diverted to help finance weapons systems designed to counter India, not al Qaeda or the Taliban, the official said."

In another article from the L.A. Times on November 1, they also talk about the billions of dollars that have been made in U.S. military payments over the last 6 years, but raising the question as to where those dollars have gone.

So my first question is, are U.S. funds being used effectively and appropriately as well by the Pakistani Government in fighting al Qaeda and the Taliban?

Secretary GATES. Based on the information that's available to me, Senator, I think they are. The funds have been used to help support I think something like 90 Pakistani army operations, to help keep about 100,000 troops in the field in the northwest. We have a process where the Pakistanis come to the embassy when they have an operation that they're going to perform. The embassy has to validate that it is in support of U.S. military and security objectives. It is then reviewed by CENTCOM, that not only further validates whether it's a legitimate military operation, but also whether the cost is reasonable. Then it's finally reviewed and approved by Ms. Jonas here.

They have made airfields and seaports available to us. Half the material going into Afghanistan goes on Pakistani roads, convoys that are protected and so on.

But as to some of the specifics, maybe I could ask Ms. Jonas to respond.

Ms. JONAS. Senator Nelson, I'd just like you to know that I often talk to the IG on this, and when the program was initially set up we set it up in conjunction with them. He's looking at the program also to see if there are any management reviews that we can do or additional things that we can tighten up.

I will tell you that my office in particular spends a lot of time testing the reasonableness of the costs. So there are plenty of things that we would turn down as well. But we do rely on the field to tell us, and to CENTCOM, as to how that is supporting the objectives.

Senator BEN NELSON. Would that involve trying to decide not simply whether the use is appropriate, but are we getting results from it as well? Because I think that's the concern I have. How much do we need to provide to get the results that we are hoping for, and that is to avoid having the buildup in Waziristan and in the border, the non-border area where you have a reconstituting, reconstitution of the Taliban and the expansion and redevelopment of al Qaeda?

So even if the money is being spent appropriately under the way in which it's been designated, are we getting the bang for the buck that we really ought to be getting? If we're not, is it because it's not enough or is it because it's not being used, while appropriately, not in the most effective manner possible to get the results we're after? Do we ask those kinds of questions or do we just go through—I don't mean to be pejorative here, and check the boxes to see that it's done appropriately, but what about effectively?

Ms. JONAS. Certainly that would be the responsibility of Admiral Fallon and CENTCOM to judge that, along with the field.

Admiral MULLEN. Senator Nelson, if I may.

Senator BEN NELSON. Yes, Admiral.

Admiral MULLEN. I know Admiral Fallon and I have specifically talked about this. I know he has addressed it with the leadership. To the Secretary's point, there has been a tremendous investment and we think generally it has flown in the right direction. Your question about results, output, or effects, I think, is a very valid question, particularly at a time, as was pointed out earlier, as this threat seems to be both expanding as well as turning inward. We know that General Kianni, who heads their army now, we all think is a great leader and has the right focus. It's going to take him a while to get the focus where it needs to go. It's going to take him years to get at this as well; and that our continued support is really important.

To the level of detail where these dollars are going, I think it is a great question to look at from the standpoint of the effects. What we have seen from here, that's the case. Admiral Fallon is asking the same questions and I know they are in the field. I would hope that we would have detailed answers to that down the road that would answer that, that could put your concerns at ease.

Secretary GATES. Senator, maybe we could ask Admiral Fallon to do a report for the committee on his view of the effectiveness of this investment.

Senator BEN NELSON. Because if it's an investment and let's say it's effective to a certain level, I would like to ask the question, if we doubled the money would we get triple the results? I think there are certain kinds of questions you ask about a program like that, and when we don't seem to be getting where we want to be and they're reconstituting themselves and they're gaining strength in certain areas we have to ask the question. If we always do what we've always done, we'll always get what we always got. I think we need to break that and take a look at how we move forward to get the results we're after. If it's money, then we need to address that. If it's commitment, we need to address that. I'm not talking about our commitment, but I'm talking about the commitment of the other government.

The other question which I hope to find out is what do our friends in Delhi think is being done with this money, because there are also reports that they're concerned that a lot of the money we're giving that's supposed to be going to Waziristan is just simply being used to build up the military strength of the Pakistan military on the border of India.

So there are a lot of issues here and I hope that we could get from Admiral Fallon a pretty detailed explanation of that. Also, if he had his druthers and an open checkbook and an open opportunity, what would he ask for?

Secretary GATES. I think one of the concerns that we're dealing with right now is there's quite a bit of sensitivity in Pakistan to the American footprint and presence in Pakistan, particularly an American military presence. I have said publicly that we are ready, willing, and able to help the Pakistani army should they need help in training for the new kind of mission and so on.

They're very proud. They have a long history of being representative of the nation. I think, just further to Admiral Mullen's point,

until General Kianni gets on top of the whole situation and what their needs are, I think we're in a standby mode at this point, other than this program.

Senator BEN NELSON. With two wars costing us, what, $12 billion to $16 billion at a pretty fast clip, one wonders what some of that money diverted to a stronger presence to attack Waziristan might get us and be cost savings in the long term, plus less threat—now my time's run out—to our troops if we're able to bring down the pressure there in Afghanistan and in Iraq.

Thank you, Mr. Chairman. Thank you, gentlemen.

Chairman LEVIN. Thank you, Senator Nelson.

Why don't we do this, Secretary Gates. If you would alert Admiral Fallon to the line of questions that Senator Nelson has raised about the effectiveness of that spending, perhaps by the time he comes here, which is March 4, I believe, he could be prepared to give us that report. We would appreciate that very much.

Thank you, Senator Nelson.

Senator Collins.

Senator COLLINS. Thank you.

Secretary Gates, I want to talk to you a bit about two reports that were released last week on Afghanistan which Chairman Levin has already alluded to. Both of them are pretty stark in their warnings about what is at stake in Afghanistan. One begins with "Make no mistake, NATO is not winning in Afghanistan. Unless this reality is understood and action taken promptly, the future of Afghanistan is bleak, with regional and global impact."

The other says that "Afghanistan stands today at a crossroads." It talks about how the progress of the last 6 years is threatened by some of the factors that you've already discussed. It says that the United States and the international community have tried to win the struggle in Afghanistan with too few military forces and insufficient economic aid. The reports recommend that the "light footprint in Afghanistan" be replaced by the right footprint of U.S. and allied force levels.

My first question to you is, what is your reaction to these two reports and the recommendation? Second, I recognize that we're sending 3,200 marines this spring to Afghanistan, but is that going to be sufficient to put Afghanistan back on course if NATO forces aren't joining in an increased commitment?

Secretary GATES. First, I think that I guess what I would say is that I think we are—and it sounds a little familiar—being successful in the security and particularly in the military arena. General Rodriguez reports that to the eastern region of Afghanistan, January was the first month in 2 years where the level of violence was actually less than it was 2 years ago. That's clearly where the United States has the biggest presence. It's our area of responsibility, and the counterinsurgency is going very well there.

The Taliban no longer occupy any territory in Afghanistan. They were thrown out of Mussaqawa a few weeks ago, before Christmas. Now, I think that the Taliban have had some real setbacks. Probably 50 of their leaders have been killed or captured over the past year and we know that that's had an impact on their capability and also on their morale.

All that said, because they are failing in the conventional kinds of attacks on us, they are turning more and more to suicide bombers, to terror, and to IEDs. So I would say that, while we have been successful militarily, that the other aspects of development in Afghanistan have not proceeded as well. Clearly, counternarcotics are a problem. Corruption is a problem. The ability of the government to get services to the countryside is a problem. Effectiveness of government ministries in many cases is a problem.

Then overarching this is a problem that I started trying to work on a year ago, which was to bring about greater coordination of the civil effort among the NATO allies. There are some 40 partner nations active in Afghanistan, not to mention hundreds of NGOs. There is no overarching strategy. There is no coordinating body that looks at what's working best and what's not working and shares those experiences or that coordinates and says, you need to focus on electricity, and you need to focus on roads and so on, in terms of your commitment, rather than everyone doing their own thing all the way around the country.

So the importance of somebody filling the position that Lord Ashdown was considered for is critically important, and I started proposing that a year ago. I also proposed at Nordvik last fall that what NATO needs is a 3- to 5-year strategy that looks out beyond the end of 2008, beyond 2009. Where do we want to have Afghanistan? Where do we see Afghanistan being in 3 to 5 years, and what kind of forces will it take, what kind of civil commitment will it take, what kind of economic aid and development?

One of the biggest problems with Afghanistan is that it's poor. Total government revenues this year will be $675 million. That compares with nearly $50 billion budgeted in Iraq, and Iraq has 5 million fewer people. So the contrast and the importance of the international community helping Afghanistan in some respects is even more important than in Iraq because of the poverty in Afghanistan.

But this strategy is necessary, with some milestones on how we can tell whether we're making progress in these areas. I think that there will be a strategy like this approved at Bucharest at the summit, that also will, I hope, serve as an educational tool for the people of Europe to better understand the threat to them coming out of Afghanistan, which will then further empower the political leaders to do more.

Now, to the second part of your question, I've been working this problem pretty steadfastly for many months at this point and I would say that I am not particularly optimistic. I think there are some additional opportunities and I think there are some straws in the wind that suggest some governments may be willing to do more and do more in a meaningful way, not just symbolic.

My hope is that in Vilnius and then in Bucharest we'll get some better indication of what they're prepared to do. Some nations are stepping up. The Poles are sending additional people. So I think that there are some who are stepping up to do more, after I made the decision on the marines, I sent a letter to every defense minister in NATO asking them, basically trying to leverage our dispatch of the marines into getting them to dig deeper. In several

cases I made specific requests of specific kinds of units and in some cases named units and where they needed to go.

I haven't gotten any responses yet, but I'm sure I will in Vilnius. But we'll see. We just have to keep working it.

Senator COLLINS. Thank you.

Chairman LEVIN. Thank you, Senator Collins.

Senator Warner has just made an excellent suggestion, as always, that you, if you would, send that letter to us so we can make it part of the record, if that is a public letter.

Secretary GATES. It was public after it leaked in Germany. [Laughter.]

Chairman LEVIN. Why don't you leak it to the record. If you could leak it for our record. [Laughter.]

[The information referred to follows:]

Senators Warner and Levin requested a copy of a letter Secretary of Defense Robert Gates sent to every defense minister in NATO on enhancing their contributions to activities in Afghanistan, dated January 24, 2008. Enclosed is the letter.

THE SECRETARY OF DEFENSE
1000 DEFENSE PENTAGON
WASHINGTON, DC 20301-1000

JAN 24 2008

Dear Minister

I am writing to inform you I have signed a deployment order to send over 3,000 Marines to Afghanistan beginning in March in order to fill the critical maneuver battalion shortfall in Regional Command-South as well as to assist with Afghan National Security Forces training and mentoring. The Marines will be deployed for approximately seven months, including during the spring fighting season.

The consistent failure of some Alliance members to fill critical shortfalls identified by COMISAF and SACEUR with fully trained and equipped soldiers, particularly maneuver forces and mentors, has compelled the United States to fill these shortfalls. This reflects poorly on the Alliance.

The Alliance cannot continue to operate in this way that exposes ISAF and Afghan soldiers to greater risk on the ground and unfairly spreads the burden of the Alliance's commitments on a minority of ISAF nations. Obviously, the continued inability of the Alliance to meet minimum force generation requirements also has serious consequences for its future.

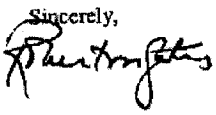
At the Riga Summit, our leaders not only stated the importance of the ISAF mission but they also reaffirmed the "strong solidarity of our Alliance and pledge to ensure that ISAF has the forces, resources, and flexibility needed to ensure the mission's continued success."

Afghanistan is facing a critical juncture, however, and we all must do more. My decision to send 3,200 United States Marines was a difficult one and further stresses an already stretched American military. I hope that our Allies will use our examples of sacrifice to persuade their own governments and Parliaments of the importance of the NATO mission and the need for each to fulfill its Alliance commitments in Afghanistan. Indeed, I am using this U.S. decision as the basis for making specific requests of specific Allies.

Afghan territory must never again become the site terrorists use to plan and support their deadly operations against our populations. Our partners in Afghanistan – as well as our adversaries – must be assured that when the Marines leave, the Alliance's presence will endure.

Undersecretary of Defense Eric Edelman has sent to your staff our draft ISAF Strategic Vision paper as discussed at the Edinburgh RC South meeting. I look forward to discussing both of these issues with you at the Vilnius Ministerial.

Sincerely,



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Chairman LEVIN. Senator Webb.

Senator WEBB. Thank you, Mr. Chairman.

I first would like to observe that I really appreciate the tone of the relations that we're having out of the DOD now, as compared to even a year ago when we were having some of these hearings. I think Admiral Mullen, Admiral Fallon, General Conway, and others have really demonstrated a willingness to rethink where we're going on a lot of these issues. It's vitally important that we do this and do it in a timely way.

I was writing before the invasion of Iraq that my concern was we were falling into a double strategic mousetrap. I think if you look at this budget that's before us today, you see the ramifications of that, a double strategic mousetrap meaning first of all we were going to be tieing up our military in one spot, burning it out, burning out our people, burning out our equipment, at the same time that the enemy that we're facing, the true enemy that we're facing, which is global terrorism, international terrorism, would retain its mobility.

I'm looking at the Washington Post this morning, the Director of National Intelligence (DNI) identifying what he called global hot spots—Iraq obviously, Saudi Arabia, Iran, Afghanistan, Pakistan, and China to the extent that it is providing missile sales and other weaponry to Iran. They're all focusing in that area in a way that we haven't been able to control it, in a large sense because of what's happened with our commitment in Iraq. To me that argues very strongly for getting our people off the streets of Iraq and out of the role as occupier.

The second strategic mousetrap is that we were tieing up so much of our national attention and so much of our budget in one specific spot, while we were ignoring our strategic interests around the world, our larger strategic interests. We're seeing that coming home to roost now with the size of this budget. I support what we need to be doing, particularly with growing the Navy back to where it needs to be, but it's pretty unfortunate, from my own perspective that we're having to face these problems that were avoidable with a proper strategy.

My question really is on the GI Bill. I've had meetings, I've had discussions with Admiral Mullen about this and others. I proposed a GI Bill a year ago that would give the people who've been serving since September 11 the same range of benefits as those who served during World War II. We took care of 8 million people after World War II, paid their tuition, bought their books, and gave them a monthly stipend.

We keep talking about these young men and women as the new greatest generation, and yet we're having a very difficult time with this administration and, from what I'm hearing, inside the DOD, getting an agreement like this is something that these people have earned. Senator Clinton is on this bill. Senator Obama is on it. Governor Romney has indicated he supports something of this nature. We're still waiting for Senator McCain, who speaks so strongly about people who serve. We're still waiting for people on the other side here.

But my question for you is this. What I've been hearing from the Pentagon is that there are people who believe that giving these young men and women this kind of a benefit will affect retention. I'm an old manpower guy. I spent 5 years in the Pentagon. My view on this is that it will increase the pool of people to be recruited, that right now we're burning out this one pool we've been going after time and time again with all these bonuses, and we've been seeing indicators from the Army that categories in terms of mental categories being recruited are going down. This would open up a whole new group of people potentially.

I'm wondering if it's true that the position of the DOD is that this is somehow going to affect your ability to manage the force?

Secretary GATES. I have not heard that, Senator, and I am certainly willing to take a close look at the bill and see what the budgetary implications are and so on. Personally, I've been trying to do what we can in terms of enhancing the benefits and the flexibility of the benefits. For example, the President's recommendation in the State of the Union address that a service person who does not intend to use his or her Montgomery GI Bill education benefits could transfer those to a spouse or to a child in their family, I heard that recommendation in one of my meetings with military spouses at Fort Hood.

So I think we are looking for areas in which we can both help the families as well as the servicemembers. I'm very happy to take a look at this bill.

Senator WEBB. We've been trying to get people in the DOD to give us a specific comment on this for more than a year now. The Montgomery GI Bill averages out, the average payment on it averages out to $6,000 a year. If you were going to go to the schools that some of our World War II veterans were able to go to—Senator Warner, for instance, was able to go to Washington and Lee University—he and I have discussed this—and University of Virginia Law School. The Montgomery GI Bill wouldn't even cover 14 percent of that today.

So whatever the benefit is to be transferred—and there are questions about transferability. As someone who spent 4 years as a committee counsel on the Veterans Affairs Committee 30 years ago, the benefit itself is not measured to the value of the service.

I'd be interested if the Admiral had any thoughts on this.

Admiral MULLEN. I'm an old manpower guy myself, Senator. Listening to you when you talk about this, it's my belief we need to take care of these people from the moment we recruit them, for as long as the system can support them, depending on what they do, whether they stay in and whether they get out. That doesn't, obviously, mean we take care of them for the rest of their lives, although I do feel strongly we have to have a system which supports those who are wounded in that regard.

Specifically on this, I don't think there is any benefit that when I go out and talk to the troops and we meet with families—this gets talked about; it's the education benefit which they both see, you talk to the young enlisted, who so many came in for the education benefits. We know that it will lift up the country no matter what they do, whether they stay or go.

I don't immediately sign up to whether this is affecting retention at all. I can get a little bit of that. But from the beginning to the end, from when they come in to when they leave, whether it's a few years or a career, we need to have a system which supports that. Education is a ticket to the future, whether you're in the Service or not.

So we need to, I think, take a very careful look at it. I've not been made aware of this literally until we've talked in the last couple days, and I'm happy to certainly lend my ear as well.

Senator WEBB. I would suggest and hope that we can take a look at it soon, to try to get something through this year. We've been

working on it for a year. We've been trying to get the other side to understand that this is not a political issue, it's an issue of rewarding service. All we're saying is try to give the same thing that we gave these people coming out of World War II.

For every dollar that was spent on their education, we have $7 back in tax receipts because we increased the value of their professional lives. So I would hope we could work in a pretty rapid manner on this.

Secretary GATES. Yes, sir. I say, I'm not a manpower guy, but the GI Bill did pay for my Ph.D. at Georgetown University.

Senator WEBB. Thank you, Mr. Chairman.

Chairman LEVIN. In your case it's probably 14 or 15 times the investment.

Senator WEBB. So far.

Chairman LEVIN. So far, right.

Senator WARNER. Could I just commend my colleague from Virginia, and I wish to associate myself with your goals. I think we will be able to in this committee eventually put forward a bill.

Senator WEBB. I thank the senior Senator for saying that.

Chairman LEVIN. I want to thank Senator Webb also for his persistence on this.

But could you, Secretary Gates, get to us within the next month or so the position of the Department on this bill that Senator Webb and others have introduced?

Secretary GATES. Yes, sir.

Chairman LEVIN. We need to know what the Department's view is on it. We're entitled to know that, and Senator Webb surely has been, I think, not only very clear and right on this issue, but he's been patient as well. We're entitled to an answer.

Senator Dole.

Senator DOLE. Thank you, Mr. Chairman.

Secretary Gates, Admiral Mullen, let me just underscore again, as each of our members have said, our thanks for your great service to our country and your candor before this committee.

Chairman LEVIN. Senator Dole, if you would allow an interruption.

Senator DOLE. Sure.

Chairman LEVIN. Forgive me for doing this, but I'm reminded that the question of this bill—this bill has been referred to the Veterans Affairs Committee, not to this committee. So that any report that you give to us should go also to the Veterans Affairs Committee because it is within the jurisdiction of Senator Akaka's committee.

Thank you. I apologize, Senator Dole?

Senator DOLE. That's just fine.

Admiral Mullen, you've endorsed the proposal to fund the annual defense budget at no less than 4 percent of the GDP. A review of this budget certainly makes it clear that we need to substantially increase the baseline budget. Accordingly, I am sponsoring with Trent Franks in the House of Representatives a joint resolution that calls for the United States to fund the annual defense budget at no less than 4 percent of the GDP.

But rather than discuss percentages and dollars, would you share your view on the implications for our military in terms of

modernization, the growth of our military, the quality-of-life, and the research and development, if indeed we continue to inadequately support our armed services?

Admiral MULLEN. Senator, I've been in and out of Washington and a lot of time in the budget world since the mid-1990s, and I've recently discussed very publicly the need to have 4 percent as a floor. Not unlike the other discussions, I'm not sure that's exactly right, but I think it's an important target. Over the last 10 or 12 years for me, as I've watched us through budgets which have been lower and budgets which have gotten larger, the impact of the growing cost to invest correctly for our people—and it's not just the members, but their families and the quality-of-life to have them stay in and to ensure that they see themselves as valued as we all say they are, and without whom we can't do anything—the growing challenges that we have across a full spectrum of requirements, and there are challenges in the acquisition world and we do need to contain those costs. But modern systems have gotten more expensive. The growing cost of operations. Those are the three big accounts.

As I look back at a lot of people trying to get this right, and there are a lot of really dedicated people, I just worry a great deal about, in the world that we're living in right now, with the terrorist threat that we have, the weapons of mass destruction threat, the uncertainty, the regional instability, cyberspace, space, the growing challenges that possibly come from a near-peer competitor in the long run, the technology gap which is closing and which we're being closed on, that to underinvest across the board in a balanced way would be very dangerous.

As I really roll it up and do the math, for me it's about 4 percent. It isn't exactly that, but I think at a minimum we need to do that.

To Secretary Gates' point earlier, we've made this mistake before. We can't do this now. It is a dangerous world, and if we do that I think we draw a great risk to ourselves in the future.

Senator DOLE. Thank you.

Secretary Gates, let me speak to you about the need for a Goldwater-Nichols II interagency reform initiative. I read with great interest your speech to Kansas State University recently. You indicated there that, based on your experience serving seven presidents, as a former Director of the CIA, and now as Secretary of Defense, you said: "I'm here to make the case for strengthening our capacity to use soft power and for better integrating it with hard power. One of the most important lessons of the wars in Iraq and Afghanistan is that military success is not sufficient to win. Economic development, institution-building, the rule of law, promoting international reconciliation, good governance, providing basic services to the people, training and equipping indigenous military and police forces, strategic communications, and more, along with security are essential ingredients for long-term success."

You also mention that "What we do know is that the threats and challenges we will face abroad in the first decades of the 21st century will extend well beyond the traditional domain of any single government agency. These new threats require our government to operate in a wholly different manner, to act with unity, agility, and creativity."

I would like for you to comment on the implications if we were not to move in the direction that you've suggested in this very impressive Kansas State speech.

Secretary GATES. In many respects I think some of the challenges that we've faced in Iraq in terms of getting the development, reconstruction, the civil side of the equation right; the deployment, the difficulty that it has posed by trying to staff the Provincial Reconstruction Teams, as an example.

In a way, this goes back to the question of resources. The reality, as I talk about in the speech, is that at the height of the Cold War, United States Agency for International Development (USAID) had 15,000 employees. It has 3,000 now and it's basically a contracting agency. USAID in its heyday was an expeditionary agency. It had all of the kinds of agricultural, rule of law, civic institution, all those kinds of people who knew and wanted to serve overseas and served in many third world countries, developing countries, and they knew what their role was and they were very good at it. It was an important component of America's arsenal in the Cold War, where that was as much a war of ideas as it was of military power.

So we've really hampered ourselves. The freeze on the hiring of foreign service officers in the 1990s. One of the lines that I used in that speech is, you could take the entire foreign service and it would not be enough people to crew one single carrier strike group.

So I think the government is out of balance. Now, the fact that I'm up here for a $515 billion budget suggests that I don't mean that we correct the balance by lowering the defense budget. But I think that there needs to be greater attention both in the executive branch and in the legislative branch in how do we strengthen some of the civilian side of the government that deals with international affairs.

The second part of the problem is how do you structure it, how do you organize it? I would confess to you—and one of the few negative comments about that speech was that I didn't put forward any ideas on how to fix the problem. What we have done in the Pentagon is let a contract to a nonpartisan, nongovernmental think tank to try and come up with some ideas that could perhaps serve as a basis for legislation or action by a new administration in terms of how you structure it.

The problem with the Goldwater-Nichols analogy is the same problem that I had with that analogy in the creation of the DNI. It is that the reason Goldwater-Nichols works in the DOD is that at the end of the day there is one guy at the top that makes all the decisions, and that's not the case in a 16-member intelligence community and it's certainly not the case in the interagency.

But clearly the structure—the theme of that speech this last year was the 60th anniversary of the National Security Act. It created the Air Force, it created the DOD, it created the National Security Council, it created the CIA. It was a huge piece of legislation, of enormous consequence, and really provided the framework for decisionmaking for the entire Cold War. My suggestion was, if you are going to write the National Security Act of 2007, what would it look like.

I just think that the legislative branch, because you have a lot of research capabilities up here, a lot of historical experience, the

executive branch, and we're doing our part in the DOD, needs to begin to focus on this. Frankly, I think it needs to be as a new president looks out at the world, getting this right and figuring out how to restructure to use all of the elements of national power that we have should be a high priority for the new president.

Senator DOLE. Thank you very much.

My time has expired.

Chairman LEVIN. Thank you, Senator Dole.

Senator Akaka.

Senator AKAKA. Thank you. Thank you very much, Mr. Chairman. I want to welcome our witnesses, Secretary Gates and Admiral Mullen.

To Secretary Gates, as a result of the remediation for the problems identified at the Walter Reed Army Medical Center, DOD and VA are currently cooperating and collaborating I would say on an unprecedented level. Secretary Gates, do you believe that the Department can sustain the current level of cooperation and collaboration, and how will this be administered?

Secretary GATES. I think that one of the things that has played a critical role in bringing the Departments together and making sure that the various levels of the Departments are doing what they're supposed to be doing in terms of both the Dole-Shalala recommendations, the legislation that you have passed and others, is the fact that the Deputy Secretary of Defense, Gordon England, and the Deputy Secretary of Veterans Affairs meet every week, and their subordinates are in the room and they have a checklist of what they're supposed to do, and they are methodically working through it.

I am confident that this practice will continue certainly for as long as Gordon England and I are in our positions.

I think that when you are sitting up here a year from now confirming a new Secretary of Defense, it seems to me that that provides a useful opportunity to encourage that Secretary to continue this practice, because that's what it takes, frankly. It takes top-level attention and it takes short deadlines for getting things done, and it has worked and it's really worked remarkably well. But it requires continued top-level attention.

Senator AKAKA. I want to thank you for placing that in the record. I'm so glad to see that continue to happen.

Some have suggested, Mr. Secretary, that a permanent joint DOD and VA transition office be established. Do you have any thoughts about that?

Secretary GATES. I'm very open to this because when we started dealing with this problem I said we need to look at this from the standpoint of the soldier, sailor, airman, or the marine. Forget all these bureaucracies. Forget all these different organizational charts and everything else. I'm a soldier, I've been wounded, or even if I haven't been wounded; how do we create a structure that makes—this is perhaps a contradiction in terms and so idealistic it sounds naive—but that in effect makes the bureaucracy the ally of the soldier, not the adversary, and a seamless transition, so that the bureaucracy smooths the way rather than making it a series of obstacles to be overcome.

I think you can do that, and as we were doing a lot of the wounded warrior things, I said, go out and just interview some wounded soldiers and tell them: If you had a clean sheet of paper, based on your experience so far, how would you design this system? What would you make it look like?

So I'm open to anything that's going to make the bureaucracy more user-friendly to those who have served it.

Senator AKAKA. Thank you for those responses, Mr. Secretary.

Mr. Secretary, given the increased interaction between DOD and VA, disagreements could occur that can't be resolved over jurisdiction or responsibility between DOD and VA within either the DOD–VA joint executive council or the DOD–VA senior oversight committee. In these cases, who do you think is responsible for brokering these disagreements between the two Departments, and how would the process work?

Secretary GATES. Happily we haven't had any of those yet. I would assume that if there were a really tough problem that couldn't be solved by the deputies that it would come to Secretary Peake and myself. I find it difficult to imagine that we couldn't come to an agreement. But if for some reason we couldn't then clearly the next step would be to take the issue to the President.

Senator AKAKA. I want to thank you also for mentioning "seamless transition," because we have been working on that and we have been working here at the Armed Services Committee and the Veterans Affairs Committee.

Many of the programs currently under development, Mr. Secretary, at DOD continue to be delayed or are experiencing cost overruns. The GAO report just released February 1, identified 11 programs that are the result of poor Department acquisition practices and reiterates some of the issues brought out in the testimony at the end of the last congressional session.

Some failures identified include: overreliance on testing, immature technologies, and early entry into signed contracts prior to a thorough engineering analysis, both of which drastically drive up costs on these programs.

Secretary Gates, what is the status of ongoing efforts within the DOD to improve the efficiency of the acquisition process?

Secretary GATES. I think you could probably fill this room with studies of the DOD acquisition process over the past number of decades. We have a new Under Secretary for Acquisition, Technology, and Logistics, John Young. John has tried to lay out for his entire group a new approach to acquisition that tries to minimize the kinds of problems that you've just described. I would invite—and I'm happy to have Mr. Young come up and talk to you about it or come up and talk to the committee, because I think—one of my real regrets is that Mr. Young is only going to have a little over a year in office, because I think he's on the right track and I think he has it right.

There's another problem, though, and someone alluded to it at the very beginning of the hearing. In the 1990s, for two reasons—one, four successive National Defense Authorization Acts that required the Department to reduce the number of acquisition officers by 95,000 people altogether; and the Department's own actions to reduce personnel because of the budget—that took the number of

acquisition people in the DOD, people working acquisition issues, from something like 620,000 to fewer than 300,000.

Maybe more importantly, between 1990 and now, the Defense Contract Management Agency dropped from 24,000 contract experts to just over 9,000. So one of the things we have to do is figure out how many is the right number to be involved in managing these contracts, because it seems to me, given the problems we've had in Iraq and the problems we've had that you alluded to, the number where we are now probably isn't right.

One of the things that the Army has done—there's been a lot of criticism and a lot of justifiable criticism about contracting problems in Iraq. We had 63 contract managers in Iraq until December 2007. We now have over 300 that the Army has sent out, the Army alone has sent out there.

So it's clearly partly a process problem, but it's also a resource problem, and I think we're trying to address both of those. But I invite the committee and I invite you to sit down with Mr. Young, because I think some of the programs he's putting in place are quite valuable.

Senator AKAKA. Thank you very much, Mr. Secretary.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Akaka.

Senator Chambliss arrived on the spur of the moment. Senator Chambliss, you are next.

Senator CHAMBLISS. Thank you, Mr. Chairman. I apologize to whoever I cut off here.

Chairman LEVIN. Senator Martinez was looking expectantly, and properly so. But you aced him out. Senator Chambliss?

Senator CHAMBLISS. Mr. Secretary, Admiral, thank you for being here this morning. Thanks for your great service to our country.

Secretary Gates, in addition to requiring a force to defend the Homeland and to deter in and from four regions, the National Military Strategy requires our military "to conduct two overlapping swift-defeat campaigns. Even when committed to a limited number of lesser contingencies, the force must be able to win decisive in one of two campaigns." These are quotes from that document.

According to the strategy, it does not represent a specific set of scenarios nor reflect temporary conditions. Regarding tactical aviation, it is well known that there have been several studies regarding how much and what type of tactical aviation our National Military Strategy requires. Specifically, there have been at least three studies on this issue within the last 5 years: one by DOD, one by the Air Force, and one by an independent group.

Each of these studies have come to a different conclusion. Only one of them, the DOD study, has concluded that we only need 183 F–22s. DOD's joint air dominance study, which was done in support of the 2005 QDR, assumes that of the two major regional operations that the force is sized against, only one of those is a stressing scenario that requires a large number of F–22s. I'm very concerned about this assumption. As a previous DCI, you know how hard it is to predict the future and I think that you would agree that our ability to predict our next military opponent over the last 10 to 20 years has been very inconsistent, and we've always been wrong.

The DOD study completely discounts the possibility of a resurgent Russia over the next 20 years and uses predictions regarding proliferation of surface-to-air missiles and fifth generation fighter aircraft that are exceptionally conservative and that do not match estimates I received from intelligence personnel in the Pentagon just this morning specifically related to the double-digit SAM capability that Iran will have in 2024, the year the DOD study uses for its scenarios.

We can't talk specific numbers because this is an unclassified hearing, but suffice it to say that the information that I received, the Pentagon estimates Iran's double-digit SAM capability at two to five times higher than the DOD study assumes. This would obviously require a much larger fifth generation fighter force to counter and would be a much more stressing scenario.

Second, based on projections that I received from the Pentagon, there are at least 17 other nations that will have double-digit SAMs by 2024, including many of the Central Asian republics, Pakistan, Syria, Egypt, Libya, Algeria, Belarus, Vietnam, and Venezuela.

Also, the DOD study makes the assumption, which I frankly don't agree with, that the F–22 and the JSF are equally capable against surface-to-air missiles, and also assumes that no F–22s will be required for homeland defense or to deter the threat from four regions, as the National Military Strategy requires.

Now, given this threat information, the assumptions in the DOD study, and the fact that of the three studies only one recommends procuring only 183 F–22s, how confident are you that we are procuring the right number at 183?

Secretary GATES. Senator, I know that the Air Force's view is that they would like to have 350 of these aircraft. I think at the end of the day, at least for me, it has ended up being a cost-benefit analysis of the F–22, of the growth of the F–22 program beyond 183 or so aircraft, and the impact on the JSF program.

My concern is that the F–22 is almost twice as expensive as the JSF. My worry is that a significant expansion of the production of the F–22 in the out-years will encroach on the production and the affordability of how many JSFs can be purchased.

My view on this was that we have come to this conclusion in this administration in terms of the F–22, but there are 20 F–22s in the 2009 budget. As I indicated earlier, we will probably ask for four or so more as replacement aircraft in the supplemental for 2009. So my objective was to keep the line open, quite frankly, so that a new administration as it looks at the DOD, at the defense budget and priorities, can make the decision. If they choose to expand the F–22 force, then the production line will still be open that would enable them to do that.

Senator CHAMBLISS. If you ask for four additional F–22s in the supplemental, how long is it your thinking that that will keep the line open?

Secretary GATES. 2010.

Senator CHAMBLISS. Do you have any concerns about the fact that if that is not the case and you don't have money for long-lead procurement in this budget, that in effect you're going to be shutting down that line because you're not going to have subcontractors

out there that are going to have the assurances that they need from a long-lead standpoint? Is there a concern on your part that's real referenced to the shutting down of that line?

Secretary GATES. I am concerned. My objective is to give the next administration an option. What I've been told is that this will keep the line open, that gives them that opportunity.

Senator CHAMBLISS. Has the fact that we now have—I'm not sure what the exact number is today; I think the last one I saw was about—160 F–15s, which the F–22 is replacing—we've had a significant issue with the F–15. We have about 160 of them that are grounded, I think, as of today. Has that factored into your decision or is that late issue that came into the picture not a factor?

Secretary GATES. No, in fact that was an issue that helped persuade me to keep the line open.

Chairman LEVIN. Thank you.

Senator CHAMBLISS. Thank you, Mr. Secretary.

Chairman LEVIN. We are not going to be able to quite meet our noon promise, but we'll come very, very close. We're not going to be able to have a second round of questions, however. There have been some requests for that. We'll have to have those questions asked for the record, which we will keep open. But we are not going to be able to have a second round.

Senator Kennedy.

Senator KENNEDY. Thank you very much.

Thank you, Secretary Gates, for your service. Admiral Mullen, thank you very much for what you do for the country.

I'd like to come back to an item that was talked about in the early part of the hearing by the chairman and the ranking member. That is the negotiations to sign a permanent long-term agreement with the Iraqis on the role of U.S. military in the future operations in Iraq. The agreement's expected to be concluded by mid-July.

Obviously, the stakes are extremely high. Congress, I believe, must have the opportunity to approve or disapprove any security commitment, agreement, or assurance, pledge or guarantee, regardless of what it is called, that affects our troops and our national security. We're mindful that to date the Iraqi foreign minister is describing the agreement as a treaty. In a January 15 press conference with Secretary Rice he said: "Our leaders have agreed to set a group of principles for the long-term treaty." The Iraq parliament is demanding to ratify the final agreement and the Iraqi Government has said it will submit any United States-Iraq pact to the parliament for ratification.

General Lute, the Assistant to the President for Iraq and Afghanistan, said in November that congressional input "is not foreseen. We don't anticipate now these negotiations will lead to the status of a formal agreement, which would then bring us to formal negotiation or formal input from Congress."

Yet, our troops are involved. Our national security is involved, and Congress should have the opportunity to approve or disapprove such an agreement. Congress even approves a security arrangement with the Marshall Islands, Micronesia. There's no convincing reason to bypass Congress.

But let me ask you, before getting into comments about this issue. The existing authority under international law for the military presence in Iraq was extended in December 2007 through the end of 2008. Wouldn't it make more sense to seek a short-term extension to enable the next administration to decide what form our commitment should take, if any?

Secretary GATES. Senator Kennedy, the SOFA that is being discussed will not contain a commitment to defend Iraq and neither will any strategic framework agreement. My understanding is—and it's, frankly, a clearer point than I made earlier, and we certainly do not consider the declaration of principles as a security commitment to the Iraqis.

My view is that there ought to be a great deal of openness and transparency to Congress as we negotiate this SOFA, so that you can satisfy yourselves that those kinds of commitments are not being made and that there are no surprises in this.

Senator KENNEDY. I appreciate that and appreciate your view. We have had other examples of statements that have been made where the administration's changed its position. In the last 4 years the administration said there would be no permanent bases. The President, on April 13, 2004, said: "As proud and independent people, Iraqis do not support indefinite occupation. Neither does America." Secretary Rumsfeld said: "We do not have plans for permanent facilities in Iraq, no." Ambassador Khalilzad stated on August 15, 2005: "We do not seek permanent military bases." Secretary Rice, May 7: "We do not in the process these days of doing permanent military bases."

Now we have the National Defense Authorization Act this year and the President included a signing statement on the provision that prohibits funding for the establishment of any military installation or base for the purpose of providing for permanent stationing of U.S. Armed Forces, saying and indicating that he would not apply that language if it impedes his constitutional authorities.

So we've had language from the administration giving the assurance to Congress one way and then the administration going the other way.

Why not just simplify it? Why not just get the Iraqis to extend the U.N. resolution which has been the basis for this? Why not let them do it and then permit the next administration, Democrat or Republican, to make that judgment?

If they are not going to do it, why won't they do it? If they won't do it, why shouldn't we take action that says that if they're not going to take responsibility in this area why should we continue to give effectively a blank check of American troops?

Secretary GATES. We certainly are not going to give anybody any blank checks. It was very difficult to negotiate the U.N. extension for 2008 and I think that the general feeling from the experts, including our ambassador and General Petraeus, is that it would be extremely difficult to get the Iraqis to agree to even a short extension of this.

In a way, they have a vote in this, and they don't want permanent bases either. They are interested in asserting sovereignty and, my personal view—I haven't talked to the President about it—but I suspect that that language had more to do with the constitutional

issues than with the substance of whether or not we want permanent bases in Iraq. The fact is, in every meeting that I've taken part in, it has been affirmed from the President on down that we do not want permanent bases in Iraq.

Senator KENNEDY. The language is specific on this communique under item 3, the security sphere: "Providing security assurances and commitments." That language is signed by the President of the United States. That has the President of the United States' signature on it. That means something. What we are asking here is that, in terms of binding a new administration, you've had the authority under the U.N. resolution in the past. The Iraqis have the opportunity to say that they can extend it for a year or renegotiate it in 6 months. We're involved in fighting for their country. We don't get the reconciliation, the political accommodation. Why can't we expect that they would say, all right, you're going to get 6 months and 12 months and leave the opening to a new administration, a new President, Republican or Democrat, to work those items out?

When we have the President of the United States signing that document that talks about security, it seems to me that the American people are entitled to that kind of voice in its decision.

Secretary GATES. Senator, my view is that there is nothing in the SOFA that we are just beginning to negotiate that would bind a future administration. It basically, like other SOFAs, sets forth the rules by which we continue to operate in Iraq in terms of protecting our soldiers, in terms of the legal relationship, and so on. I don't think that there's anything here that in a substantive way binds any future administration.

Senator KENNEDY. My time is up. Can you give the assurance that the Senate will have an opportunity to review it before it's implemented?

Secretary GATES. As I indicated, I think there should be full openness as we go through this process.

Senator KENNEDY. I'll assume that that's an affirmative answer.

Secretary GATES. That's a yes.

Senator KENNEDY. Thank you.

Chairman LEVIN. Senator Martinez.

Senator MARTINEZ. Thank you, Mr. Chairman.

Gentlemen, thank you both for your patience. I think I may be it, so soon you get to leave, and thank you for coming and being with us and for your service.

I wanted to just reiterate, as my colleague from Florida, Senator Nelson, indicated, my continuing interest on the issues relating to Mayport and thank the chairman. As the CNO, you made some great statements on that and I appreciate that, and we look forward to the continuation of the EIS and the future of Mayport, which is so important to Jacksonville.

Also, very interested in issues relating to the potential for a Fourth Fleet. Admiral Stavridis does a terrific job with the Southern Command and, Mr. Secretary, I think as you look into these issues that it will be apparent that, given our responsibilities as well as the threats in the region, that this may be an idea whose time has come.

I am, too, and I want to just let you know, very concerned about the issue of rotations and the 15-month deployment. Mr. Chair-

man, I'm sure that you are equally concerned about it. I recently have had occasion to visit with a young man that I've known since he was a small baby, and he is back for 2 or 3 weeks. It does underscore for me personally the difficulty of these long deployments. I realize what a difficult circumstance you find yourself in, but just count me on the side of needing to look for solutions to that issue in the short term.

My concern—two quick questions. One was on the issue of intelligence sharing with Turkey. I was recently there and the Secretary and I discussed, I think, the very positive effect that our cooperation in terms of the threat presented to Turkey by the Kurdistan Worker's Party (PKK) has been very well received and it's a good thing. My question is twofold. Number one, how is this cooperation going?

Second, I just heard yesterday about a series of aerial attacks that had taken place in northern Iraq by the Turkish forces. How are we preserving the integrity of Iraq as well as maintaining our Iraqi friends in the northern part of Iraq sufficiently content with what's taking place?

Admiral MULLEN. Coincidentally, Senator, I actually met with General Sigon yesterday. He's been here for about the last week or so. He has been the point of contact with the Turkish general staff along with General Cartwright, the vice chairman, and General Petraeus. We've worked our way over these last few months to a level of cooperation that had not been seen.

Clearly it's a very delicate balance and I think all the senior leadership, not just in the military, of both countries understand that the balance is there, that this needs to stay both in balance and it is very delicate. We speak frequently with both General Petraeus and Admiral Fallon about this. General Petraeus is very aware each time there's any kind of operation which occurs similar to the one that you just read about, and it is in that balance that I think the long-term success of all the interests, the interests of this sovereign country of Iraq, clearly the internal interests that are there particularly in the north, as well as the interests of Turkey, and that this is focused on exclusively the PKK, which is a known terrorist organization.

So we've made a lot of progress. We also believe that, not unlike in many areas that we've talked about, that there isn't just a military solution here, that this will, we would hope, buy some headroom so that the other aspects of this can be addressed for a long-term solution to this very difficult and longstanding problem.

So from my standpoint, the intelligence sharing, the entire aspect of this has gone exceptionally well. It's just, like many things, a very delicate balance and we have to keep our focus on this to make sure that that balance is sustained.

Senator MARTINEZ. I think Prime Minister Erdogan, who I met with when I was in Ankara, was very appreciative of the cooperation, but also very cognizant of the fact that it was more than just a military solution. I think that General Sagin also echoed those comments when he was here. I saw him last week as well.

Shipbuilding. I was concerned in looking at the current proposal that we may be seeing a reduction of seven ships from the projected schedule that we were on. I know the LCS issue and I know

how passionately you feel about the importance of this. I concur with you, and I know the path we're on to try to allow the two current ships to be completed and proceed forward. But it does concern me that we are falling drastically off schedule from what was projected in our shipbuilding program to get us to the 313-ship Navy that I think you and I both believe is important.

Admiral MULLEN. Yes, sir.

Senator MARTINEZ. What can you tell me?

Admiral MULLEN. I think the analysis which went into underpinning that 313 number is still very solid. I think it's important to remember that was the minimum number of aircraft carriers, the minimum number of surface combatants, the minimum number of submarines, all those things. We had built ourselves down to a certain number that we could produce. Certainly we hoped the numbers would be up-tied to LCS.

LCS had a very tough year last year. I thought the Department and Secretary Winter in particular put it under a microscope to bound the problem both in requirements and costs. It is a vital part of the Navy as soon as we can get it out there. The Secretary of Defense talked earlier about designing the right kind of ships for the kind of swarming tactics which we recently saw in the Persian Gulf that the Iranians executed, and that in containing it—and I think we can from a cost standpoint and we now need to move forward.

Clearly, we weren't able to execute the third and the fourth in the class. We're now just with the first two. I think the overall acquisition strategy there is a good one and that once we get to the type model series that we want, we then need to generate them as quickly as we can and build up to that 55-ship requirement.

I think the submarine aspect of the program is solid. Clearly we're moving forward with the new destroyer, which is also in this budget. That's a really important transformational platform for the Navy for the future and I really believe for the Department in many ways. So the investment—I think it's somewhere above $14 billion this year, although some of that is overhaul money—continues to be there.

I know I've spoken with Admiral Roughead, that his priority—I've heard him say it personally and publicly, that his number one priority is ships. You can't have much of a Navy without ships.

Senator MARTINEZ. That makes sense.

Mr. Chairman, may I have one more question or am I out of time?

Chairman LEVIN. I don't know if you're out of time or not, but why don't you quickly ask a question.

Senator MARTINEZ. Okay, thank you.

Mr. Secretary, the one issue that does greatly concern me, as I know it does you, is the NATO cooperation in Afghanistan. I was chagrined that we had to send 3,500 marines there because it appears that our allies didn't understand the seriousness of their commitment, or at least didn't understand their commitment the same way we did.

I wonder, in addition to what you said earlier, if there's anything you can tell us in terms of how we can bring about the kinds of

results we need from NATO to undertake their responsibilities as it relates to Afghanistan?

Secretary GATES. Senator, I leave after the House hearing this afternoon for Vilnius for a NATO defense ministers meeting, and clearly our role in Afghanistan is a key element. I mentioned earlier that I've sent—I'm trying to leverage the fact that we're sending these marines to get our allies to backfill behind the marines when they come out in winter. I'm going to provide a copy of that letter to the committee.

I think we can—the reality is some of them have very difficult political circumstances at home. They're minority governments or they're in coalition governments and there's a difficult problem. One of the things I'm going to do in Vilnius, or actually in Munich at the Wehrkunde conference, is there are going to be a number of American legislators there and a number of European legislators, and I want to try and bring them together at a reception, because I think, frankly, one area where Congress can help us is in your interactions with European parliamentarians to talk about the importance of Afghanistan and success in Afghanistan, not just for their own security, but also for the future of the alliance.

I think that the problem is they need to be more courageous in going out and trying to educate their population about why Afghanistan matters, and I think you in many respects have more credibility with them as elected representatives than people like me. So I think whatever you can do, that's one place where I think you can be helpful.

Senator MARTINEZ. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you so much.

Senator Warner just wants to make a statement about our new Senator.

Senator WARNER. Thank you. Mr. Chairman, we have a new member, Senator Wicker, who took Senator Lott's seat from Mississippi. He has been trapped in this line of tornadoes in getting here to the Senate today and therefore he's absent. I ask unanimous consent that his statement and questions be admitted for the purposes of the record.

Chairman LEVIN. Any statement will be made part of the record, and of course his questions will be asked for the record.

[The prepared statement of Senator Wicker follows:]

PREPARED STATEMENT BY SENATOR ROGER F. WICKER

Chairman Levin and Senator Warner, thank you both for your kind of words. I am grateful and humbled to be a member of this prestigious committee. The work of the Senate Armed Services Committee makes our Nation stronger and the men and women who defend her safer. I look forward to contributing in some way to this important honorable cause. Thank you for this opportunity.

Senator WARNER. I thank the chair.

Chairman LEVIN. We found that out and we're glad you made that part of the record.

We're very grateful to our witnesses, particularly, may I say, Secretary Gates, for your statement of a few minutes ago giving us the flat-out assurance that any agreement with Iraq will not include a security provision. That's what an anonymous person from the White House apparently said yesterday, as reported in this morn-

ing's paper. You have taken the anonymity away from that and given us your direct statement, and we now have it on authority and that's what we welcome so much. It was important, I think, on a bipartisan, an institutional basis, as you heard this morning, that any agreement not include security commitments to a country since that belongs in a treaty.

Secretary GATES. That certainly is what I have been informed about with the SOFA.

Chairman LEVIN. Thank you.

Again, to all of our witnesses, thank you so much for your service, and we came reasonably close to keeping our commitment.

Secretary GATES. Thank you, sir.

Chairman LEVIN. Again, our thanks. We will stand adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

DE-BAATHIFICATION LAW

1. Senator LEVIN. Secretary Gates, the Washington Post reported on February 4, 2008, that the Iraqi Presidency Council issued a statement on Sunday that the de-Baathification law was now "considered as approved" even though Iraqi Vice President Tariq al-Hashimi, the only Sunni Member of the Presidency Council, refused to sign it and despite the fact that Article 138 of the Iraqi Constitution specifically provides that legislation requires unanimous approval by the Presidency Council within 10 days of its delivery to the Council to become law, or it is sent back to the Council of Representatives. Has the de-Baathification law actually been approved?

Secretary GATES. On February 3, 2008, the Presidency Council submitted the Accountability and Justice Law for publication in the Official Gazette.

[Note: Since the February 6, 2008, Senate Armed Services Committee hearing, the law was published in the Official Gazette and is now law.]

PROJECT ON NATIONAL SECURITY REFORM

2. Senator LEVIN. Secretary Gates, your speeches at Kansas State University and the Center for Strategic and International Studies called for major national security reforms. Section 1049 of the National Defense Authorization Act (NDAA) for Fiscal Year 2008 authorized $3 million for a comprehensive study of required reforms in the fiscal year 2008 budget. I understand the Department of Defense (DOD) has committed to entering into a cooperative agreement with the Center for the Study of the Presidency and the Project on National Security Reform for this study. Will DOD provide the full $3 million to the Project on National Security Reform?

Secretary GATES. The Department has entered into a Cooperative Agreement with the Center for the Study of the Presidency and the Project on National Security Reform for this study and will provide the $2.4 million appropriated by Congress. These funds will be adequate for fiscal year 2008 efforts.

3. Senator LEVIN. Secretary Gates, what other support will the DOD provide to this important effort?

Secretary GATES. It is too early to know what support may be required, but I expect we will be able to provide whatever support is requested.

4. Senator LEVIN. Secretary Gates, I understand that Director of National Intelligence McConnell and Secretary of Homeland Security Chertoff have promised funding or support to the Project on National Security Reform. Have you sought to use the cooperative agreement as the mechanism for this assistance as well?

Secretary GATES. No. Neither agency has requested to do so. Additionally, the current cooperative agreement with the Project on National Security Reform, and its associated funding, was carried out under section 1049 of the NDAA, which limits the amount that may be expended to $3.0 million. Using the Cooperative Agreement, which is directly tied to the funding prescribed by the NDAA, could limit the amounts that other agencies might provide.

5. Senator LEVIN. Secretary Gates, what steps have you taken or do you plan to take to gain assistance from other departments and agencies for this effort?

Secretary GATES. This effort is being carried out at the direction of Congress under Section 1049 of the NDAA, with an amount of $2.4 million appropriated for the project ($3.0 million authorized). This is not a DOD initiative nor should it appear to be one if the congressional intent of a non-partisan, independent study is to be met. The Department thinks it inappropriate to seek additional funding or support from other agencies or departments, none of whom were authorized nor provided additional funding by Congress to support the study. The Project on National Security Reform has been highly encouraged to seek assistance from other potential private donors, any department or agency of the U.S. Government, as well as from Congress.

6. Senator LEVIN. Secretary Gates, your policy office has estimated that to make national security reform a reality will require $12 to $15 million. Have you included funding for this effort in your fiscal year 2009 budget? If not, why not?

Secretary GATES. I am not aware of an official DOD estimate on the costs of national security reform. Given that such reform possibly would entail more than just the DOD and likely will extend beyond the Executive Branch, any inclusion of government-wide reform in the Defense budget would be inappropriate. Currently, at the direction of Congress, the Department is funding a study by the Project on National Security Reform to examine the dimensions of the problem and possible solutions. However, the study is due in the Fall and any discussion of its recommendations, and the cost of implementing those recommendations, would be premature at this time.

STRATEGIC ARMS REDUCTION TREATY

7. Senator LEVIN. Secretary Gates, the Strategic Arms Reduction Treaty (START) will expire in December 2009. If that treaty is allowed to expire, the DOD will no longer have access to certain Russian data and vice versa. In addition, the START verification mechanisms on which the Moscow Treaty relies will be lost. Do you believe that the START should be extended?

Secretary GATES. Our goal is to maintain a credible deterrent at the lowest possible level, consistent with our national security needs, including our obligations to allies. To that end, the Department does not want to extend START, a complex, Cold-War era agreement with intrusive verification measures unsuited to our current relationship with the Russian Federation and the future security environment. Instead, we prefer to extend the Moscow Treaty limits of 1,700–2,200 operationally deployed strategic nuclear warheads, and apply a set of transparency and confidence-building measures, including data exchanges, visits, exhibitions, telemetry exchanges, and activity notifications, as a means to ensure mutual awareness and predictability regarding Russian and U.S. strategic capabilities.

8. Senator LEVIN. Secretary Gates, what are the alternatives to obtain the data and replace the verification mechanisms that would be lost if it is not extended?

Secretary GATES. DOD supports a set of transparency and confidence-building measures with Russia including data exchanges, visits, exhibitions, telemetry exchanges, and activity notifications.

QUESTIONS SUBMITTED BY SENATOR EDWARD M. KENNEDY

IRAQI REFUGEES

9. Senator KENNEDY. Secretary Gates, section 1248(c) of the Refugee Crisis in Iraq Act of 2007 requires the DOD to provide Congress with information to be used to verify employment of Iraqi citizens and nationals by the U.S. Government. The law also requires options for the development of a unified, classified database of relevant employment information that can be used to adjudicate refugee, asylum, special immigrant visas, and other immigration claims. A report on employment information and a report on a unified database, both dating back to 2003, are due to Congress by May 28, 2008.

What procedures have been established to conduct a comprehensive review of DOD internal records and databases of Iraqi employees from the past 5 years, and how is this same type of employment information being gathered from Federal contractors, grantees, and other organizations employing Iraqis in support of the United States?

Secretary GATES. With regard to the two sections, 1248 (c) and (d), contained in the NDAA for Fiscal Year 2008, the Department is working with the Office of Federal Procurement Policy on an appropriate data call and an appropriate lead agency due to the broad nature of this task, which requires the ideas and data from multiple Federal agencies.

10. Senator KENNEDY. Secretary Gates, what options are under consideration for establishing and managing a unified database on Iraqis employed since 2003? How will consultations with the State Department, U.S. Agency for International Development, Homeland Security Department, and the Treasury Department be coordinated?

Secretary GATES. Section 1248(c) of the NDAA for Fiscal Year 2008 requires the DOD, the Secretary of State, the Administrator of the United States Agency for International Development, the Secretary of the Treasury, and the Secretary of Homeland Security to review internal records and databases for information that can be used to verify Iraqi nationals' employment. Part of verifying their employment in Iraq involves reviewing internal records and databases to obtain information from prime contractors and grantees who have performed work valued over $25,000. Likewise, section 1248(d) requires the same Federal agencies to submit a report to Congress highlighting the options examined to establish such a database. Due to the broad nature of this task, which requires data from multiple Federal agencies, the DOD is working with the Office of Federal Procurement Policy on an appropriate data call and an appropriate lead agency for this requirement.

The Department considers biometrics as one of many possible venues to address this area.

- Consistent with statute and policy governing the use of personal identity information for non-U.S. persons, the near real-time sharing and screening of identity data on foreign persons of interest, to include data on employment, is a critical priority for DOD. To that end, DOD has been participating in interagency committees and working groups designed to improve the interoperability of U.S. Government identity data. DOD is evaluating the development of a federated data architecture, governed by common standards, in which relevant data can be queried and shared both within DOD and across the interagency consistent with appropriate privacy and legal guidelines. The current arrangement between DOD and the Department of Justice (Federal Bureau of Investigation (FBI) Criminal Justice Information Services Division) allows such seamless sharing of identity data between the DOD Automated Biometrics Identification System and the FBI Integrated Automated Fingerprint Identification System.

With regard to how consultations with the Department of State, USAID, Department of Homeland Security, and the Department of Treasury will be coordinated:

- DOD has been participating in interagency committees and working groups designed to improve the interoperability of U.S. Government biometric data. Notable among these activities is the National Science and Technology Council's Committee on Technology, Subcommittee on Identity Management and Biometrics. Within its working groups, the executive agencies have collaborated to develop government-wide standards agreements and interoperability policies. DOD will consult with the other executive agencies through this body, to determine the correct structure for collaborating on future initiatives and to develop options for achieving a unified data architecture that will enable the seamless sharing of identity data across the interagency.

QUESTIONS SUBMITTED BY SENATOR JACK REED

UNFUNDED SCIENCE AND TECHNOLOGY OPPORTUNITIES

11. Senator REED. Secretary Gates, please provide a prioritized list of science and technology (S&T) areas in which additional funding beyond that requested in this budget request would be supportive of defense missions and help address defense technology capability gaps.

Secretary GATES. The fiscal year 2009 President's budget of almost $11.5 billion represents a robust investment in S&T, despite difficult budgetary demands from the war on terror and anticipated higher energy costs. We shifted funding to address capability gaps identified in the 2006 Quadrennial Defense Review (QDR), and our increase in Basic Research of $270 million, also focused on addressing those

gaps, will enhance the science and engineering personnel base and develop innovative solutions.

LABORATORY PERSONNEL DEMONSTRATION PROGRAMS

12. Senator REED. Secretary Gates, how does the DOD plan to utilize the new authorities relating to the ongoing and highly successful laboratory personnel demonstration programs included in the NDAA for Fiscal Year 2008?

Secretary GATES. DOD will utilize the new authority provided under the act to ensure that the maximum benefit of the extant demonstrations is afforded to each location affected by the legislation. We continue to work with the Service laboratories to monitor use of new and existing authorities.

13. Senator REED. Secretary Gates, what is the process and schedule planned to establish demonstration programs at the Natick Soldier Center, Office of Naval Research (ONR), and Edgewood Chemical Biological Center?

Secretary GATES. (from Army) - The previous DOD policy that allowed for new laboratory demonstration projects to be approved only if they provided for new "interventions" different from existing initiatives at laboratories has been impacted by the recently passed legislative initiatives contained in the NDAA for Fiscal Year 2008, sections 1106 and 1107. Natick is currently processing all necessary actions to establish a laboratory personnel demonstration program with the current fiscal year.

Secretary GATES. (from Navy) - As an alternative to the Office of the Secretary of Defense (OSD) rejected 2001 Lab Demo proposal, the ONR has worked with Navy National Security Personnel System (NSPS) and Navy Human Resources offices to propose a hybrid NSPS/Lab Demo system.

Based on a comparative analysis of the proposed 2001 Lab Demo and features available under NSPS and other Lab Demos, ONR has modified the proposed 2001 Lab Demonstration in the following ways:

(1) To eliminate features that have been overcome by current Federal regulations or are not critical to recruiting and retaining employees

(2) Design career tracks and pay bands to allow transition of personnel between NSPS and the ONR Lab Demo program and to facilitate an ONR transition to NSPS if that decision is made later

(3) Retain Senior Scientific Technical Manager and Contribution-based Compensation Systems

(4) Identify and implement features not previously considered but are now important.

Examples include:

- Revise Certain NSPS Pay Bands to Reflect Logical Career Progression and Breaks
- Change Maximum Pay for Band III to Executive Level IV plus 5 percent
- Move from two Career Tracks in ONR Demo to six Career Tracks
- Accelerate Developmental Compensation for Developmental Positions Modified for all Career Tracks
- Retain Scientific and Engineering Positions as Shortage Category for Direct Hire
- Retain Conversion-Out Rules
- External Developmental Assignments

The Chief of Naval Research is briefing the proposed Lab Demo personnel system up the Navy chain, and plans to brief OSD (Dr. David Chu, Under Secretary of Defense for Personnel and Readiness) by the end of April.

INTERNATIONAL RESEARCH AND TECHNOLOGY PROGRAMS

14. Senator REED. Secretary Gates, how does the DOD track the research and technology capabilities of our global allies and competitors?

Secretary GATES. There are a number of programs within the Department that work in concert to track global research and technology. Following the 2004 report by the National Academy of Sciences, "Avoiding Surprise in an Era of Global Technology Advancement," both the Militarily Critical Technologies Program and the Department Technical Intelligence Program have been focused to systematically increase awareness on global technology. Several efforts, including the S&T net assessments and the Military Critical Technology List review process, assess comparative research and technology capabilities of emerging S&T, commercial technology,

and military applications between the United States and its allies and potential competitors.

These programs look at technologies from a threat perspective as well as assessing the export control perspective. The Department uses a team approach that relies upon subject matter experts from the Services, Government, industry, and academia in more than 20 technology areas. These experts also forecast downstream technologies and capture them in a related Defense S&T List that we are currently updating and expanding to address the global scope of S&T.

Additionally, the Services maintain S&T offices abroad in 10 countries that provide unique "boots on the ground" insights into regional activities. This global presence of informed military S&T experts helps ensure we stay abreast of developments in every corner of the world to both avoid technological surprises and to seek out opportunities for collaboration with our allies and coalition partners.

15. Senator REED. Secretary Gates, how is that information used to inform DOD investment decisions and the development of cooperative research opportunities?

Secretary GATES. The Department assesses both the technology threat and the opportunities from allied technology development for enhancing existing and establishing new cooperative research programs. The information gained from offices with international liaisons (e.g., ONR, Air Force Office of Scientific Research, and Army Research Office) is an important component of the defense strategic planning, requirements generation, and acquisition processes of the Department. The Services maintain technology scouting offices in 10 countries whose job is to monitor and assess technology maturity and potential for U.S. collaboration in and around the countries the offices are located within. Where identified, and advantageous, the Department enters into collaborative technology development agreements with our close allies. We must use the best technology available worldwide to provide the best capability to the Nation and an awareness of international S&T and cooperation with our allies are vital parts of providing that capability.

16. Senator REED. Secretary Gates, are there any research or technology areas of importance to DOD in which you feel that the United States will not have a sufficient technical lead within the next 5 to 10 years to preserve future military superiority over any adversary? Which technical areas? What is being done to address this issue?

Secretary GATES. The recent National Academy of Sciences report, "Rising Above the Gathering Storm: Energizing and Employing America for a Brighter Economic Future," highlighted some strategic national challenges with respect to the number of scientists and engineers (S&Es) being produced to meet the needs of the Nation. The growth in S&Es in other countries compared to the United States results in a competitive market place for discovery of new scientific phenomenon and engineering. The production of new S&Es is growing faster in some nations other than America. This leads to an increased risk of the United States falling behind in technology areas of importance to DOD, although we are not prepared to state that there are specific technology areas that could result in a reduction of our operational and technological advantage. However, the DOD does need to remain engaged in understanding the technology developments in other nations to continue to develop new technologies and capabilities. We also need to remain engaged to reduce the possibility of technology surprise. To address this challenge within the DOD, we have increased our overall budget request in fiscal year 2009 by over 4 percent real growth for all of S&T and over 16 percent for basic research compared to the fiscal year 2008 budget request. This increased budget request for S&T, particularly in early sciences, enhances our insight into emergent technology areas. To guard against technology surprise in later programs, we are also developing a tighter integration of technology intelligence into our S&T planning process. These two actions should safeguard the DOD from technology surprise.

TECHNOLOGY PRIZE AUTHORITY

17. Senator REED. Secretary Gates, each of the Services and the elements of the Office of the Director of Defense Research and Engineering (ODDRE), including the Defense Advanced Research Projects Agency (DARPA), have the authority to award prizes of technological achievement, as established in past NDAAs. What are the Services', DARPA's, and ODDRE's plans for utilizing this authority for the remainder of fiscal year 2008 and fiscal year 2009?

Secretary GATES. The DARPA held the Urban Challenge on November 3, 2007, featuring autonomous ground vehicles conducting simulated military supply mis-

sions in a mock urban area. First, second, and third place winners were awarded a total of $3.5 million in cash prizes. DARPA has no plans for prize competitions in fiscal year 2008 or fiscal year 2009.

The ODDRE is sponsoring the Wearable Power Prize competition at Twentynine Palms, CA, from September 22 through October 4, 2008. The Wearable Power Prize competition was announced July 5, 2007, with the goal of reducing the weight of power systems warfighters carry to operate military equipment. Beginning September 22, 2008, 169 competitors will gather, test, and demonstrate wearable electric power system prototypes that provide on average 20 watts of electric power continuously for 96 hours, with peak operation up to 200 watts for short periods, attach to a standard vest, and weigh 4 kg or less. First place winner is awarded $1 million; second place, $500,000; and third place, $250,000. See: http://www.dod.mil/ddre/prize for more details.

The Services have announced no plans to conduct prize competitions in fiscal year 2008 or fiscal year 2009.

QUESTIONS SUBMITTED BY SENATOR DANIEL K. AKAKA

IRAQ

18. Senator AKAKA. Secretary Gates, last February, you testified before this committee that the DOD was putting together "a fairly complete checklist or matrix" that would give us the ability to rate the Iraqi military and police forces. Today, with reduced violence levels across the country, and Iraqi forces actively participating in operations around Mosul, I expect a growing number of these forces have met the grade. Yet recently, the decision has been made to put a freeze on U.S. troop withdrawals beginning this summer.

What are some of the obstacles that remain in the training of these Iraqi forces that prevents a continual and steady shifting of control from U.S. forces to the Iraqis?

Secretary GATES. There has been no decision to freeze U.S. troop withdrawals beginning this summer. After the final surge brigade departs in July 2008, there will be a period of consolidation and evaluation for a few weeks. After that period, the commanders will reconsider the conditions on the ground and make a recommendation on force levels accordingly.

The Iraqi security forces continue to develop its capabilities. However, challenges remain. These include the development of logistical and combat enablers and the lack of experienced leadership. Coalition trainers are working closely with their Iraqi counterparts to address these challenges.

19. Senator AKAKA. Secretary Gates, you and others have suggested that having timelines for troop withdrawals from Iraq is a mistake because of the signal it sends to the enemy that they only have to hold out so long in order to achieve victory. Yet, our entrance into the war was based on the assumption that we would not be there for an undetermined extended period.

If events on the ground dictate that it is necessary to maintain a significant military presence in Iraq for the next 10 years, what are the biggest operational and structural challenges that will need to be overcome?

Secretary GATES. Our current force projections are based on a reasonable estimate of the ground situation in the coming months. We are pleased with the security progress that has been made in Iraq, but the progress has not attained an irreversible momentum.

Our planning for future force levels is not based on timelines, but on conditions on the ground. Any presence of U.S. forces in Iraq would have to be agreed upon by the United States and Iraqi Governments.

JOINT STRIKE FIGHTER

20. Senator AKAKA. Secretary Gates, a lot has been said about funding today. It seems to me that we are facing a choice between improving our ability to fight ongoing worldwide counterinsurgency operations and investing in systems like the Joint Strike Fighter (JSF) that improve the long-term ability of the American military to be competitive in conventional warfare. Iraq and Afghanistan have shown the limitations of technology. Given the increasing costs of technology, operations, and personnel, what nature of conflict will the U.S. military be best postured to handle in 20 years' time?

Secretary GATES. The future strategic environment is difficult to predict, but will likely tend toward greater disorder and persistent conflict. This unpredictability requires that the U.S. military be postured to address a range of operations that includes overlapping demands in conventional warfare, irregular warfare, disaster assistance, and nation building.

My intent is to ensure the development of a force capability and capacity that can deter, and failing that, defeat threats to our Nation's security and the security of our vital interests. To accomplish this, the Department will require significant resources to not only reset and reconstitute our people and platforms due to the toll of current operations, but also to revitalize the force to address emerging threats.

I recognize that the resources devoted to the Department represent a significant portion of Federal discretionary spending and there is a limit to what our Nation can devote to national security. Nevertheless, I consider that our future force is affordable and that the Nation cannot afford the consequences of being unprepared.

JOINT OPERATIONS

21. Senator AKAKA. Admiral Mullen, the Air Force is standing up its permanent Cyber Command in Louisiana later this year. Concerning roles and missions, the Air Force is arguing that operations in cyberspace be primarily the function of this branch of the military, given its technology heavy assets. The Navy, however, already has a Network Warfare Center. As an example of future joint operations, what steps are being taken by DOD to ensure unity of effort and interoperability among the Services' efforts?

Admiral MULLEN. Every Service brings unique and valuable expertise to operations in cyberspace that are critical to joint net-centric operations. The Defense Information Systems Agency and U.S. Strategic Command (STRATCOM) serve as operational seam managers, interacting with the Service organizations to ensure our cyberspace activities achieve interoperability, unity of effort, and economies of scale. The National Military Strategy for Cyberspace Operations Implementation Plan will help to ensure we foster continued unity of effort and Service interoperability in the Joint Force. This includes developing a joint operational concept, exploring appropriate organizational constructs, and clarifying command relationships to ultimately shape future requirements leveraged and synchronized across all of the military Services.

22. Senator AKAKA. Admiral Mullen, what is being done to minimize redundancy at all levels of joint operations?

Admiral MULLEN. The Joint Requirements Oversight Council (JROC) is responsible for ensuring individual Service program requests support the Chairman's guidance and contribute in a holistic manner to an increase in overall capabilities. While some redundancy may be built into any given capability, the JROC is responsible for ensuring that future programs develop weapon systems and other capabilities that combine across the warfare and command and control spectrum to enable U.S. forces to carry out national tasking across a broad range of mission sets.

TROOP READINESS

23. Senator AKAKA. Admiral Mullen, I am concerned about the operations tempo facing our current forces in meeting the challenges of Iraq's reconstruction efforts. It appears that as the situation begins to improve on the ground in one area of responsibility (AOR), we must shift forces into the other in a perpetual cycle, as we are now seeing with the sending of thousands of more troops to Afghanistan. I am further concerned, and agree with your testimony, that this seemingly endless cycle of operations between the two AORs leaves our military thinly stretched and ill-prepared to handle another crisis should it become necessary.

What plan is there to address these resource shortfalls, and how will maintaining a large military presence in both Iraq and Afghanistan affect our ability to respond to other regions?

Admiral MULLEN. The size, scale, and duration of operations in Afghanistan and Iraq have clearly strained the Army and Marine Corps. In order to ensure the highest level of readiness in our deploying forces, those recently returned or between deployments have paid a price. The impact of giving resourcing priority to the deployed force is reflected in the degraded readiness reports of non-deployed units. The most significant aspect of this lowered readiness in non-deployed units is the increased risk we must assume in the event of an unexpected contingency.

There are sufficient forces and equipment to respond to some contingencies abroad but the readiness of those forces may result in longer timelines and increased casualties in achieving strategic goals and increased risk to mission success. In the case of another major theater war, the Army would be unable to source sufficient forces to meet all requirements.

Several initiatives underway help minimize the readiness impact on non-deployed forces and maximize contingency readiness. Over the past 3 years, we have used the Global Force Management process to ensure the deployment burden is balanced across the force through global sourcing of units and in-lieu-of sourcing. However, this can do only so much in managing our shortfalls. The fiscal year 2009 budget fully resources our commitment to increase the size of the Army and Marine Corps in the base budget. This effort is essential in providing the strategic depth necessary to improve our force rotation ratio and readiness of non-deployed forces.

QUESTIONS SUBMITTED BY SENATOR E. BENJAMIN NELSON

DEFENSE EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE RESEARCH

24. Senator BEN NELSON. Secretary Gates, what is the fiscal year 2009 request and plan for the Defense Experimental Program to Stimulate Competitive Research (DEPSCOR)?

Secretary GATES. The fiscal year 2009 request for the DEPSCOR is $2.833 million. The Department plans to expend all funds appropriated for this program in fiscal year 2009.

Section 239 of the NDAA for Fiscal Year 2008 granted the Department more flexibility in the execution of the DEPSCOR program. Section 241 requires an independent evaluation of it by a defense Federally Funded Research and Development Center. This evaluation is underway.

25. Senator BEN NELSON. Secretary Gates, what is the status of execution of the funds appropriated for the program in fiscal year 2007 and fiscal year 2008?

Secretary GATES. Under the DEPSCOR program in fiscal year 2007, the DOD awarded $17 million to 13 academic institutions in 9 States to perform research in science and engineering. Academic researchers in Alaska, Arkansas, Delaware, Idaho, Kansas, Kentucky, Louisiana, Maine, Montana, Nebraska, Nevada, New Hampshire, North Dakota, Oklahoma, Puerto Rico, Rhode Island, South Dakota, South Carolina, Tennessee, U.S. Virgin Islands, Vermont, West Virginia, and Wyoming were eligible to receive awards in this competition.

In the fiscal year 2008 DEPSCOR cycle, proposals were received from the Experimental Program to Stimulate Competitive Research (EPSCOR) committees in the 23 eligible states by the closing date of October 26, 2007. The Services are making final award decisions now (announcement expected before March 31, 2008) that will fund these State proposals up to the fiscal year 2008 appropriated amount, $17.078 million.

26. Senator BEN NELSON. Secretary Gates, how will the two provisions relating to the program in the NDAA for Fiscal Year 2008 be reflected in the execution of the program's appropriated funds?

Secretary GATES. Section 239 of the NDAA for Fiscal Year 2008 granted the Department more flexibility in the execution of the DEPSCOR. We have used those authorities to evaluate specific proposals in the fiscal year 2008 cycle. Section 241 requires an independent evaluation of DEPSCOR by a defense Federally Funded Research and Development Center. This evaluation is underway.

27. Senator BEN NELSON. Secretary Gates, what is the status and plan for DOD to comply with the study requirement in the NDAA for Fiscal Year 2008?

Secretary GATES. Section 241 of the NDAA for Fiscal Year 2008 requires an independent evaluation of the program by a defense Federally Funded Research and Development Center. This evaluation is underway.

QUESTIONS SUBMITTED BY SENATOR EVAN BAYH

FUTURE THREATS

28. Senator BAYH. Secretary Gates, as the DOD struggles to balance its spending priorities on future threats and current needs, why has the DOD not done more to cull less efficient or effective weapons systems from its own budget?

Secretary GATES. The Department is constantly challenged with funding weapon system programs to combat conventional and unconventional threats in a limited resource environment. As an integral part of this exercise, the Department constantly evaluates the effectiveness and efficiency of weapon systems currently in development, production, and operation. The cancellation of the Crusader and RAH–66 Comanche Helicopter programs, the significant reduction in funding for Transformational Satellite System (TSAT), and the recent restructuring of the Littoral Combat Ship and the C–5 RERP programs provide examples of resource decisions necessary to balance the Department's investment to meet current and future threats from land, sea, air, and space.

CONGRESSIONAL REPORT

29. Senator BAYH. Secretary Gates, in February 2007, you told this committee about the positive steps that DOD was taking in assuring a strong printed circuit board technology and industrial base as a result of the study and issues identified by the National Research Council (NRC) Committee on Manufacturing Trends in Printed Circuit Board Technology report. This report identified printed circuit board technology as critical in nearly every weapons system. You stated that a report on this topic, which was mandated by the NDAA for Fiscal Year 2007, would go into detail on these positive steps. In October 2007, your Under Secretary for Acquisition, Technology, and Logistics told the committee that this report would be coming over to Congress by the end of November. To date, we have not received this report. What is the status of the report? Why has it been delayed?

Secretary GATES. The report has been signed by the Deputy Under Secretary of Defense for Logistics and Materiel Readiness and copies were provided to the House and Senate Armed Services Committees. The report recommends that the Navy be designated the Executive Agent for Printed Circuit Board Technology. Preparation of this report required the establishment of a Principal Response Team led by the Defense Logistics Agency and Naval Surface Warfare Center Crane Division who analyzed, evaluated, and commented on the findings and recommendations contained in the NRC study. This evaluation and subsequent recommendation took longer than anticipated resulting in the delay of submission of the report to Congress.

HAZARDOUS SUBSTANCES

30. Senator BAYH. Secretary Gates, it has come to my attention that there are potential reliability issues that may result from the European Unions (EU) Restriction on Hazardous Substances (RoHS) on lead-free solders utilized in electronic assembly. The science seems to indicate that if lead-free components were to enter the commercial aircraft industry or U.S. military and our allies' defense systems (high reliability electronic systems), severe reliability and potential catastrophic failures might occur. What is the military doing to ensure that lead-free and/or a mixture of leaded and lead-free components do not get incorporated into high reliability, mission-critical electronic systems?

Secretary GATES. The Department has four initiatives to meet these challenges posed by RoHS to the Department's mission-critical electronic systems.

1. The Defense Microelectronics Activity Office is participating in a joint effort with our industrial partners (Electronic Lead-Free Integrated Process Team) to minimize any disruption of the supply or reliability of electronics. It focuses on commercial off-the-shelf components and sub-assemblies.

2. The Assistant Secretary of the Army for Acquisition, Logistics, and Technology has also undertaken a study to identify the occurrences of lead-free electronics in weapon systems deemed a priority by the Army. The National Defense Center for Environmental Excellence is involved with both of these initiatives.

3. DOD's ODDRE and the Aerospace Industries Association of America participate in meetings to inform stakeholders of upcoming research needs and recommendations with regard to lead-free issues.

4. The Deputy Under Secretary of Defense for Installations and Environment is conducting an enterprise-wide assessment to evaluate the risks of changing global lead regulations and their potential impacts on mission capability.

31. Senator BAYH. Secretary Gates, given the unintended consequences of the EU's RoHS legislation on lead-free solders and the subsequent impact it had on military electronics, what mechanisms are in place to deal with another pending EU regulation—Registration, Evaluation and Authorization of Chemicals (REACH)—to

influence the legislation, to establish policy and guidelines within DOD, and to foster implementation should implementation be warranted?

Secretary GATES. REACH went into effect in July 2007 and is unique in that it covers both chemicals and the products that contain chemicals. The first date with possible implications for DOD's supply chain is the registration deadline of December 1, 2008, as failure to register certain materials by that date may result in the refusal or the delay of these shipments to the EU.

The Defense Logistics Agency (DLA) is compiling a list of chemicals with known or potential regulatory consideration within the EU. Following DLA's compilation of chemicals transported to/through the EU, DLA will conduct a similar search to identify products of concern under REACH, also known as 'articles.'

REACH does allow for defense exemptions by member states. The Department will have the burden of demonstrating the mission critical nature of a material for which no safer alternative is commercially available, without a reduction in performance and making its case to the member state(s). The Department will continue to address other potential effects of this legislation, including costs and potential solutions.

INTELLIGENCE, SURVEILLANCE, AND RECONNAISSANCE

32. Senator BAYH. Admiral Mullen, in your testimony, you noted there is a significant shortfall in intelligence, surveillance, and reconnaissance (ISR) sensors and processing infrastructure as identified by combatant commanders in the field. Would you please describe what kind of assets would address that shortfall?

Admiral MULLEN. [Deleted.]

33. Senator BAYH. Admiral Mullen, how will the Joint Chiefs of Staff act to ensure that these shortfalls are properly defined and described to Congress so that we can work with you in meeting that need?

Admiral MULLEN. The Joint Staff has directed U.S. STRATCOM to develop a methodology and taxonomy to accurately capture combatant command (COCOM) ISR requirements and associated ISR shortfalls. We will use standard operational plans for testing scenarios to validate and verify U.S. STRATCOM's process. In the meantime, the Joint Staff has worked with the Air Force to produce and field MQ–9 Reaper and RQ–4 Global Hawk weapons systems at the maximum possible rate, and accelerate the wide area airborne surveillance sensor. Additionally, the Joint Staff is fully engaged and actively participating in the Secretary of Defense's ISR Task Force. Expectations for this task force are high and they are examining anew all potential options to address shortfalls. Upon your request, my staff stands ready to debrief Congress on results, findings, and recommendations to solve pressing ISR shortfalls.

UNMANNED AERIAL VEHICLE

34. Senator BAYH. Admiral Mullen, why is it taking the Joint Chiefs so long to develop a comprehensive unmanned aerial vehicle (UAV) combat air patrol (CAP) requirement?

Admiral MULLEN. To answer the question of how many CAPs we need we must first answer the underlying question of what battlefield effects we need unmanned aircraft systems (UAS) to accomplish and how are we going leverage these effects as part of the broader ISR architecture. To answer these questions the JROC has initiated two near-term efforts, first the development of a comprehensive concept of operations (CONOPs) for UAS that integrates the wide variety of UAS platform capabilities in a unified approach, and second the development of an ISR force sizing construct, based on existing operational plans, to help inform future force mix analysis. Both of the efforts are scheduled to complete by June 2008 to inform the Department's future UAS force mix deliberations in advance of Program Objective Memorandum 2010 and the QDR.

35. Senator BAYH. Admiral Mullen, are the Joint Chiefs any closer to establishing intra-service management of medium to high altitude UAV procurement and battlespace management?

Admiral MULLEN. In September 2007, the Deputy Secretary of Defense directed the Under Secretary of Defense for Acquisition, Technology, and Logistics to establish a task force to coordinate critical UAS acquisition issues and to develop a way ahead that will enhance operations, enable interdependencies, and streamline acquisition of UAS. This task force is achieving results and expects to combine the Air

Force Predator and Army Sky Warrior programs into a single acquisition program in order to achieve common development, procurement, sustainment, and training activities. Additionally, the JROC will continue to coordinate the development of UAS training activities and operational employment by the Services.

36. Senator BAYH. Secretary Gates and Admiral Mullen, I understand that the current JROC validated requirement for Predator UAVs stands at 21 CAPs. Further, I understand that this addresses only Central Command and Special Operations Command priorities. I believe this number is not only dated, but insufficient and lacks the true global requirement for Predator and other theater-level UAVs to meet the ongoing shortfall in ISR assets worldwide. When will this requirement for DOD-wide, theater-level UAVs be finalized, and what measures will you take to ensure requirements are allocated to make this dire need a reality?

Secretary GATES. The U.S. Army issues Shadow systems to its individual Brigade Combat Teams (BCTs) as organic equipment. BCTs are in one of three phases (deployed, reset, and training). Deployed BCTs have their organic Shadows with them, reset BCTs send their Shadows to depot maintenance at the end of their deployment, and BCTs in training are receiving their Shadows systems from depot maintenance to prepare for deployment.

To send additional Shadow units from the training phase into theater would necessitate shortening dwell for these personnel to less than 1 year. Reducing dwell below 1 year is an unacceptable option. The ISR Task Force, however, has identified three initiatives to increase Shadow capacity in theater that do not impact dwell. The first initiative sends contractors to theater along with Shadow equipment. The contractors will man two orbits in support of BCTs, deploying in early 2009.

The second initiative provides additional contractors in early 2009 to increase capacity at currently deployed Shadow launch sites.

The third initiative that the ISR Task Force is examining would look to use the remaining Shadow equipment in garrison. The concept, known as "Shadow remote split operations," would use a satellite relay to control Shadows remotely, just as Predator and Reaper systems are controlled. The intent is to conduct an operational demonstration of Shadow remote split operations in March 2009, with initial operational deployment in December 2009.

Admiral MULLEN. We recognize that a comprehensive review of UAS requirements is necessary. To address this concern the JROC has initiated two near-term efforts, first the development of a comprehensive CONOPs for UAS that integrates the wide variety of UAS platform capabilities in a unified approach, and second, the development of an ISR force sizing construct, based on existing operational plans, to help inform future force mix analysis. Both of the efforts are scheduled to complete by June 2008 to inform the Department's future UAS force mix deliberations in advance of Program Objective Memorandum 2010 and the QDR.

While I recognize these actions are necessary to define future UAS requirements, it is clear that we must act now to address current operational deficiencies. As such, I am working to increase production of MQ–1C Predator/Sky Warrior, MQ–9 Reaper, and RQ–4 Global Hawk to their maximum production capacity at the earliest opportunity. The Joint Staff will work closely with the Services to ensure these critical enabling capabilities are fully resourced.

37. Senator BAYH. Secretary Gates and Admiral Mullen, based on ongoing operations, I also understand that the Air Force has committed a significant portion, if not all, of its Predator combat capability to the AOR, whereas the Army has chosen to only provide 33–45 percent of its Shadow UAVs to the AOR. This leads me to believe that the remainder is back home in garrison. In our current state of a shortage of full-motion video and ISR assets in Iraq and Afghanistan, can you please explain the disparity and rationale behind these employment decisions? If this is indeed the case, what is being done to manage UAVs so they can be more efficiently assigned to support combat missions?

Secretary GATES. The U.S. Army issues Shadow systems to its individual BCTs as organic equipment. BCTs are in one of three phases (deployed, reset, and training). Deployed BCTs have their organic Shadows with them, reset BCTs send their Shadows to depot maintenance at the end of their deployment, and BCTs in training are receiving their Shadows systems from depot maintenance to prepare for deployment.

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contractors will man two orbits in support of BCTs, deploying in early 2009. The second initiative provides additional contractors in early 2009 to increase capacity at currently deployed Shadow launch sites.

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Admiral MULLEN. [Deleted.]

LEADERSHIP

38. Senator BAYH. Admiral Mullen, in an impressive move, you have taken several townhall meetings with mid-level officers and senior enlisted servicemembers to better understand why the force has such significant holes in some of its most important field leadership positions. What are you finding?

Admiral MULLEN. The most important thing I am finding is great Americans that are committed and motivated to doing their part to preserve the security of our Nation. The mission has been demanding, but our All-Volunteer Force has completed every task they have been asked to perform.

I have also heard from them and seen in their faces the wear and tear of our current operational tempo. They are stretched and stressed. Fifteen-month tours have been particularly arduous, and the recent decision to reduce deployment lengths from 15 months to 12 months for the Active Army is a very positive step. Additionally, I fully support the goal our Secretary has established to work toward a 2-year dwell time between deployments, when the mission allows it. This is a theme that I have heard repeatedly from spouses and family members. Our families right now are very fragile. The more predictability we can put into our battle rhythm, the better for our servicemembers and their families. The force is amazingly resilient but it has its limits. Lastly, young officers express concern for their career paths. They want to make sure they hit whatever the important career milestones are (like the Captain's Career Course) to ensure they have a viable future. These young men and women represent the "best of the best" in America and in our military. We need to make sure we do all we can to retain them and permit a little balance in their lives.

39. Senator BAYH. Admiral Mullen, in what ways have you tried to increase retention for the military's best and brightest?

Admiral MULLEN. The Service Secretaries and Chiefs use the full spectrum of authorities given to them to sustain our All-Volunteer Force. Whether it is the critical skill retention bonuses the Army used for its mid-career force, or the late-career retention bonuses used to keep our experienced Special Operations Forces, each Service continuously monitors their force and applies these classic retention tools. I would like to once again thank the Congress for providing these authorities and making the necessary appropriations to give the DOD the flexibility to attract and retain our Nation's sons and daughters.

With over half of our servicemembers married, special attention for family programs will also have an impact on retention decisions. The President acknowledged the service and sacrifice of our families by introducing new programs during his 2008 State-of-the-Union Address. These initiatives focused on transferring unused education benefits to family members, increasing accessibility to quality child care, and providing opportunities for spouses of military members to receive hiring preference so they can maintain successful careers while supporting the mobile lifestyle the military entails. Support from Congress will be needed to advance many aspects of these programs.

Another way we can all help with retention is to keep telling the American public of the great performance of our servicemembers. Whenever I hear an account of visits to the field, be it by military leaders or elected officials, the common thread is they are impressed with the courageous men and women wearing the uniform. Their selfless dedication should be held up as a true icon of American ideals; and along with this recognition will be an even greater boost to morale and ultimately retention.

Finally, reducing deployment lengths from 15 to 12 months for our Active-Duty Army, working towards a dwell ratio of 2:1 (2 years at home for every 1 year deployed), a robust reenlistment bonus program, ensuring we are "listening" to their needs, expanding the size of the Army and Marine Corps, and success in our mis-

sions all contribute to improved retention. And our current retention numbers are very good and have been such since 2001.

40. Senator BAYH. Admiral Mullen, how effective are the cash bonuses you are now offering?

Admiral MULLEN. The short answer is very effective and very useful. The Department's recruiting success and favorable retention rates are a testament to the Services executing their bonus programs. It is essential that all recruiting and retention incentives remain in place and funded. These incentives are vital to attracting and retaining the right people with the right skills. As an example, Congress increased the accession bonuses for health care professionals in this year's authorization so the Department could better compete with attracting people in this tough niche market. As the Service Personnel Chiefs recently stated in testimony before your Subcommittee on Personnel, they are starting to see some positive results from this increased authority, but the challenge is far from over. We can never relax our efforts when it comes to recruiting and retention because the situation continues to change. Thank you for your continued support by giving the authority and flexibility to the Services to respond to changing dynamics.

41. Senator BAYH. Admiral Mullen, what, other than money, have you considered providing these young men and women who are so integral to the future of our Armed Forces?

Admiral MULLEN. Improving the quality of life for all servicemembers and their families is a top priority of every leader within the DOD. This manifests itself in many ways other than giving money directly to our people. Commitments to improving our installations in the form of housing, child care, family services, and morale/welfare/recreation programs are just a few examples of how we want to create a favorable life for military members.

Another major non-monetary area I have been focusing on is to provide stability and predictability in our deployment tempo. Reducing the deployment length from 15 months is a very positive change. In addition to reducing the length, the Secretary of Defense has also stated goals for the amount of dwell time personnel will have between deployments. The planned growth of our ground forces will help us achieve results. I believe any improvements accomplished in these areas will be very well-received by our servicemembers.

Finally, as the President indicated in his State-of-the-Union Address, there are some initiatives being developed that will focus on the unsung heroes of our military force, our families. I have repeatedly stated our families also serve, and we as a Nation owe them a great deal of respect and praise. I support the President's initiatives to enhance the opportunities for spouses to pursue their own careers by offering them hiring preferences, improving child care availability, and allowing Montgomery GI Bill education benefits to be transferred to spouses and children.

DEPLOYMENT

42. Senator BAYH. Secretary Gates and Admiral Mullen, the fiscal year 2009 budget notes that the DOD has a goal of significantly increasing dwell time for our ground forces. For example, an Army BCT can now reasonably assume only a year at their home station for every 15 months deployed. You both mention goals of 24 months at home for every 12 deployed. However, the Army will not have 48 deployable BCT until 2012. Given that we only have 42 deployable BCTs today, what other assumptions is the DOD making when publicly stating these goals?

Secretary GATES. First, I should note that with our "grow the Army plan," we should achieve 48 deployable Active Army BCTs by fiscal year 2011, not fiscal year 2012. Second, the operational tempo of our forces is largely determined by the situation on the ground. The Department is working to increase dwell time. Currently, the United States Central Command Commander plans to reduce the number of deployed BCTs to 15 by July of this year. This will allow the Army to limit deployments to 1 year in theater with at least that same amount of time at home. This and we currently have 28 Army BCTs in the Reserve component. The Reserve component contributes, too.

Admiral MULLEN. I appreciate your question and concern for our forces and their families. The Army will have 48 deployable BCTs at the end of fiscal year 2011 and currently has 40 deployable BCTs, including the brigade forward deployed to the ROK. The Army currently has 43 BCTs, but three are unavailable; two are transforming and one is organized as a transition training unit.

Secretary Gates and I share your concern and are closely monitoring deployment-to-dwell ratios for our forces. We want to reiterate that we have a goal of a 1:2 deployment-to-dwell ratio for our forces—especially our ground forces, committed around the world. This would be 24 months at home for 12 months deployed for an Army BCT and 14 months at home for 7 months deployed for a USMC unit.

When defining our goals, we include the following force commitments which affect our deployment-to-dwell ratio: a forward deployed Army BCT in the ROK, forces for global and domestic reaction forces, and Marine Expeditionary Units afloat around the world.

Current demands on ground forces do not allow us to realize our 1:2 deployment-to-dwell goal. We are working toward this goal and are currently reducing force structure in Iraq from 20 to a planned level of 15 BCTs. We are currently at 1:1 with the recent decision to reduce the length of Active-Duty Army deployments from 15 to 12 months starting in August 2008

1:2 BLUF: Given a 1:2 deployment-to-dwell, we can provide CENTCOM with 11 U.S. Army Active component BCTs and 6 Marine Corps Active component Infantry Battalions in June 2009 for combat, SECFOR and MEU requirements.

- The United States will have 42 deployable BCTs available generating 14 BCTs for worldwide commitments. Given the ROK, GRF, CCMRF and a RIP/TOA factor, the Army can generate 11 BCTs for CENTCOM. The Marine Corps will have 27 deployable infantry battalions generating 9 for worldwide rotational commitments. Given the two non-CENTCOM MEU requirements and a RIP/TOA factor, the Marine Corps can generate six infantry battalions for CENTCOM MEU, SECFOR and combat forces in Iraq and Afghanistan.
- We can get the force to 1:2 in June 2009 given the following assumptions:
  - We continue the drawdown in Iraq to 15 BCT/RCTs as planned.
  - We reduce Iraq to 10 Active component BCTs/RCTs by not replacing 5 BCT/RCTs by June 2009. (4 United States BCTs and 1 RCT)
  - Afghanistan maintains two United States BCTs for combat operations.
  - Marine Corps maintains a 1.0 CENTCOM MEU presence.
  - We continue worldwide commitments: USA-ROK, GRF and CCMRF; Marine Corps - 2 non-CENTCOM MEUs.
  - Note: This COA is devoid of any tactical considerations and assumes conditions on the ground in Iraq would support the COA.

43. Senator BAYH. Secretary Gates and Admiral Mullen, when will soldiers and their families be able to expect a more predictable and tenable operations tempo and what milestones have to be reached in order to get there?

Secretary GATES. The operational tempo of our forces is largely determined by the situation on the ground in Iraq and Afghanistan. In Iraq, the force plus-up has been successful in reducing violence and enabling the conditions for a secure and stable Iraqi Government. If this situation continues, and we believe it will, the United States Central Command Commander plans to reduce the number of BCTs to 15 by July of this year. This force drawdown will allow the Army to limit deployments to 1 year in theater with at least that same amount of time at home. Although this does not yet achieve our goal of 2 years at home for every year deployed, the reduced deployment time does ease the burden on our servicemembers and their families.

Admiral MULLEN. In Spring 2008, the President announced that in August 2008, we would return to 12-month deployments. That is the first step to ensuring a more predictable, uniform deployment rotation cycle. However, that is also dependent on the requirements of the combatant commanders and the assessment of the theater commanders. Given the complex variables involved in Iraq, there is simply no way of setting a series of benchmarks which would dictate a predictable drawdown in ground forces.

As the situation in Iraq improves, the U.S. military will draw down Operation Iraqi Forces as conditions warrant. As forces become available, requirements in Afghanistan will be filled. As forces draw down even further in Iraq, the U.S. military will reset and reconstitute forces at every opportunity in order to improve the health of the force and quality of life.

Services are taking steps to increase the dwell time for our forces. The Army will increase by five BCTs over the next 3 years. They are also readjusting deployment timelines and in some cases curtailing units to more equitably distribute boots-on-the-ground/dwell across the force. By first quarter fiscal year 2009, the Marine Corps will complete the fielding of the third of three new infantry battalions added to the force over the past 18 months. We continue to fund growth for specific limited

supply and high demand capabilities to include Military Police, Civil Affairs, Engineers, and Electronic Warfare assets.

It is our intent that as soon as possible, we will transition to a deployment-to-dwell ratio of greater than 1:1, with the eventual goal of 1:2 for Active-Duty Forces and mobilization-to-demobilization ratio of 1:5 for Reserve component personnel.

STABILITY OPERATIONS

44. Senator BAYH. Secretary Gates and Admiral Mullen, I understand that the DOD now has an officer in place for planning for stability operations. He has publicly stated that for cost reasons alone, the military cannot design specialized forces to do nothing but stability operations. What is that cost?

Secretary GATES and Admiral MULLEN. DODD 3000.05, Military Support for Stability, Security, Transition, and Reconstruction (SSTR) Operations defines stability operations as military and civilian activities conducted across the spectrum from peace to conflict to establish or maintain order in States and regions. NSPD–44 established the State Department as lead implementation agency for reconstruction and stabilization operations with DOD military organizations supporting applicable civilian agencies. As currently configured, our military forces are fully capable of supporting SSTR operations without designing specialized stability operation forces whose attributes would be marginalized across other military activities. There is inherent flexibility associated with current General Purpose Force constructs that enable units to task organize to provide a broad spectrum of support. Because of our force requirements today and what we project for in the future require full spectrum capability, we are not costing a specialized stability operations force. Rather, we are working with the Services and COCOMs, and our State Department counterparts, to identify the 'full range' of capabilities required to conduct and support stability operations and their implications on doctrine, organization, training, materiel, leadership and education, personnel, and facilities (DOTMLPF).

45. Senator BAYH. Secretary Gates and Admiral Mullen, what is the solution the DOD will instead use?

Secretary GATES and Admiral MULLEN. DOD's solution combines the increased end strength of the Army and Marine Corps, greater global train and equip authorities, and partnerships with other departments such as the State Department in using security and stabilization assistance authorities to improve our stability operations effort. COCOMs are working to identify the 'full range' of requirements required for stability operations. In addition, the military departments are working to identify capabilities to meet these requirements and their implications on DOTMLPF.

46. Senator BAYH. Secretary Gates and Admiral Mullen, how viable is that solution and what are its risks?

Secretary GATES and Admiral MULLEN. It is viable so long as we continue to enhance our interagency and foreign partner capacity and capability to conduct stability operations. To that end, it is crucial that DOD authorities to conduct train and equip missions, improve the commander's access and global utility of critical resources like those found in Commander's Emergency Response Program. Continued legislative support of authorities such as NDAA for Fiscal Year 2006, section 1206, and NDAA for Fiscal Year 2008, section 1210, is critical to DOD's stability operations solution. The associated risk with this solution would be realized if the stability operations burden could not be distributed across the whole of government and foreign partners and rest solely on the uniformed Services.

47. Senator BAYH. Secretary Gates and Admiral Mullen, what other solutions were considered but rejected?

Secretary GATES and Admiral MULLEN. The security demands of today and those predicted for our future missions call for a full spectrum force, but single force mastery of all global situations comes with too many risks and costs. We considered this solution but as operations in Iraq and Afghanistan are making clear, stabilization and reconstruction operations are a civilian-military effort. Success in stability operations requires partnerships with both our interagency and foreign partners to create the enduring conditions that will prevent a country from sliding back to instability. Therefore we have focused on building the right force for the full spectrum of missions, while simultaneously advocating authorities, relationships, and activities that enhance our partner's capacity and capability.

WOUNDED WARRIOR

48. Senator BAYH. Secretary Gates and Admiral Mullen, you both note the importance of caring for America's wounded warriors in your testimony. I also believe that after lifetimes of service to your Nation, you fully understand the moral imperative of caring for those who serve our Nation in uniform. How is DOD proceeding with implementing the Dole-Shalala Commission recommendations? As I understand, these remain unfunded in this year's budget.

Secretary GATES. The DOD/Department of Veterans Affairs (VA) Wounded, Ill, and Injured (WII) Senior Oversight Committee (SOC) meets regularly to identify immediate corrective actions, and to review and implement recommendations of the external reviews, including the Dole-Shalala Commission. We continue to implement recommended changes through the use of policy and existing authorities. Specifically, we have endeavored to improve the Disability Evaluation System, established a Center of Excellence for Psychological Health and Traumatic Brain Injury (TBI), established the Federal Recovery Coordination Program, improved datasharing between the DOD and VA, developed medical facility inspection standards, and improved delivery of pay and benefits. The core recommendation of the Dole-Shalala Commission centers on the concept of taking DOD out of the disability rating business so that DOD can focus on the fit or unfit determination, streamlining the transition from servicemember to veteran. Thus far, Congress has declined to act on that recommendation. We believe that the greatest improvement to the long-term care and support of America's wounded warriors and veterans will come from enactment of the provisions recommended by Dole-Shalala. We have, thus, positioned ourselves to implement these provisions and continue our progress in providing world-class support to our warriors and veterans while allowing our two Departments to focus on our respective core missions. Immediate budgetary needs will be met by reprogrammings, or a budget amendment, if necessary.

Admiral MULLEN. Implementation of the Dole-Shalala Commission recommendations is going well. Thirty-five of the 40 recommendations are on track for completion with 16 complete.

There are five commission recommendations that require changes in legislation and advances in medical research to complete. Four require additional changes in legislation to substantially restructure the disability and compensation system, expand benefits to families, and provide lifetime healthcare benefits for combat-injured. Improving prevention and care for post-traumatic stress disorder (PTSD) and TBI will require more medical research along with additional mental health professionals, which we are pursuing. The Services and Senior Oversight Council (SOC) Overarching Integrated Product Teams (OIPT) are working all of these recommendations.

Most wounded warrior issues are funded between the supplemental and the NDAA. Improving data collaboration between DOD/VA is currently funded from their budgets. All future programs for the various lines of action are not funded except through the supplemental. The DOD and the Services are determining future needs and will work to add them to the program.

49. Senator BAYH. Secretary Gates and Admiral Mullen, how is the DOD working with the individual Services, such as the Army, to ensure that their own plans are well thought out and coordinated with other wounded warrior initiatives?

Secretary GATES. The exchange of information on, and the coordination of, plans and programs—particularly those related to the care of WII servicemembers and their families, is being conducted primarily through the DOD/VA joint SOC, which work closely with the military Services.

For example, the SOC case/care management representatives meet weekly with subject matter experts and program representatives from the military Services to identify practices and share "lessons learned" in areas such as:

- Care management across medical and non-medical facilities and sites
- Preplanning for transitions across medical facilities and sites
- Family support
- Joint training and standards for uniform identification, notification, and tracking of PTSD and mental health issues
- Workload modeling
- Personnel requirements

In addition, the SOC conducts joint collaborative exercises with the military Services and VA Health Administration and Benefits Administration representatives to closely review the process of care, management, and transition of WII servicemembers and their families.

Admiral MULLEN. The Services are working exceptionally hard to support our wounded, injured, and ill servicemembers. They have made significant improvements in their disability evaluation processes, case management practices, care for wounded with TBI and PTSD, facilities, and benefits. But, there is still more that can be done. The Joint Staff works with the Services in several ways to monitor and assist with their wounded warrior initiatives. We look at all Services activities and try to help identify what works and what needs improvement.

The Joint Staff participates in the Secretary of Defense SOC for wounded warriors. The SOC reviews progress reported by the OSD and the Services in eight lines of action that consolidate the initiatives for improving care and support for our wounded, injured, and ill servicemembers.

As I travel, I hold townhall meetings with combat wounded and their families and collect their issues and concerns. I then provide them to the Services to address. There are some special concerns that are often raised in these sessions:

1. The Medical Evaluation Board/Physical Evaluation Board process is too bureaucratic and too long.
2. We have too few mental health professionals.
3. There are too many seams between the DOD and the VA.
4. There is not enough emphasis on long-term assistance for injured personnel and their families.
5. There is a perception that too often servicemembers' injuries are misdiagnosed.

My Special Assistant for Returning Warriors travels around the world assisting me in accurately assessing ground truth for all wounded, ill, and injured servicemembers. She marshals Legislative Affairs, Legal Assistance, VA, and medical subject matter experts along with Veteran Service Organizations and their respective resources to enhance my ability to deliver timely and necessary positive solutions for our Nation's returning warriors and their families. These efforts ultimately lift the morale of servicemembers and ensure a continuing legacy of exceptional troop care.

We must help those who have been injured, and their families, be all they can be in the future. We need to have a continuum of care and no seams between DOD, the VA, and local communities throughout our country so that those who have sacrificed so much can achieve the American Dream.

QUESTIONS SUBMITTED BY SENATOR HILLARY RODHAM CLINTON

CONGRESSIONAL OVERSIGHT OF SECURITY AGREEMENTS WITH IRAQ

50. Senator CLINTON. Secretary Gates, when the U.S.-Iraq Declaration of Principles for Friendship and Cooperation was made public in November, Lieutenant General Lute, the President's Deputy National Security Advisor for Iraq and Afghanistan, stated that the administration did not anticipate seeking congressional approval or even formal congressional input on an agreement that would institutionalize our long-term security, political, and economic relationship with Iraq. I was astonished, frankly, that the administration would complete such a significant agreement, an agreement of great long-term importance for American foreign and national security policy that could tie the hands of the next President with respect to Iraq, without bringing it to Congress for review and consent. Do you believe that Congress has an important role to play in overseeing any long-term American military commitment to Iraq?

Secretary GATES. In the Declaration of Principles signed by President Bush and Prime Minister Maliki in November, the United States and Iraq agreed to negotiate bilateral arrangements on the security, political, economic, and cultural components of that relationship. Such a framework will set the stage for a normalized bilateral relationship between the United States and Iraq as two fully sovereign states, and would not make any security commitment to Iraq or commit the incoming President or any future President to any particular course of action with respect to troop levels, military mission, or assistance to Iraq.

We intend to keep Congress apprised of the negotiation process as we proceed. I have instructed my staff to brief Members of Congress and their respective committees on these negotiations; these efforts have already begun. We will continue to consult with Congress as we proceed in these negotiations.

51. Senator CLINTON. Secretary Gates, one objection I have frequently heard to those of us who believe that Congress must have a say in this process is that the agreement is likely to be nothing more than a standard status-of-forces agreement

(SOFA), which we have with many other nations around the world and which permits us to station American servicemen and women in foreign countries. I believe that any agreement with Iraq that commits the United States to help defend Iraq against both internal and external threats goes significantly farther in terms of our national security than a standard SOFA. Do you agree that any long-term security, political, and economic agreement between the United States and Iraq should be approved by Congress?

Secretary GATES. To ensure that U.S. forces in Iraq are provided the legal protections and authorities they need absent the U.N. Security Council mandate they are presently operating under, the United States will seek to negotiate a SOFA with Iraq. The SOFA will be similar to other SOFAs the United States has negotiated with countries around the world, taking into account the particular circumstances and requirements for our forces in Iraq, and will be a part of the overall framework of the relationship with Iraq.

Neither the SOFA nor any other arrangement contemplated with Iraq would bind the United States to any security commitments. Such documents will not bind the United States to take military action or expend funds in support of Iraq.

Consistent with longstanding U.S. past practice on SOFAs, we expect that the SOFA with Iraq would be concluded as an executive agreement. We do not anticipate that the terms of this SOFA will require congressional assent.

52. Senator CLINTON. Secretary Gates, do we currently have SOFAs with any country with an ongoing civil war?

Secretary GATES. The DOD does not normally characterize a particular conflict, unrest, or violence as a "civil war." However, the Department has enduring SOFAs with countries that are experiencing, or have experienced, persistent conflict.

LONG-TERM SECURITY AGREEMENT WITH IRAQ - PERMANENT BASES

53. Senator CLINTON. Secretary Gates, when the U.S.-Iraq Declaration of Principles for Friendship and Cooperation was announced in November, I was deeply disappointed to learn that it did not explicitly rule out the possibility that the United States would seek or maintain permanent bases in Iraq, nor did it make any reference to the redeployment of American troops out of Iraq.

At the time the Declaration of Principles was announced, I wrote to the President about the importance of making clear to the Iraqi political leadership that we will not be there to referee their civil war forever. In my letter I made clear to the President my view that the United States should neither seek nor maintain permanent bases in Iraq. Unfortunately, what I'm hearing now from the administration is not at all clear. On the one hand, the White House spokeswoman has been quoted as saying that we won't seek permanent bases in Iraq, and you have said that "we have no interest in permanent bases." On the other hand, the President last week attempted to circumvent the will of Congress by issuing a signing statement to accompany the NDAA, effectively saying that he didn't agree with the provision in the legislation that would bar funding for the establishment of permanent U.S. military bases in Iraq.

Can you clarify for me, which is it?

Secretary GATES. In a SOFA with Iraq, the United States would be seeking access to facilities in Iraq that support the activities that promote our mutual goals and interests. This provision would not be different from similar provisions we have negotiated in SOFAs with other countries around the world.

Any agreement with Iraq would not obligate the United States to maintain a presence or set U.S. forces levels in Iraq. Rather, the SOFA would seek to ensure that the United States has the necessary access to Iraqi facilities and areas to conduct its mission in the mutual security interests of both Iraq and the United States. Furthermore, decisions on U.S. force levels in Iraq are U.S. decisions and are not affected by a SOFA. No agreement with Iraq would commit the United States to maintaining any specific number of forces.

54. Senator CLINTON. Secretary Gates, will the administration be clear with the American people, with the Iraqi people, and with the Iraqi political leadership that we will neither seek nor maintain permanent bases in Iraq?

Secretary GATES. The United States is not seeking to establish or maintain permanent bases in Iraq.

EQUIPPING AFRICAN UNION/UNITED NATIONS HYBRID OPERATION IN DARFUR MISSION

55. Senator CLINTON. Secretary Gates, there has been great concern expressed over the capacity of the African Union/United Nations Hybrid Operation in Darfur (UNAMID) to protect civilians there. As you know, the UNAMID mission met its December 31 deadline for assuming command of peacekeeping operations in Darfur. As you also are no doubt aware, the UNAMID mission had not met expectations in terms of deployed troop levels on December 31, and remains understrength at approximately 9,065 troops, police, and personnel, far below the expected December 31 level of 12,000, and less than a third of its full complement of just over 31,000 troops, police, and personnel. In addition to lacking troops, UNAMID also lacks the equipment and resources necessary to succeed, such as 18 transport and at least 6 attack helicopters.

Noting that Congress has provided funding expressly for the purpose of increasing the level and tempo of U.S. efforts to bilaterally train and equip some of these additional African battalions, what is the current status of these U.S. efforts vis-a-vis Africa Contingency Operations Training Assistance (ACOTA) and other programs?

Secretary GATES. Between June 2005 and March 2008, the ACOTA program will have provided $17,365,477 worth of training to AMIS and UNAMID-bound peacekeepers. ACOTA-trained units from Rwanda, Nigeria, South Africa, and Senegal formed the backbone of the AMIS mission, and continue to serve in Darfur now that the mission has transitioned to UNAMID. The ACOTA program has trained all of the infantry battalions from sub-Saharan Africa that are planning to deploy to UNAMID in 2008, including units from Burkina Faso, Ethiopia, Ghana, Malawi, Senegal, and Tanzania.

Furthermore, the Department of State will provide units deploying in 2008 with about $100 million worth of heavy equipment using fiscal year 2007 Sudan supplemental funds. This equipment will enhance the ACOTA-trained battalions, each consisting of at least 800 peacekeepers, and include armored personnel carriers, cargo trucks, maintenance and engineering vehicles, generators, field hospitals, and water purification systems. The State Department will award a contract in the next few weeks to provide this equipment, as well as new equipment training and spare parts, to all of the battalions expecting to deploy in 2008. The equipment will be shipped directly to each country to be transported to Darfur along with the battalion as they are deployed by the U.N. This equipment will enable each battalion to meet the U.N.'s standards for UNAMID infantry battalions.

56. Senator CLINTON. Secretary Gates, has the DOD made efforts to elicit similar training and equipping commitments from allies who enjoy longstanding bilateral military relationships with other committed African troop contributors?

Secretary GATES. The DOD has been working with the State Department to elicit training and equipping commitments similar to those the U.S. government is making to African troop contributing nations. Furthermore, the Department is working with our allies in other areas, such as providing pre-deployment planning and strategic transportation for deploying or rotating troop contingents. We are also encouraging donor countries to maintain their level of support over a longer period of time than originally envisioned and reinforcing State Department efforts to mobilize donors to satisfy emerging support requirements. Finally, DOD has helped the State Department identify countries that possess specialized equipment that might meet a critical operational need, such as transport and attack helicopters required to support the U.N. mission in Darfur.

57. Senator CLINTON. Secretary Gates, has the DOD made efforts to secure the contribution of helicopters from allies for the UNAMID mission?

Secretary GATES. Yes, in concert with the Department of State's efforts, the DOD has taken a number of steps to secure the contribution of helicopters for the UNAMID.

For example, the Department has worked closely with the U.N. Department of Peacekeeping Operations (DPKO) to solicit helicopter commitments from the international community. The U.N. rejected offers from potential contributors based on their pre-established helicopter specification criteria. In partnership with the State Department, DOD worked with U.N. DPKO to modify current UNAMID helicopter specifications to accept helicopters that could fill the transportation gap that currently exists in UNAMID.

We are now encouraging U.N. DPKO to reconsider previous offers from Jordan, Bangladesh, Ethiopia, and Egypt. Further, DOD is currently conducting an assessment of 72 countries possessing helicopters that meet U.N. specifications to determine which nations might be willing to contribute. We have recently secured an

offer from Ethiopia for four attack helicopters, which has been accepted by the U.N. DOD has partnered with the State Department to encourage the Government of Ukraine to contribute up to nine attack helicopters presently deployed to the U.N. Mission in Liberia and to consider leasing options involving private Ukrainian companies.

AFRICA COMMAND AND SUDAN

58. Senator CLINTON. Secretary Gates, noting that U.S. Africa Command (AFRICOM) is scheduled to reach full operational capacity this year, and that it will take on additional non-combat responsibilities that until now have fallen outside the realm of the DOD, do you foresee the U.S. military in general, and AFRICOM in particular, playing a larger role in Sudan? If so, how?

Secretary GATES. AFRICOM is designed to better enable the DOD to fulfill its missions in concert with other elements of the U.S. Government and African partners. The Department is already supporting U.S. initiatives in Sudan, such as the Darfur Peace Agreement and the Comprehensive Peace Agreement. As AFRICOM reaches full operational capacity, it will better situate DOD to support the State Department's lead in advancing peace and stability in Sudan.

59. Senator CLINTON. Secretary Gates, more generally, what positive and negative reactions has the U.S. military received during consultations with African leaders on the role AFRICOM will play on the continent?

Secretary GATES. With very few exceptions, African leaders have expressed strong support for DOD's engagement with African militaries. Negative depictions of AFRICOM in the international press have, in some instances, perpetuated misconceptions about AFRICOM's future presence on the continent. We believe, however, that as AFRICOM builds a reputation for adding value through improved security cooperation with African partners, many of these negative opinions will dissipate. In fact, we are already seeing some positive signs in this regard as more African leaders become informed about the true nature of the command. Many African governments and militaries see AFRICOM as a potential advocate for African security priorities within the DOD. They have partnered with us on security assistance programs over the years and understand the rationale for the command.

QUESTIONS SUBMITTED BY SENATOR MARK PRYOR

BASE REALIGNMENT AND CLOSURE

60. Senator PRYOR. Secretary Gates, I'm sure you are aware that the DOD has the authority to transfer real property to community redevelopment organizations at no cost if those communities agree to reinvest land sales and leasing revenues back into job creation and infrastructure development. It would be my hope that the DOD's disposal plans for these closing installations balances both public auctions with these no cost and other public benefit transfers. We have many financial challenges in executing Base Realignment and Closure (BRAC) projects, but it is important to me that communities are not left without resources to cope with the economic recovery they face and some of this property should be considered for open space and other important public uses. Can you assure me that the DOD will implement a balanced approach to property disposal and grant broad deference to community reuse plans the way the law intended?

Secretary GATES. The Department's policy is to work in close collaboration with affected communities throughout the closure, disposal, and redevelopment process. The Department takes great care to ensure Local Redevelopment Authorities (LRAs) have information on surplus property for the community's consideration in their formulation of a redevelopment plan. The Department has an array of legal authorities by which to transfer property on closed or realigned installations, ranging from those that may be at no cost or discounted consideration to those that yield fair market value to the Department, to be responsive to the Department's BRAC and community redevelopment needs. The military departments work closely with affected LRAs to tailor disposal actions that consider local circumstances. In disposing of surplus property, the Department is careful to not preclude any disposal method until a redevelopment plan is completed.

61. Senator PRYOR. Secretary Gates, regarding BRAC, it is my understanding that the Army is following the letter of the law and the recommendations of the BRAC committee. Are you aware if this is occurring or true?

Secretary GATES. The Army, as well as the other military department and defense agencies, are following the BRAC law. The Department reviews each recommendation implementation plan twice annually to ensure that it is in compliance with the BRAC law. Each of those reviews provides an opportunity to direct corrective action as needed. Additionally, the OSD Office of the General Counsel has been a key player in reviewing these plans to ensure that they are legally sufficient and to verify that the Department is meeting its legal obligations.

62. Senator PRYOR. Secretary Gates, what would you do if you found out the BRAC recommendations were not being followed?

Secretary GATES. I would take action to ensure we meet our legal obligation. The Department reviews each recommendation implementation plan twice annually to ensure that it is in compliance with the BRAC law. Each of those reviews provides an opportunity to direct corrective action. Additionally, the OSD Office of the General Counsel has been a key player in reviewing these plans to ensure that they are legally sufficient and to verify that the Department is meeting its legal obligations.

PROCUREMENT

63. Senator PRYOR. Secretary Gates, the Marine Corps has no procurement of the M–18 family of smoke grenades and is utilizing the Foreign Comparative Testing (FCT) program to modernize the M–18. In October 2006 the Marine Corps published a Sources Sought announcement in Federal Business Opportunities for the procurement of M–18s and plans to issue a Request for Proposal (RfP) at an undetermined time this year. The Marine Corps' departure from the procurement of these grenades, which are manufactured at the Pine Bluff Arsenal (PBA) in Arkansas, is a great concern to me, especially because the PBA has had a long and distinguished tradition of producing quality M–18 smoke grenades for the military for the past 65 years.

The fiscal year 2009 defense budget shows a decrease in spending on grenades (all types). Procurement for the Navy and Marine Corps, for example, decreased from $59.6 million to $39 million from levels in fiscal year 2008. Although the M–18 smoke grenade is part of a family of grenades with the same line number, the decrease in procurement coupled with that of the Marine Corps will have a significant impact on the industrial base at PBA (10 percent in lost revenue). I would consider this a very high risk category when making a section 806 determination to the risk on the national technology and industrial base.

Are you aware of the Marine Corps' decision to procure M–18s outside of the Arsenal Act and why is the military jeopardizing the industrial base at PBA, ignoring the Arsenal Act, and moving away from this very important procurement for the warfighter?

Secretary GATES. It is our intent, utilizing the Foreign Comparative Test (FCT) program, to seek alternatives to the current, legacy M–18 series smoke grenade. The design of some smoke grenades pre-dates the Vietnam conflict, and our modernization effort is one that can be expected in any munitions lifecycle, particularly one of this age. The smoke grenade modernization effort will: (1) increase performance; (2) provide equal or greater smoke duration; and (3) provide a safer flame reduced initiation system that will assist in the prevention of accidental fires, all at a competitive cost. The intent of this new program is to achieve a capability that advances the obscurant capabilities of all Services, across DOD. This effort is being conducted jointly with the U.S. Marine Corps and U.S. Army.

64. Senator PRYOR. Secretary Gates, last year Senator McCaskill and I introduced legislation to keep the C–27J a joint initiative between the Army and the Air Force. $156 million was allocated to the Army to begin the procurement of four aircraft in fiscal year 2008. The fiscal year 2009 defense budget requests an additional seven aircraft for the Army at $264.2 million. The NDAA for Fiscal Year 2008 states that no funds will be appropriated for the procurement of the Joint Cargo Aircraft (JCA) until 30 days after the Secretary of Defense signs off on six reports, one of which being the Joint Intra-theatre Airlift Fleet Mix Analysis. Where is this report, is it complete, and when will it be signed?

Secretary GATES. I delivered all six reports to Congress on February 27, 2008. Attached is the certification letter from John Young validating the requirement for the JCA.

THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

ACQUISITION,
TECHNOLOGY
AND LOGISTICS

FEB 27 2008

The Honorable Carl Levin
Chairman, Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

Pursuant to section 131 of the National Defense Authorization Act for FY 2008, Public Law 110-181, enclosed are the reports and assessments for the Joint Cargo Aircraft (JCA) program. One of the reports submitted is the Joint Intra-theater Airlift Fleet Mix Analysis (FMA), which is undergoing a sufficiency review by the office of Program Analysis and Evaluation in the Office of the Secretary of Defense.

As also required by section 131, I certify that:

(A) there is, within the Department of the Army, Department of the Air Force, Army National Guard, or Air National Guard, a capability gap or shortfall with respect to intra-theater airlift; and
(B) validated requirements exist to fill that gap or shortfall through procurement of the JCA.

The Joint Staff held the appropriate requirements reviews and approved the analysis that: established the existence of a capability gap with respect to intra-theater airlift of time-sensitive mission-critical resupply; and validated the capabilities required to fill that gap. Furthermore, the Department determined through an analysis of alternatives and source selection process that the JCA provided the capabilities needed to fill the gap. In addition, after reviewing the JCA program and the associated requirement, the then-Under Secretary of Defense for Acquisition, Technology and Logistics recognized the need for the JCA program by granting it Milestone C approval on May 30, 2007.

Similar letters have been sent to the other congressional defense committees.

Sincerely,

John J. Young, Jr.

Enclosures:
1. The Air Force Air Mobility Command's Airlift Mobility Roadmap
2. The DoD Intra-Theater Airlift Capabilities Study
3. The DoD Joint Intra-Theater Distribution Assessment
4. The Joint Cargo Aircraft Functional Area Series Analysis
5. The Joint Cargo Aircraft Analysis of Alternatives
6. The Joint Intra-theater Airlift Fleet Mix Analysis (draft)

Note: Enclosures 2, 3 and 6 are classified.

cc:
The Honorable John McCain
Ranking Member

65. Senator PRYOR. Secretary Gates, the NDAA for Fiscal Year 2008 also requires the Secretary of Defense to certify and validate requirements for a capability gap or shortfall with respect to intra-theatre airlift. What are your thoughts on this issue? In your opinion, does a capability gap or shortfall exist?

Secretary GATES. My Chief of Acquisition, John Young, recently certified and validated requirements for a capability gap or shortfall with respect to intra-theatre airlift. The letter stating that is attached.

THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

ACQUISITION,
TECHNOLOGY
AND LOGISTICS

FEB 27 2008

The Honorable Carl Levin
Chairman, Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

Pursuant to section 131 of the National Defense Authorization Act for FY 2008, Public Law 110-181, enclosed are the reports and assessments for the Joint Cargo Aircraft (JCA) program. One of the reports submitted is the Joint Intra-theater Airlift Fleet Mix Analysis (FMA), which is undergoing a sufficiency review by the office of Program Analysis and Evaluation in the Office of the Secretary of Defense.

As also required by section 131, I certify that:

(A) there is, within the Department of the Army, Department of the Air Force, Army National Guard, or Air National Guard, a capability gap or shortfall with respect to intra-theater airlift; and
(B) validated requirements exist to fill that gap or shortfall through procurement of the JCA.

The Joint Staff held the appropriate requirements reviews and approved the analysis that: established the existence of a capability gap with respect to intra-theater airlift of time-sensitive mission-critical resupply; and validated the capabilities required to fill that gap. Furthermore, the Department determined through an analysis of alternatives and source selection process that the JCA provided the capabilities needed to fill the gap. In addition, after reviewing the JCA program and the associated requirement, the then-Under Secretary of Defense for Acquisition, Technology and Logistics recognized the need for the JCA program by granting it Milestone C approval on May 30, 2007.

Similar letters have been sent to the other congressional defense committees.

Sincerely,

John J. Young, Jr.

Enclosures:
1. The Air Force Air Mobility Command's Airlift Mobility Roadmap
2. The DoD Intra-Theater Airlift Capabilities Study
3. The DoD Joint Intra-Theater Distribution Assessment
4. The Joint Cargo Aircraft Functional Area Series Analysis
5. The Joint Cargo Aircraft Analysis of Alternatives
6. The Joint Intra-theater Airlift Fleet Mix Analysis (draft)

Note: Enclosures 2, 3 and 6 are classified.

cc:
The Honorable John McCain
Ranking Member

UNMANNED AERIAL VEHICLE

66. Senator PRYOR. Secretary Gates, the JCA and UAV weapons systems have created discussions in Congress regarding a roles and missions debate and the House of Representatives plans to have hearings on the subject. What are your thoughts on an organic, limited operational capability within the Services, and what affect will it have on restructuring or reorganizing current weapons systems?

Secretary GATES. While there are some areas where operational warfighting concepts and doctrine translate into unique Service level requirements and programs, there are far more areas where joint solutions can be achieved. The Department must continue to prioritize jointness and interoperability imperatives especially in the areas of materiel acquisitions. This means reviewing and coordinating new research and development programs to integrate Service and Joint requirements, development, and testing in order to achieve born joint investment programs. It also means continuing to consolidate current requirements and programs of record, where possible.

Only through joint and consolidated acquisition will we realize the benefits of these efforts, which include: improved component interoperability and reduced duplication; lower development and production costs; increased quantities; reduction of logistics requirements through standardization; and the ability to meet similar multi-service requirements with a common materiel solution.

QUESTIONS SUBMITTED BY SENATOR JOHN WARNER

DEFENSE SCIENCE AND TECHNOLOGY INVESTMENT

67. Senator WARNER. Secretary Gates, last year, you received a memorandum from the Director of ODDRE which characterized current investment in defense S&T as "inadequate" to keep pace with emerging threats and concluded that the country has been "coasting on the basic science investments of the last century." Your testimony acknowledges a need to increase defense investment in basic research. How are you focusing the S&T programs of the DOD to address this challenge?

Secretary GATES. I asked Congress to approve a $1.70 billion investment in Basic Research in the President's budget request for fiscal year 2009. The request rep-

resents a 2 percent real increase above the $1.63 billion that Congress appropriated for fiscal year 2008 and a 16 percent real growth from the fiscal year 2008 budget request. This basic research investment increases each year over the Future Years Defense Program to $1.99 billion in fiscal year 2013.

The additional funds will be applied to peer-reviewed research conducted in universities, without specific DOD systems or applications in mind, but in areas of long-term interest to the Department. Predominantly the funds will support single investigators in the Services' Defense Research Sciences and Multi-Disciplinary University Research Initiatives, the mainstays of DOD Basic Research. This increase will both deepen the DOD investment in traditional Basic Research and broaden it to include such areas as: Information Assurance; Network Sciences; Counter Weapons of Mass Destruction; Science of Autonomy; Information Fusion and Decision Science; Biosensors and Bio-inspired Systems; Quantum Information Sciences; Energy and Power Management; Counter Directed Energy Weapons; Immersive Science for Training and Mission Rehearsal; and Human Sciences.

RELIABLE REPLACEMENT WARHEAD

68. Senator WARNER. Admiral Mullen, in your prepared statement, you remark upon the need to modernize our strategic weapons systems and infrastructure, including our efforts to explore the feasibility of developing a Reliable Replacement Warhead (RRW). Although this committee, and the full Senate, had supported funding for such a feasibility study last year, the omnibus appropriations bill did not include funding. The Department of Energy has requested modest funding in fiscal year 2009 to continue a feasibility study of a replacement warhead. What are your more detailed thoughts and analysis which led you to support the continued study of a RRW?

Admiral MULLEN. To help manage geopolitical, operational, and technical risks, the United States relies on three inter-related aspects of its nuclear posture: 1) the composition of the operationally deployed nuclear delivery systems and their capacity to deliver nuclear weapons; 2) the size and mix of the nuclear stockpile that supports the operational force; and 3) the ability of the supporting infrastructure to maintain, produce, and repair nuclear weapon delivery systems and warheads.

The stockpile stewardship program, initiated in the mid-1990s, has largely been successful. At present, we believe that the nuclear warhead stockpile remains safe, secure, and reliable. For the near-term, we continue to have confidence that warhead life extension programs for W76 warheads for Trident II missiles and for B61 gravity bombs are needed and are wise investments to sustain existing nuclear capabilities. However, the current path for sustaining the warhead stockpile-successive refurbishments of existing Cold War warheads designed with small margins of error—may in the future be unsustainable. Specifically, the directors of the Nation's nuclear weapons laboratories have expressed concern about the ability to ensure confidence in the reliability of the legacy stockpile over the long-term, without nuclear testing.

Successive efforts at extending the service life of the current inventory of warheads will drive the warhead configurations further away from the original design baseline that was validated using underground nuclear test data. Repeated refurbishments could accrue technical changes that, over time, might inadvertently undermine reliability and performance. The skills, materials, processes, and technologies needed to refurbish and maintain these older warhead designs are also increasingly difficult to sustain or acquire. Some of the materials employed in these older warheads are extremely hazardous as well. Moreover, it is difficult to incorporate modern safety and security features into Cold War-era weapon designs.

In the near-term, we have no choice but to continue to extend the life of these legacy warheads. However, the Departments of Defense and Energy are pursuing an alternative to this strategy of indefinite life extension, namely, the gradual replacement of existing warheads with warheads of comparable capability that are less sensitive to manufacturing tolerances or to aging of materials. The generic concept is referred to as the Reliable Replacement Warhead (RRW). The RRW concept promises other attractive benefits such as improved safety and security, less complex production processes, elimination of many hazardous materials in existing warheads, and an overall reduction in hazardous waste. The directors of the nuclear weapons laboratories believe that modern scientific tools developed for the stockpile stewardship program, including advanced computer modeling and experimental facilities, will enable design and certification of the RRW without nuclear testing. In addition, the RRW program will be a key enabler for a smaller and more responsive

infrastructure, and will help grow a new generation of experts capable of sustaining our nuclear forces.

RRW will be key to sustaining long-term confidence in the U.S. nuclear stockpile and enable significant reductions in the number of reserve warheads—further reducing the size of the overall stockpile. Assuring allies and convincing adversaries of the safety, security, and reliability of U.S. nuclear forces will in turn contribute to the full range of political and military benefits of the U.S. nuclear deterrent. Finally, allies with continued confidence in U.S. extended deterrence will have less motivation to develop nuclear weapons of their own.

SUPPORT FOR MILITARY FAMILIES

69. Senator WARNER. Secretary Gates, in the President's State-of-the-Union Address on January 28, 2008, the President said, "Our military families also sacrifice for America. They endure sleepless nights and the daily struggle of providing for children while a loved one is serving far from home. We have a responsibility to provide for them. So I ask you to join me in expanding their access to child care, creating new hiring preferences for military spouses across the Federal Government, and allowing our troops to transfer their unused education benefits to their spouses or children."

I join with the President in recognizing the sacrifices of military families—and I include parents in that as well. My understanding is that these initiatives are not included in the budget request that is before us. Is that correct?

Secretary GATES. Yes, that is correct. These initiatives are not included in the original budget request, because decisions were made after the regular budget process had concluded. We plan to use reprogrammings, or a budget amendment, if necessary, to fund the fiscal years 2008–2009 costs.

70. Senator WARNER. Secretary Gates, what is the magnitude of the President's family support initiative and when may we expect to see an amended budget and legislative proposals to support these initiatives?

Secretary GATES. These are the Department's specific proposed initiatives to support the President's pledge on family assistance:

1. Permit Montgomery GI Bill transferability to immediate family members, including spouses and children
2. Establish hiring preferences for spouses of Active-Duty military members, wounded or disabled members, and servicemembers who died while in Active Service, and a spouse internship program
3. Expand the existing 18-installation demonstration program for spousal career advancement accounts to all spouses
4. Accelerate construction of planned military child care centers and public-private ventures for child care
5. Expand the pilot Yellow Ribbon Joint Family Assistance Program and the four additional jurisdictions with National Guard establishments

FUNDING FOR MILITARY HEALTH CARE

71. Senator WARNER. Secretary Gates, for the third year in a row, the President's request decrements funding for military health care in anticipation of congressional approval of increases in TRICARE fees for military retirees, which each year Congress has rejected. Should Congress once again decline to increase TRICARE fees for military retirees, this budget would then be $1.2 billion short—is that correct?

Secretary GATES. That is correct. The budget currently assumes savings of $1.2 billion associated with the adjustments in fees consistent with those recommended by the Task Force on the Future of Military Health Care, mandated by Congress.

72. Senator WARNER. Secretary Gates, one of the DOD health care task force's recommendations is to conduct an external audit of DOD's health care program and to establish a cost accounting system that provides true and accurate accounting for DOD health care costs. Is it your intention to follow through on that recommendation as well, so that Congress can have a true and accurate picture of DOD health care costs in the future?

Secretary GATES. Yes, we do intend to follow through on the Task Force's recommendations. The Defense Health Program (DHP) health care costs are currently executed in four separate accounting and finance systems, to include Army, Navy, Air Force, and TRICARE Management Activity. Since the accounting and finance systems all have different business rules, it is difficult to perform accurate cost ac-

counting for health care. Several years ago, the Department developed the Medical Expense and Performance Reporting System (MEPRS), which allocates costs within the direct care system. While this is a useful managerial cost accounting tool, it could be much more accurate if the financial data feeding it came from systems using the same financial structure and business rules.

To ensure commonality among DHP related financial systems, the DHP is actively participating in the DOD wide development of a Standard Financial Information Structure (SFIS). Each Service and Defense-wide accounting and finance system (all are currently under development) will have to comply with the established SFIS business rules. The DHP is actively engaged with the Business Transformation Agency to ensure that requirements for medical business processes under SFIS, and thus the ability to do medical cost accounting, are accurate. If it appears that the Service accounting and finance systems cannot easily accommodate the medical business requirements, we may consider adding the Army, Navy, and Air Force medical activities into the Defense Agency Initiative adopted by TRlCARE Management Activity, which is a new accounting and financing system being developed for all Defense agencies.

Regardless of the solution selected, the DHP is committed to ensuring that there is accurate accounting of health care costs.

MEPRS receives three primary types of data from multiple feeder source systems—Financial, Workload, and Personnel data. Army, Navy, and Air Force all use the same Tri-Service Workload systems, but they continue to use Service-unique systems for Financial and Personnel data. Challenges arise in trying to report standardized, uniform data at the DOD-level, when Financial and Personnel data come in to the central data repository as Service-unique data. Attempts are made to map these Service-unique data elements to DOD-common data elements.

SFIS is a comprehensive "common business language" that supports information and data requirements for budgeting, financial accounting, cost/performance management, and external reporting across the DOD enterprise. SFIS standardizes financial reporting across DOD, thereby reducing the cost of audit. It allows revenues and expenses to be reported by programs that align with major goals versus by appropriation categories. It enables decisionmakers to efficiently compare programs and their associated activities and costs across DOD. In addition, it provides a basis for common valuation of DOD programs, assets, and liabilities.

The SFIS initiative may provide a bridge to true and accurate picture of DOD health care costs in the future, however, with multiple SFIS-compliant financial systems that the Services are migrating toward (Army—General Fund Enterprise Business System; Navy—Navy ERP; and Air Force—Defense Enterprise Accounting and Management System), it will still be difficult to report uniform cost accounting information across three military department nonsynchronous systems—there will still be three separate military department financial systems to overcome.

Defense Agencies Initiatives (DAI) represents the Department's effort to extend its solution set for streamlining financial management capabilities, eliminate material weaknesses, and achieve financial statement auditability for the agencies and field activities across the DOD. The DAI implementation approach is to deploy a standardized system solution that effectively addresses the requirements depicted in the Federal Financial Management Improvement Act and the Business Enterprise Architecture, while leveraging the out-of-the-box capabilities of the selected commercial off-the-shelf product.

With the implementation of DAI, the Department will reduce the number of legacy financial systems supporting these entities from nine to one, standardize all Enterprise-level integration to a single source and streamline Defense Finance and Accounting Service support operations into a single solution set that leverages a common set of resources across a common set of processes. It is expected that all 25 agencies and Field Activities will be transitioned to DAI by fiscal year 2011.

Addressing the goal of a true and accurate picture of DOD health care costs in the future, DAI might be able to provide one accounting system for the DHP appropriation. DAI would then become the Enterprise DHP accounting system and allow current legacy systems (i.e., MEPRS) to be replaced. One accounting system for the DHP would ensure a synchronous and singular accounting management system and the opportunity to efficiently integrate cost accounting in routine Generally Accepted Accounting Principles compliant accounting functions.

IMPLEMENTATION OF DOLE-SHALALA

73. Senator WARNER. Secretary Gates, with all due respect, Congress enacted, and the President has now signed into law, nearly all of the recommendations of the

Dole-Shalala Commission on Care for America's Wounded in the Wounded Warrior Act. These include the items you mention in your statement—case management and an emphasis on treatment of TBI—in addition to extended benefits for family members who care for the wounded and ill under the Family and Medical Leave Act.

The work that remains is in reform of the disability retirement system, which affects the DOD to a lesser degree than the VA. Do you agree with that?

Secretary GATES. A Dole-Shalala revision of the disability retirement system codified in chapter 61, title 10, U.S.C., would be relatively straightforward for the DOD to implement. There are significant DOD costs associated with the implementation of the TRICARE health proposal, however, that may require further analysis. The burden of implementing Dole-Shalala type transition payments—quality of life compensation and earning loss payments—falls on the VA. It is an enormous workload and would result in revolutionizing the manner in which VA does its business. The VA study on these transition payments is due out later this year, and will inform both Departments of the magnitude of work and statutory change that will be required.

74. Senator WARNER. Secretary Gates, does this committee have your commitment that each of the improvements to the care and management of wounded and ill soldiers contained in the NDAA for Fiscal Year 2008, Public Law 109–364, will be implemented in a thorough and timely manner within the budget that is now before us?

Secretary GATES. It is the Department's intention to implement all the requirements in a thorough and timely manner. The Department's WII SOC tracks the implementation of all requirements contained in Title 16: Wounded Warrior Matters, and Title 17: Veterans Matters of the fiscal year 2008 NDAA. The NDAA has 54 sections with 83 mandates that address wounded warrior matters. Twenty-five of the 54 sections in the NDAA address concerns previously identified by the various commissions on wounded warriors and 29 new sections not previously addressed. The NDAA requires 30 reports, 35 program or policy initiatives, and 9 evaluations or studies.

75. Senator WARNER. Secretary Gates, because the needs of men and women who become disabled cut across so many agencies of our government—the Departments of Defense, VA, Labor and Education, Medicare, and the Social Security Administration—has there been consideration of a cabinet-level position or task force to oversee implementation of these reforms?

Secretary GATES. As previously stated in testimony, DOD and VA formed a joint WII SOC, co-chaired by the two cabinet Departments' Deputy Secretaries, supported by a joint OIPT and a full-time joint staff office. The purpose of establishing these organizations is to coordinate the actions of the cabinet agencies, identify immediate corrective actions, and to review and implement recommendations of the various commissions and external reviews.

Specifically, we have endeavored to improve the Disability Evaluation System, established a Center of Excellence for Psychological Health and TBI, established the Federal Recovery Coordination Program, improved datasharing between DOD and VA, developed medical facility inspection standards, and improved delivery of pay and benefits.

CLIMATE CHANGE

76. Senator WARNER. Secretary Gates and Admiral Mullen, I have been profoundly concerned by recent reports that link global climate change with exacerbated international security and compromised national security. One of these reports, conducted by distinguished retired colleagues at the Center for Naval Analyses, concluded that it is important that the U.S. military begin planning to address the potentially devastating effects of climate change.

More recently, a study titled "Uncertain Future" conducted by the Oxford Research Group found that, "the risks of climate change demand a rethink of current approaches to security and the development of cooperative and sustainable ways of achieving that security, with an emphasis on preventative rather than reactive strategies." Can you describe how the DOD is preparing to manage the added threat global climate change poses on Department activities, facilities, and capabilities?

Secretary GATES. DOD defers to James Connaughton, Chairman of the Council on Environmental Quality, for responses addressing global climate change.

Admiral MULLEN. The Department is looking ahead to the impact of climate change on the future strategic environment as well as taking important steps to re-

duce the emissions of greenhouse gases by our Armed Forces and improving our energy security posture.

We anticipate that climate change could have far-reaching impact across the globe regarding resources and the access of nations to resources. In looking ahead, we are implementing the direction of the NDAA for Fiscal Year 2008 that requires our military planners to consider the risks associated with climate change regarding current and future missions, defense plans, and future required capabilities.

Additionally, we are working to reduce our own contributions to greenhouse gases by focusing on reductions in energy consumption. The primary Department-wide organization addressing this concern is the DOD Energy Security Task Force chartered in May 2006. Task Force membership includes the Joint Staff, Services, COCOMs, OSD, and various other DOD agencies. The Task Force has focused on initiatives to reduce energy consumption and reduce the overall DOD carbon footprint. The Task Force has taken on the development and deployment of energy technologies and changes in operational procedures which will decrease DOD-related carbon footprint without reducing operational effectiveness.

Many of the Task Force recommendations consolidate and/or leverage existing energy initiatives from the Services for consideration and implementation DOD-wide. Examples include single engine aircraft taxi procedures and synthetic/alternative aircraft fuels testing (Air Force), renewable energy resources and insulation technologies to reduce the carbon footprint and fuel reliance of Forward Operating Bases (Army), and geothermal power generation facilities at Naval Air Weapons Station China Lake (Navy).

The Joint Staff has initiated efforts to minimize or eliminate future climate change risks by reducing the DOD contribution to fuel consumption and carbon emissions. These include the incorporation of the Energy Efficiency Key Performance Parameter (KPP) into the Joint Capabilities Integration and Development System (JCIDS) in May 2007. This will ensure energy efficiency concerns are considered for future system acquisitions and associated operational plans. Additionally, we are leading a study in conjunction with the Services into the feasibility of increased simulator use to decrease in-vehicle training (and therefore fuel use and emissions) without sacrificing operational readiness.

We will continue to shape the future strategic environment with an eye toward climate change effects and look for opportunities to reduce our carbon footprint.

77. Senator WARNER. Secretary Gates and Admiral Mullen, how can we ensure that we are taking preventative steps rather than reacting to situations as they arise?

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We will continue to shape the future strategic environment with an eye toward climate change effects and look for opportunities to reduce our carbon footprint.

QUESTION SUBMITTED BY SENATOR SUSAN COLLINS

TROOP DEPLOYMENT

78. Senator COLLINS. Admiral Mullen, I know how concerned you are that the lengthy and repeated deployments have placed enormous strain on our troops. As we decrease troop levels in Iraq and also continue to increase the end strength of the Army and Marine Corps, which the budget continues to fund, this should help to relieve the pressure. When do you believe the impact of a larger Army and Marine Corps will begin to affect the length and frequency of deployments for our troops, both Active-Duty and National Guard?

Admiral MULLEN. [Deleted.]

QUESTIONS SUBMITTED BY SENATOR SAXBY CHAMBLISS

F–22

79. Senator CHAMBLISS. Secretary Gates, because Lockheed Martin and Boeing are building F–22 Raptors at a rate of two per month, the addition of four F–22s via an emergency supplemental budget will provide approximately 2 additional months of F–22 production. However, long lead suppliers who provide much of the parts essential to producing these aircraft would begin shutting down production as early as fall 2008. With this in mind, please explain the assertion that procuring four F–22s through fiscal year 2009 supplemental funds will keep the F–22 line open until the next administration.

Secretary GATES. The Department is working with the Air Force to determine the necessary actions required to keep the F–22A production line viable so that the next administration can review the program requirements.

80. Senator CHAMBLISS. Secretary Gates, the administration has stated that further F–22 purchases will threaten the production numbers and the affordability of the JSF. The Air Force has consistently maintained that they would not utilize JSF funds to fund more F–22s since they desperately need both aircraft. Given a $515 billion defense budget in fiscal year 2009, $3.4 billion of which is allocated for JSF production, please describe how an additional Lot of 20–24 F–22s threatens the production and affordability of the JSF.

Secretary GATES. The size of the annual procurement of any single program is modest compared to the total budget, but there are always unmet needs when we complete the budget process every year. DOD must balance across major procurement accounts. Major items in the Air Force procurement budget are tactical aircraft, tankers, space systems, and ISR assets. Any increase in F–22 funding would have to come out of these high priority accounts.

Some have indicated that F–22 could be funded by finding "efficiencies" in Operations and Maintenance (O&M), but given the pattern of steady growth in the O&M accounts, we don't expect efficiencies of $3 billion to $4 billion per year.

81. Senator CHAMBLISS. Secretary Gates, have you determined how much it will cost to shut down the F–22 line, and if deemed necessary, re-open the line if a future administration decides to procure additional F–22s?

Secretary GATES. We don't plan to close the F–22 line in fiscal year 2009. Prior estimates of shut-down costs were on the order of $500 million. We have not estimated what it would cost to re-open the F–22 line once it is closed.

NATIONAL GUARD AND RESERVE FORCES

82. Senator CHAMBLISS. Admiral Mullen, I was pleased to see that you touched on the important issues of retention and recruiting in your written statement. You particularly noted that the National Guard and Reserve have experienced some challenges in retaining the company grade officers and mid-grade noncommissioned

officers who lead our troops, but that you are overcoming these shortfalls through enhanced incentives for service, flexibility in terms of requirements, and enhanced retirement benefits. With the help of many on this committee I was proud last year to work on modifying the retirement system for National Guard and Reserve members and I hope that this added benefit will help retain some of those leaders that we need to retain.

As you think about transitioning the Reserve components from a Strategic Reserve role to part of the Operational Reserve, and maintaining our professional National Guard and Reserve Force, what kinds of policies and changes come to mind and, in your opinion, how can we best transition and shape the National Guard and Reserve into being a force that best meets our combatant commanders' and our Nation's requirements?

Admiral MULLEN. The Department is currently reviewing the Commission on the National Guard and Reserves' 95 recommendations. The report identified six topic areas. Our first priority will be to implement topic areas I (Creating a Sustainable Operational Reserve) and IV (Developing a Ready, Capable, and Available Operational Reserve). The Joint Staff and COCOMs recognize that we must break the Cold War mentality with regards to our Reserve Forces. We intend to vigorously pursue these two topic areas.

We also agree with topic area III (Creating a Continuum of Service: Personnel Management for an Integrated Total Force). The Staff is carefully evaluating whether any additional statutory changes are required and if they will help or hinder our goal to increase the Reserve components' integration into the "Total Force."

Topic area V (Supporting Servicemembers, Families, and Employers) is one of my main goals as Chairman and Senior Military Leader of the "Total Force." I will work with the Services on their support to all members of our Armed Forces, their families, and their employers. I fully support the Employer Support for Guard and Reserve and will continue to champion the cause of our soldier's health, welfare, and morale.

In regards to topic area VI (Reforming the Organizations and Institutions that Support an Operational Reserve), I fully support a closer alignment of the Services to their support agencies, both military and civilian. We need to establish a "Total Force" policy that eliminates cultural prejudices and produces a better staff integration system.

Topic area II (Enhancing the Defense Department's Role in the Homeland) has resulted in some concern on the Joint Staff and within the COCOMs. While Reserve component civil support requirements are important, they should not be of equal importance to the Department's combat responsibilities. We are currently looking at alternate approaches to the Homeland recommendations to better support the Nation and its citizens.

The Joint Staff will continue to work closely with the OSD, COCOMs, the National Guard and Bureau, and the Services on an implementation plan for all 95 recommendations.

PROMPT GLOBAL STRIKE

83. Senator CHAMBLISS. Secretary Gates and Admiral Mullen, in your statements you discuss the need to address capability gaps, rebalance strategic risk, and deter wars. One of the major ways we can do this is the ability to strike targets all over the globe promptly—prompt global strike. In relation to this, I'm keenly interested in the progress of the Air Force's new bomber, as I believe it is critically important to our future strategic plan. As you may know, the Air Force recently came out with their roadmap for the 21st century, which lists several U.S. bases where the next generation bomber may be based. As I understand it, there will be an interim bomber that is expected to be operational by 2018, with the next generation bomber becoming operational in 2035. What progress is DOD is making in developing and fielding these new bombers?

Secretary GATES and Admiral MULLEN. The Air Force has implemented a three-phased approach to meet the Nation's long-range Global Strike requirements:

- Phase 1 - Continue with the modernization of the legacy bomber inventory to ensure sustainability and increased combat effectiveness
- Phase 2 - Leverage near-term technologies with the goal of fielding a next generation bomber (NGB) capability in the 2018 timeframe
- Phase 3 - Pursue a system-of-systems technology push for a producible advanced capability bomber with significant improvements in speed, range, accuracy, connectivity, and survivability in 2035+ timeframe

The Air Force is leveraging all available technology development efforts, including F–35, F–22, B–2, Global Hawk, Reaper, Predator, and other S&T investments in order to field a new bomber by 2018. The Air Force envisions that the new bomber will be a land-based, highly survivable, penetrating, persistent, long-range strike aircraft, likely started as a manned platform, with an unmanned option in the future.

READINESS

84. Senator CHAMBLISS. Admiral Mullen, you note high readiness levels in theater come at the price of declining readiness for nondeploying units. How would you assess the general state of readiness of units here in the United States—if they had to deploy tomorrow? What percentage of units are ready to go?

Admiral MULLEN. [Deleted].

WOUNDED WARRIOR

85. Senator CHAMBLISS. Secretary Gates, I want to thank you for your handling of the Walter Reed situation last year, and your subsequent efforts to respond to the situation. In your prepared statement, you discuss the efforts under way to implement the Dole-Shalala Commission's recommendations to ensure our wounded warriors are not neglected or forgotten. Beyond what we have already done to implement these recommendations in the last NDAA, what help do you require from us as a committee to carry out these recommendations? Also, I'm particularly interested in hearing what the response has been from the veterans community to the proposal to streamline the disability evaluation system.

Secretary GATES. One of the most significant recommendations from the task forces and commissions is the shift in the fundamental responsibilities of the DOD and the VA. The core recommendation of the Dole-Shalala Commission centers on the concept of taking DOD out of the disability rating business so that the DOD can focus on the fit or unfit determination, streamlining the transition from servicemember to veteran. As the President urged in his State-of-the-Union message, we seek Congress's action on this recommendation.

As to acceptance of the streamlined DES, the early responses from the Veteran Service Organizations (VSOs) are positive overall. The VSOs are pleased that DOD has decreased the time it takes to afford servicemembers and veterans their justly deserved benefits. However, they are withholding extensive review until the DES pilot program is fully expanded.

DEFENSE SPENDING

86. Senator CHAMBLISS. Secretary Gates and Admiral Mullen, the budget you have sent to us represents about 3.4 percent of our gross domestic product (GDP). As you know, during other wars, we have spent much more of our GDP on defense, such as during the Vietnam war, when we were spending about 9 percent of our GDP, or the Korean War, when we were spending about 14 percent of our GDP. Admiral Mullen, according to an article published a few days ago in the New York Times, you're quoted as advocating for a 4 percent floor in defense spending as it relates to GDP. In other words, no less than 4 percent of our GDP should be spent on defense spending. Secretary Gates, I believe you have also been an advocate for this 4 percent floor. Given your advocacy for this floor in defense spending, why isn't that reflected in the budget you have sent to us?

Secretary GATES. Before I would formally recommend to the President adoption of a defense spending floor of 4 percent of GDP, I would need to see promising support for that in Congress and from the American people. I do not perceive sufficient support at this time, but I am hopeful that my advocacy might advance the idea.

Admiral MULLEN. In order to prevail in the current conflict, defend the Nation, and deter future conflicts, the Department requires a considerable portion of the Nation's resources. The President's budget for 2009 strives to balance spending for the DOD with all of the other challenges that I know we face as a country.

As Chairman, I have focused on advocating for the necessary resources to reset, reconstitute, and revitalize our people and our platforms. Operations in Iraq and Afghanistan have highlighted the Department's lack of strategic depth and the Department has worked effectively to prioritize our resources against our shortfalls. We have focused on the growth of our ground forces and that must continue on track or at an accelerated pace if achievable. Additionally, I am concerned that the growing proportion of our airframes and ships are aging beyond their intended serv-

ice lives and I feel the Nation cannot afford to further defer these recapitalization requirements. The President and Congress have been tremendously supportive of the needs of our Nation's warfighters. The Service Chiefs and I will continue to address areas in which we are taking risk in accomplishing the National Military Strategy and work with the administration and Congress to properly resource our requirements.

I support a floor of 4 percent of GDP for the DOD base budget. I believe that this will generate a thoughtful discussion about what we as a Nation need to spend on the DOD. Historically, I believe there is a correlation between our defense spending as a percentage of GDP and our ability to respond to the Nation's call. I recognize that a percentage of GDP may not be the only metric, but it is a metric that at least I hope would bring about a thorough, comprehensive debate about what we need, particularly as the DOD is one of the very few agencies with any discretionary spending.

87. Senator CHAMBLISS. Secretary Gates and Admiral Mullen, why have you presented a budget that represents 3.4 percent of GDP rather than the 4 percent of GDP that you advocate?

Secretary GATES. Before I would formally recommend to the President adoption of a defense spending floor of 4 percent of GDP, I would need to see promising support for that in Congress and from the American people. I do not perceive sufficient support at this time, but I am hopeful that my advocacy might advance the idea.

Admiral MULLEN. In order to prevail in the current conflict, defend the Nation, and deter future conflicts the Department requires a considerable portion of the Nation's resources. The President's budget for 2009 strives to balance spending for the DOD with all of the other challenges that I know we face as a country.

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NORTH ATLANTIC TREATY ORGANIZATION

88. Senator CHAMBLISS. Admiral Mullen, I note in your prepared testimony that North Atlantic Treaty Organization (NATO) forces in Afghanistan "provide a credible fighting force" but that "some nations' forces in theater must be more operationally flexible." I understand that some NATO troops in Afghanistan operate under "caveats", meaning that they will not fight at night or other seemingly unrealistic operational guidelines, which are what I assume you're referring to when you say they must be "more operationally flexible." Has there been any progress toward doing away with these restrictions?

Admiral MULLEN. [Deleted.]

89. Senator CHAMBLISS. Admiral Mullen, what other obstacles are you facing with the operational flexibility of NATO forces?

Admiral MULLEN. [Deleted.]

FORCE STRUCTURE

90. Senator CHAMBLISS. Secretary Gates, with some of the expansion of the Army and Marine Corps being paid for this year, when will we feel the positive effects of these new troops?

Secretary GATES. These strength increases are taking place gradually, with the positive effects directly proportional to translating new manpower into deployable units.

91. Senator CHAMBLISS. Secretary Gates, how long do you anticipate it taking for them to relieve some of the strain on the current sized force?

Secretary GATES. The benefits already are being realized; by fiscal year 2011, we anticipate reaching 48 Active Army BCTs.

92. Senator CHAMBLISS. Admiral Mullen, in your prepared statement, you talk about the need to increase interagency involvement. If there were more personnel from the other departments, would we be able to decrease the military footprint in Iraq and Afghanistan, or, are these personnel in addition to all of the military bodies?

Admiral MULLEN. In theory, greater interagency involvement would result in a decreased military footprint in Iraq and Afghanistan. Reality, though, is more complex than that. It is not as simple as a one-for-one swap.

In both countries, we have soldiers, sailors, airmen, and marines performing functions that are not their primary function and for which other agencies have greater expertise. The other agencies, though, are not absent from the battlefield because of a lack of courage or desire. They are simply not manned or resourced to deploy for long periods of time like the DOD.

With proper manning and funding, combined with a fresh expeditionary ethos, these agencies could have synergistic effects not currently present. It is not enough to create a secure environment through military presence and operations, without strong civil support providing basic services and creating an environment for economic prosperity to take root. It is equally ineffective to attempt to provide civil support without proper security. They both support each other and without one, the population becomes quickly disgruntled, providing a breeding ground for terrorism and insurgency.

In the long-term, greater interagency involvement will create environments where citizens have livelihoods worth protecting with their own blood and national treasure. In the meantime, we must set those conditions and that can only be done by properly manning and resourcing the rest of the interagency.

93. Senator CHAMBLISS. Admiral Mullen, given the expansion of the Army and Marine Corps, have we planned and budgeted correctly for all the corresponding costs associated with this expansion? In other words, do we have enough ships and aircraft to transport them?

Admiral MULLEN. The planned expansion of the Army and Marine Corps ground forces is fully funded in the base budget. The primary reasons for the Grow the Force initiative are to increase our strategic depth and improve force rotation. This is not expected to lead to a larger deployed footprint or airlift requirements than what exists today.

We are carefully reviewing our airlift requirements through the conduct of the NDAA for Fiscal Year 2008 (section 1046) directed study on the size and mix of the airlift force. My assessment so far is that the existing air and sealift programs of record are sufficient to execute our campaign plans and to support our global presence requirements.

94. Senator CHAMBLISS. Admiral Mullen, do we have enough tactical fighters and unmanned systems to support them?

Admiral MULLEN. The primary reasons for the Grow the Force initiative are to increase our strategic depth and improve force rotation. Our tactical fighter and unmanned system requirements are not driven by the size of our ground forces, but by our operation and contingency plans. My assessment so far is that the existing tactical fighter and unmanned system programs of record are sufficient to execute our campaign plans and to support our global presence requirements.

95. Senator CHAMBLISS. Admiral Mullen, are you comfortable with the current division of roles and missions between the Services?

Admiral MULLEN. Our enemy and the nature of warfare are always evolving. The Services are constantly evaluating and evolving their tactics, techniques, and proce-

dures to adapt to and, where possible, be in front of, the enemy. I believe the current division of roles and missions is about right. The roles and missions review as directed in the NDAA for Fiscal Year 2008, will give us a chance to look at this in a holistic manner. We will focus on improving the Joint Force's effectiveness and efficiency to ensure the enduring security of the American people.

96. Senator CHAMBLISS. Admiral Mullen, are there any overlaps that we may examine and potentially save money?

Admiral MULLEN. The roles and missions review will address traditional core mission areas as well as evolving areas of warfare. It is too early in the process to identify specific areas of overlap, but throughout the review we will investigate areas of unnecessary duplication and capability gaps with the singular goal of optimizing the development and employment of our Joint Forces. That said, I do not expect there will be overlaps to the point that a great deal of money will be available for savings.

QUESTIONS SUBMITTED BY SENATOR ROGER F. WICKER

SEAPOWER

97. Senator WICKER. Secretary Gates and Admiral Mullen, the industrial base required to build and modernize our Navy is relatively small compared to our other defense sectors. As the cost of ships has increased due to changing requirements and rising material costs, the number of ships we have been able to produce each year has slowed. As a result of the slow production, labor costs have increased, thus further impacting our shipbuilding capability. Conversely, the ability of potential adversaries such as China to produce naval ships is much greater than ours. How does our current goal of building a 313-ship Navy, our long-range shipbuilding strategy, and our budget forecasts overlay against potential naval adversaries' ability to grow a naval force at a much faster pace?

Secretary GATES. The Navy faces many challenges in procuring a force that will be effective over the broad spectrum of naval missions anticipated in the coming decades. At the same time, escalating shipbuilding costs demand that the Navy procure only those ships that are necessary to accomplish critical missions, with the minimum essential capabilities, and in the most efficient and cost effective manner possible. As the Navy transforms itself into a 21st century fighting force and looks to recapitalize the retiring ship platforms, new ship concepts are being introduced. Additionally, as the Navy translates lead ships into serial production, cost estimates have been adjusted to reflect updated material costs and increased labor costs. In the case of fiscal year 2009 President's budget request, many of the labor and material rates that were impacted by Hurricane Katrina are now reflected in the end-costs of the ships. In addition, the impact of the Pension Protection Act has been reflected in higher overhead rates throughout the shipbuilding industry. The Navy's 313-ship force structure represents the minimum number of ships the Navy should maintain in its inventory to provide the global reach; persistent presence; and strategic, operational, and tactical effects expected of our Navy forces. Currently there are two countries with the indigenous shipbuilding capacity and potential budgetary means to grow a modern naval force on or ahead of the pace of our long-range shipbuilding strategy. China is the third-largest shipbuilder in the world, after Japan and South Korea, and is engaged in a naval shipbuilding program that is supported by an industrial base of about eight major shipyards involved in naval construction. This compares to the U.S. industrial base of six major shipyards owned by two corporations and at least two smaller shipbuilders engaged in naval construction. China's ability to produce modern and effective major ship sub-systems, particularly in the propulsion area and in weapon systems for those ships, is just recently beginning to show signs of improvement. Although Russia also possesses the indigenous shipbuilding capacity and potential budgetary means to grow a modern naval force on or ahead of the pace of our long-range shipbuilding strategy, it is only now beginning to reestablish a naval shipbuilding program. Our ability to maintain a position of maritime superiority over the long-term relies on a battle force structure consistent with the Navy's 313-ship strategy, and investment in the research and development and increased procurement funding for ship and weapon systems that will continue to enable the United States to maintain its lead over our potential adversaries.

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cure only those ships that are necessary to accomplish critical missions, with the minimum essential capabilities, and in the most efficient and cost effective manner possible. The Navy's 313-ship force structure represents the minimum number of ships the Navy should maintain in its inventory to provide the global reach; persistent presence; and strategic, operational, and tactical effects expected of our Navy forces. Currently there are two countries with the indigenous shipbuilding capacity and potential budgetary means to grow a modern naval force on or ahead of the pace of our long-range shipbuilding strategy. Russia is only now beginning to reestablish a naval shipbuilding program. China on the other hand is engaged in a naval shipbuilding program that is supported by an industrial base of about eight major shipyards involved in naval construction. This compares to the U.S. industrial base of five major shipbuilders and at least two smaller shipbuilders engaged in naval construction. While the capacity of China's shipbuilding industry is on par with that of the United States, China's ability to produce modern and effective major ship sub-systems, particularly in the propulsion area and in weapon systems for those ships, is just recently beginning to show signs of improvement. Our ability to maintain a position of maritime superiority over the long-term relies on a battle force structure consistent with the Navy's 313-ship strategy, and investment in the research and development of ship and weapon systems that will continue to lead our potential adversaries.

98. Senator WICKER. Secretary Gates and Admiral Mullen, in addition, does our Cooperative Strategy for 21st Century Seapower properly account for our long-term ability to counter these threats?

Secretary GATES. The new maritime strategy, "A Cooperative Strategy for 21st Century Seapower," does properly account for current and future threats. I offer that China and other nations throughout the world are potential opportunities. Our new strategy recognizes that the security and prosperity of the global system will increasingly rely on the cooperation and partnership of all maritime powers, including China. Our Nation's interests are best served by fostering and sustaining a peaceful global system.

The strategy recognizes that defending our Nation and defeating adversaries in war remain the indisputable ends of American seapower. We will continue to focus on maintaining a robust and effective capability to apply regionally concentrated, credible combat power to deter potential adversaries, limit regional conflicts, and win our Nation's wars. Through forward presence, deterrence, sea control, and power projection, we will maintain our ability to secure our Homeland and interests around the world.

Effective implementation of the strategy depends upon our ability to execute a stable, affordable shipbuilding plan that delivers a Navy of at least 313 ships. A properly balanced Fleet, applied across the six core capabilities, will ensure our ability to meet future challenges.

Admiral MULLEN. The new maritime strategy, "A Cooperative Strategy for 21st Century Seapower," does properly account for the ability of potential adversaries to produce naval ships in relatively significant numbers. Specifically, with respect to your earlier comments regarding China, I would like to offer that I believe China—and other growing nations throughout the world—are also potential opportunities. Our new strategy recognizes that the security and prosperity of the global system—the interdependent networks of commerce, finance, people, law, governance, and information—will increasingly rely on the cooperation and partnership of all maritime powers, including China. Our Nation's interests—all nation's interests—are best served by fostering and sustaining a peaceful global system.

One of the principal tenets of the strategy is that preventing wars is as important as winning wars. Regional conflicts and major power wars create shocks in the global system that adversely impact people in every country around the world, regardless of whether they are involved directly in the event. Through the employment of globally distributed, mission tailored maritime forces, we are able to partner with nations around the world to prevent or contain local disruptions, and contribute directly to homeland defense-in-depth. Working in cooperation with partners both here and abroad, we exercise maritime security, humanitarian assistance, and disaster response in order to build the capacity to prevent as well as recover from shocks to the global system.

The strategy also recognizes that defending our Nation and defeating adversaries in war remain the indisputable ends of seapower. We will continue to focus on maintaining a robust and effective capability to apply regionally concentrated, credible combat power to deter potential adversaries, limit regional conflicts, and win our Nation's wars. Through forward presence, sea control, and power projection we will maintain our ability to secure our Homeland and interests around the world.

Through the selectively balanced application of the core capabilities of seapower—in cooperation with joint, interagency, nongovernmental, and coalition partners—we believe seapower is a unifying force for building a better tomorrow, for our Nation and nations around the world who seek the same great opportunities we enjoy as Americans.

BASE REALIGNMENT AND CLOSURE

99. Senator WICKER. Secretary Gates, the Congressional Budget Office and the Government Accountability Office estimate that the cost to implement the current BRAC round has increased from $21 billion to $31 billion. Is this $10 billion cost growth accounted for in the President's budget and in the Future Year Defense Program, and what is the budget plan to meet the statutory deadline for the 2005 BRAC decisions to be completely implemented by September 15, 2011?

Secretary GATES. As a matter of policy, BRAC requirements which ensure meeting the September 15, 2011, deadline must be fully funded. As such, all costs to implement BRAC are included in our fiscal year 2009 budget request (including supplemental requests) and in the Future Year Defense Program. It is important to note that this assumes the $939 million reduction to the BRAC appropriations is restored in fiscal year 2008.

100. Senator WICKER. Secretary Gates, in addition, what steps are being taken by the DOD to get the BRAC costs under control?

Secretary GATES. Each implementation plan is reviewed twice annually to ensure that the proposed costs are valid and necessary to implement BRAC. As necessary, the Department's budget process allocates additional resources to ensure the recommendations will be implemented. This process adds another level of scrutiny to ensure increases in costs are minimized.

IMPROVISED EXPLOSIVE DEVICES

101. Senator WICKER. Secretary Gates, Congress has made a tremendous investment in the Joint Improvised Explosive Device Defeat Organization (JIEDDO), since its inception as the Joint IED Defeat Task Force in 2004. Fortunately for our soldiers and marines, they have seen first-hand some of the success of the JIEDDO efforts, such as the highly effective Mine Resistant Ambush Protected vehicles. Can you explain, at an unclassified level, what the JIEDDO priorities are for this 2009 budget request?

Secretary GATES. This budget request provides funding for the JIEDDO. To that end, JIEDDO operates along four lines of operation to carry out its mission: Attack the Network, Defeat the Device, Train the Force, and Staff and Infrastructure.

Specific JIEDDO priorities for this request focus on three areas:

Attack the Network ($306.3 million)—this funding allows JIEDDO to conduct offensive operations against the complex networks of financiers, IED makers, trainers, and their supporting infrastructure and enhances our capability to attack and disrupt the enemy's IED networks.

Train the Force ($88.3 million)—this funding supports demanding individual and collective training requirements to prepare units prior to and during deployment for operations in an intense, fluid IED environment. The fiscal year 2009 funding expands counter-IED (C–IED) training, completes the resourcing of critical C–IED equipment, and exports training capabilities to multiple locations.

Staff and Infrastructure ($101.7 million)—this funding provides for JIEDDO's headquarters support structure necessary to successfully coordinate the IED fight. The fiscal year 2009 funding provides for civilian personnel, facilities, personnel contracts, professional training, communication equipment, travel, and supplies needed for minimum day-to-day operations.

102. Senator WICKER. Secretary Gates, part of the success of the Defeat the Device strategy has been the use of UAVs to provide persistent overhead surveillance. How does the budget build on the success of the UAVs as part of a C–IED strategy and is there sufficient funding to keep the UAV mission at a level that will ensure the greatest possible protection of our troops?

Secretary GATES. The JIEDDO has provided a total of $198 million for the delivery and nominal 2-year sustainment of C–IED sensor surveillance systems initiatives employed from UASs, requirements defined by the combatant commanders. JIEDDO's budget fully supports transitioning the C–IED capabilities of sensor systems aboard UASs to the Service(s). As new C–IED requirements are identified and

validated by the combatant commanders and Joint Staff, JIEDDO will apply funding to meet the requirement and they are funded to do so during fiscal year 2008.

[Whereupon, at 12:13 p.m., the committee adjourned.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2009

TUESDAY, FEBRUARY 26, 2008

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

POSTURE OF THE UNITED STATES ARMY

The committee met, pursuant to notice, at 9:35 a.m. in room SH–216, Hart Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Kennedy, Lieberman, Reed, Akaka, Bill Nelson, E. Benjamin Nelson, Webb, McCaskill, Inhofe, Sessions, Collins, Chambliss, Graham, and Thune.

Committee staff members present: Richard D. DeBobes, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Michael J. Kuiken, professional staff member; Gerald J. Leeling, counsel; Thomas K. McConnell, professional staff member; Michael J. McCord, professional staff member; Michael J. Noblet, professional staff member; and William K. Sutey, professional staff member.

Minority staff members present: Michael V. Kostiw, Republican staff director; William M. Caniano, professional staff member; David G. Collins, research assistant; Gregory T. Kiley, professional staff member; David M. Morriss, minority counsel; Lucian L. Niemeyer, professional staff member; Diana G. Tabler, professional staff member; and Richard F. Walsh, minority counsel.

Staff assistants present: Fletcher L. Cork, Ali Z. Pasha, and Brian F. Sebold.

Committee members' assistants present: Bethany Bassett and Jay Maroney, assistants to Senator Kennedy; Frederick M. Downey, assistant to Senator Lieberman; Elizabeth King, assistant to Senator Reed; Christopher Caple, assistant to Senator Bill Nelson; Andrew R. Vanlandingham, assistant to Senator Ben Nelson; Jon Davey, assistant to Senator Bayh; M. Bradford Foley, assistant to Senator Pryor; Gordon I. Peterson, assistant to Senator Webb; Stephen C. Hedger, assistant to Senator McCaskill; Sandra Luff, assistant to Senator Warner; Anthony J. Lazarski, assistant to Senator Inhofe; Todd Stiefler, assistant to Senator Sessions; Mark J. Winter, assistant to Senator Collins; Clyde A. Taylor IV, assistant to Senator Chambliss; Andrew King, assistant to Senator Graham;

Lindsey Neas, assistant to Senator Dole; Brian Polley, assistant to Senator Cornyn; Jason Van Beek, assistant to Senator Thune; and Erskine W. Wells III, assistant to Senator Wicker.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody.

Today, Secretary Geren and General Casey testify before the Senate Armed Services Committee on plans and programs of the U.S. Army in review of the fiscal year 2009 budget request, the war supplemental request, and the Future Years Defense Program.

We last had the Secretary and Chief of Staff update us on the state of the Army a little over 3 months ago, in November. We welcome you both back. We thank you for your service. As always, we ask you to extend our heartfelt gratitude to the men and women of the Army and their families, who have given so much of themselves in their service to this Nation in a time of war.

Over the 3 months since Secretary Geren and General Casey last testified, the Army has begun redeploying the surged troops from Iraq, and, according to current plans, will complete that redeployment this summer. However, we're now hearing that General Petraeus will recommend a pause in further redeployments while he assesses the security situation. President Bush's public comments indicate he will follow General Petraeus's recommendations.

This also means that we will continue to have an Army which is way overstretched. The stress on Army forces from operations in Iraq and Afghanistan continues to build. Our Army troops continue to face multiple tours of 15-month duration, with only 12 months or less at home between rotations. According to a recent survey, 9 in 10 officers say that the war has stretched the military dangerously thin. These levels of deployment without adequate rest for the troops and repair and replacement of equipment simply cannot be sustained.

General Casey has said that, "Today's Army is out of balance," and that "the current demand for our forces exceeds the sustainable supply." Admiral Mullen, Chairman of the Joint Chiefs of Staff, has echoed those concerns, saying that the ground forces "remain under tremendous strain."

According to press reports, Admiral Mullen, meeting with Army captains at Fort Sill last year, found that the most prevalent concern was the impact on those soldiers and their families of the repeated deployments of 15 months, with 12 or fewer months home between rotations. One captain said, "We have soldiers that have spent more time in combat than World War II. Is there a point where you can say you've served enough?"

The heaviest burden in this war has fallen on the ground forces and on their families. General Casey has said, "We are consuming readiness as fast as we build it." Well, one way or another, we must find a way to bring the Army back in balance.

Other evidence of strain on the Army can be seen in recruiting and retention patterns. In fiscal year 2007, only 79 percent of Army recruits were high-school-diploma graduates and only 61 percent of new recruits scored above average on the Armed Forces qualification test. Fiscal year 2007 represents the 4th consecutive year of decline in one or both of those two indicators.

The Army recruited 3,200 category-4 recruits, the lowest acceptable measure of aptitude, which is the Department of Defense (DOD) maximum of 4 percent in this category. There has been an increase in the number of medical and misconduct waivers being granted. In fiscal year 2007, nearly one in five new recruits required a waiver. More than 50 percent of graduates of the U.S. military academy are separating from the Army as soon as their obligations expire.

The impact of the wars has affected the Army in many ways. In order to sustain the necessary readiness level in our deployed forces, the readiness of our nondeployed forces has steadily declined. Equipment and people are worn out. Multiple deployments and extended deployments result in higher rates of mental health problems for our soldiers, and also takes a toll on their families. The number of wounded and injured soldiers in our Warrior Transition Units continues to climb. Most nondeployed units are not ready to be deployed; consequently, getting those units reset and fully equipped and trained for their rotation to Iraq or Afghanistan is that much more difficult and risky. Getting those units equipped and trained for all potential conflicts, including high-intensity combat, is virtually impossible, and is not being done.

This Nation faces substantially increased risks should those forces be required to respond to other requirements of the national military strategy. The surge of additional forces to Iraq last year put even more pressure on an already strained readiness situation. Subjecting this Nation to that degree of risk is unacceptable.

As daunting as it is to meet the current readiness challenge, we must also modernize our Army to meet our readiness requirements and our national security requirements into the future, and we must do so intelligently. In so doing, we must not fail to capture the lessons learned since the end of the Cold War and apply them to building that force of the future.

Although it appeared somewhat fashionable to question the relevance of ground forces prior to September 11, that can hardly be the case now. The reality of warfare in the 21st century demands both the high-intensity force-on-force combat, as characterized in the early weeks of the Iraq war, and the grinding, all-encompassing stability and support in counterinsurgency operations of the last few years. The answer is not one mission or the other; the Army must be prepared to do both and everything in between.

The reality right now and for the foreseeable future is that soldiers need to be warriors at sometimes, then, at other times, need to be acting as builders, city managers, humanitarian relief workers, and dispute arbitrators. Given the post-surge level of 15 Army brigade combat teams and supporting troops in Iraq and Afghanistan, Army officials have been telling Members and staff that the Army will need $260 to $270 billion a year through fiscal year 2011 in order to meet its requirements.

The 2009 base budget request provides the Army with $140 billion. DOD requested $70 billion in bridge supplemental funding. In an answer to a question at the DOD posture hearing, Secretary Gates said that the best guess, at the moment, is that the remainder of the 2009 supplemental would be about $100 billion. That means that the Army will have to receive $120 to $130 billion, out

of a $170-billion 2009 supplemental total, to meet its annual requirement of the $260 to $270 billion. That would be somewhat doubtful; in which case, we need to understand, fully, the implications for the Army. We need to understand what needs to be done to ensure an Army that is ready for all its potential missions, both today and in the future. The Army and Congress owe nothing less to the soldiers, their families, and the American people.

At this time, I now submit the prepared statement of Senator Warner.

[The prepared statement of Senator Warner follows:]

PREPARED STATEMENT BY SENATOR JOHN WARNER

Mr Chairman, thank you. I join you in welcoming Secretary Geren and General Casey here to the committee once again and thank them for their long and distinguished service to our Nation.

Our Nation's Army is the best in the world. It is a battle-hardened force whose volunteer soldiers have performed with courage, resourcefulness, and resilience in the most arduous conditions.Some have suggested that our Army is broken. I do not believe that. However, like Admiral Mullen, I do believe the Army is "breakable."

Looking back at the last years of Vietnam and into the 1970s—a time when America was last engaged in a protracted and controversial war—many of us remember a military that was under great strain. It was also a period in our history when popular appreciation for the military was not very noticeable.

However, it is so gratifying today to see how the United States civilian population is so united in support of our military.

We should all remember that the last draftee entered the Army in 1973. For nearly 35 years now, we have been fortunate to have a military composed entirely of volunteers.

When our country's All-Volunteer Force was born on July 1, 1973, no comparable military in the world operated on a fully volunteer basis. Since that time, our volunteers have upheld the finest traditions of our military Services and our country. Our Nation continues to be grateful for the courageous men and women who have demonstrated extraordinary patriotism in choosing to defend America.

We owe these men and women and their families a great deal for their service and the sacrifices of their families. For those who have made the ultimate sacrifice, the country owes their families every care and benefit. To the wounded, we have a responsibility to see that the care they receive at all points in the military health care system will allow them to transition smoothly to the next phase in their lives. In these regards, I am proud of the work that this committee has done, but it is an effort that requires constant vigilance and oversight.

As one who would strongly oppose a return to the draft, I believe that we should aggressively seek new ways to express our gratitude to these volunteers.

This morning, the witnesses should be prepared to answer questions concerning: state of the All-Volunteer Army; the pace of deployments and the strain placed on soldiers and their families; and plans to end 15-month overseas deployment cycles and attain an interim dwell time ratio of 1 to 1 and, ultimately, achieve an objective dwell time ratio of 2 to 1.

In addition the witnesses should expect to be asked to discuss: progress being made with the multi-billion dollar investment in the Army's Future Combat System; the readiness of Army units when they are deployed from home stations to a combat theater, such as Iraq or Afghanistan; how the Army is using the dollars it receives to "reset" the force; how the Army will regain and sustain its advantage at fighting conventional wars while retaining what it has learned about asymmetrical threats and counterinsurgency operations; the readiness of Reserve component forces and the recommendations of the Commission on the National Guard and Reserves; and the state of outpatient care at Army medical facilities.

Mr Chairman, thank you and I look forward to hearing from our witnesses today.

Chairman LEVIN. Senator Inhofe.

STATEMENT OF SENATOR JAMES M. INHOFE

Senator INHOFE. Thank you, Mr. Chairman.

I agree with all of the problems that are there, it wasn't as if we didn't see them coming. We are very proud of the Army. I remem-

ber when Senator Akaka and I were on the House side, we were active in the Army Caucus, and there wasn't one over here, so we started one here. I think that people are more aware now than they ever have been anytime in the history about the significance of the Army. With all the problems that the chairman mentioned, I can't think of two people that are in a better position to handle those problems than General Casey and Secretary Geren. So, I appreciate your dedication.

I can remember, back in the 1990s, when the drawdown was taking place, and I was chairman, at that time, of the Readiness and Management Support Subcommittee. I remember going to the floor several times and talking about the fact that this is all fine, assuming that we don't have any real serious problems coming up, but guess what happened? We have serious problems. All of that couldn't have happened at a worse time. We were at our all-time low, after we had drawn down from 18 to 10 divisions. So, we're demanding more and more, and I look at the big picture and think we just have to rebuild, that's all. The timing couldn't have been worse. Every time I go over there, I'm more and more proud of this All-Volunteer Service. I was a product of the draft, and it took me quite a number of years to realize that the quality is so good now. These young people, men and women, are just doing a great job. I'm also real proud that we have 2,600 of the Oklahoma 45th deployed over there right now. I recall, on their last deployment, that they were active in training the Afghan National Army, in Afghanistan, to train their own military.

So, they're all doing a great job, most of the problems, frankly, are on this side of the table. I often say that you're doing a great job with the hand you're dealt, but you need to be dealt a better hand. Hopefully, we can do that.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Inhofe.

Let me, before you start, alert everybody, I think we know it up here, but for you folks out there, including our witnesses, we have five rollcall votes stacked, basically what we call back-to-back, starting at about 10:20 or 10:15, we believe. We're going to try to continue to go right through those votes somehow, but there may be a number of interruptions and adjournments that we're going to have to call, at the call of the Chair, during the question period.

Secretary Geren?

STATEMENT OF HON. PRESTON M. "PETE" GEREN III, SECRETARY OF THE ARMY

Secretary GEREN. Thank you, Mr. Chairman, Senator Inhofe, and members of the committee. It's an honor for General Casey and me to appear before you today to discuss our Nation's Army, an Army that's been built by the partnership between our Army, led by our Commander in Chief, and this Congress. It's a partnership older than our Constitution, and affirmed by it.

The President's budget for fiscal year 2009 is before Congress; $141 billion for our Army. As is always the case, the Army's budget is mostly about people, and operations and maintenance (O&M) to support people. The personnel and O&M budget makes up two-thirds of our Army budget.

Creighton Abrams reminded us often, people are not in the Army, people are the Army. The Army budget reflects that reality.

Today, we are an Army long at war, in our 7th year in Afghanistan; next month, March, will be 5 years in Iraq. This is the third-longest war in American history, behind the Revolutionary War and the Vietnam War, and it is the longest war we've ever fought with an All-Volunteer Force.

Our Army is stretched by the demands of this long war, but it remains an extraordinary Army. It's the best-led, best-equipped, and best-trained Army we have ever put in the field, with Army families standing with their soldiers as those soldiers serve and re-enlist. It's an Army of volunteer soldiers and volunteer families.

We currently have 250,000 soldiers deployed to 80 countries around the world, with over 140,000 deployed to Afghanistan and Iraq. Our 140,000 soldiers in harm's way are our top priority, and we will never take our eye off of that ball. This budget and our supplementals ensure that our soldiers have what they need when they need it.

Today and over the last 6 years, our Reserve component, Guard and Reserves, have carried a heavy load for our Nation. Since September 11, we have activated 184,000 reservists and 270,000 guardsmen in support of the global war on terror, and they've answered the call for Hurricanes Katrina, Rita, other storms, for forest fires, brush fires, other domestic crises, and they are in support of operations on our Nation's border.

We are one Army. The Active component cannot go to war without the Reserve component. The challenge before us, and addressed in this budget, is our continuing effort to transform the Reserve component into an operational Reserve, match the organizing, training, and equipping with the reality of the role of today's Guard and Reserves. This budget continues the steady investment in new equipment in our Reserve component.

Although we will not complete the recapitalization of the National Guard until 2015, we are not where we need to be, but it's important to acknowledge the progress that has been made in equipping our Guard.

Looking at just a few pacer items:

In 2001, the Guard had 290 Family of Medium Tactical Vehicles trucks; today, the Guard has over 9,000. In 2001, 41,000 Single-Channel Ground-Air Radio System radios; today, over 82,000. Night-vision goggles, in 2001, 53,000; today, nearly 120,000. This budget includes $5.6 billion for Guard equipment and $1.4 billion for the Reserves. Over the next 24 months, $17 billion worth of equipment will flow to the Guard and over 400,000 items over the next 2 years.

The strength of our Army—Active, Guard, and Reserve—comes from the strength of Army families. Our Army families are standing with their soldier loved ones, but this long war is taking a toll. We owe our families a quality of life that equals the quality of their service.

Over half of our soldiers are married, with over 700,000 children in Army families. Today, nearly half, 48 percent, of all soldiers who go to theater leave behind children aged 2 or under. When a married soldier deploys, he or she leaves a single-parent household be-

hind, and all the challenges of that family dynamic. When a single parent deploys, he or she leaves behind a child in the care of others.

In our 2009 budget, we are doubling funding for family programs. We're adding 26 new child development centers to the 35 that Congress funded for last year. Over the past year, with your strong support, we have expanded the availability of childcare, and we have reduced the cost. We have asked much of the volunteer network of spouses that has carried the burden of family support programs since September 11, a burden that grows heavier with each successive deployment. But, they need help.

Our 2008 and this 2009 year budget provides much-needed support. We are hiring over 1,000 family readiness support assistants and nearly 500 additional Army community service staff to provide full-time support to our spouse volunteers and to Army families, and we are fielding 35 new Soldier Family Assistance Centers at major installations across the country. The Yellow Ribbon Program you authorized will provide much-needed support for our guardsmen and reservists upon their return from deployments.

In the late 1990s, Congress launched the Privatized Housing Initiative, an initiative that has replaced Army housing with Army homes, and has built neighborhoods and vibrant communities on our Army posts. This budget builds on the great success of your initiative. Our budget for Army homes, new and refurbished, in this budget is $1.4 billion. For single soldiers, we're modernizing existing barracks. Over 2009 to 2015, with your support, we'll reach our target of 150,000 soldiers in modernized barracks.

This budget continues the programs at DOD, the Department of Veterans Affairs (VA), Congress, and the Army have made in meeting the needs of wounded, ill, and injured soldiers. In your authorization bill, you gave us additional authorities to hire needed medical personnel, to provide better health care for our wounded, and provide more help to family members who are supporting their loved ones. You gave us new authorities, resources, and the flexibility to allow soldiers and Army civilians to build and adapt a new outpatient care system to meet the ever-changing challenges of taking care of those who have borne the battle.

This budget continues to advance those initiatives, continues to address personnel shortages, improve facilities, and work to accomplish the seamless transition from DOD to VA for our soldiers returning to civilian life, and we will continue to grow our knowledge and improve the care and treatment of the invisible wounds of this war—post traumatic stress disorder (PTSD) and traumatic brain injury (TBI)—and better meet the needs of soldiers who suffer these wounds, and better support their families. The generous support of Congress last year has provided us resources to make great progress on this front, and we have much to do.

In 2008 and 2009, we will continue to transform Army contracting, under the leadership that we've received from the Gansler Commission. In this budget, we've looked to the future; we never want to send our soldiers into a fair fight. This budget continues our investment in the programs of tomorrow, our highest modernization priority, the Future Combat System (FCS), which will shape the Army of the future. It's spinning out technologies into to-

day's fight. The armed reconnaissance helicopters, unmanned aerial vehicles (UAVs), the light utility helicopter, and the joint cargo aircraft are all part of that future, and we thank you for your support.

This budget takes a major step forward in ensuring the long-term strength and health of our Army by moving the cost of 43,000 Active Duty soldiers from the supplemental into the base budget, and we have accelerated the 64,000-man growth in the Active Duty Army from 2012 to 2010, with a commitment that we will maintain recruit quality at no lower than the 2006 levels.

We are a Nation long at war, facing an era of persistent conflict. Our soldiers and families are stretched. We are an Army out of balance, and we are consuming our readiness as fast as we build it. But, our Army remains strong. It's stretched, it's out of balance, but it's resilient. Those who seek parallels with the hollow Army of the late 1970s will not find it. There are 170,000 young men and women who proudly join our Army every year, and 120,000 proudly re-enlist every year. They're volunteer soldiers, they're volunteer families, they're proud of who they are, and they're proud of what they do. We all are inspired by their service and humbled by their sacrifice.

Mr. Chairman, members of this committee, thank you for your ongoing support of our soldiers and their families, for the resources and authorities that you provide us every year. Thank all of you for traveling all over this globe to meet with soldiers, and expressing your appreciation to them for the job they're doing; that means a great deal to them. Thank you for your partnership in building this great American Army.

Thank you, Mr. Chairman.

[The joint prepared statement of Secretary Geren and General Casey follows:]

JOINT PREPARED STATEMENT BY HON. PETE GEREN AND GEN GEORGE W. CASEY, JR., USA

Our Nation has been at war for over 6 years. Our Army—Active, Guard and Reserve—has been a leader in this war and has been fully engaged in Iraq, Afghanistan, and defending the homeland. We also have provided support, most notably by the Army National Guard and Army Reserve, to civil authorities during domestic emergencies. Today, of the Nation's nearly 1 million soldiers, almost 600,000 are serving on active duty and over 250,000 are deployed to nearly 80 countries worldwide.

We live in a world where global terrorism and extremist ideologies threaten our safety and our freedom. As we look to the future, we believe the coming decades are likely to be ones of persistent conflict—protracted confrontation among state, non-state, and individual actors who use violence to achieve their political and ideological ends. In this era of persistent conflict, the Army will continue to have a central role in implementing our national security strategy.

While the Army remains the best led, best trained, and best equipped Army in the world, it is out of balance. The combined effects of an operational tempo that provides insufficient recovery time for personnel, families, and equipment, a focus on training for counterinsurgency operations to the exclusion of other capabilities, and Reserve components assigned missions for which they were not originally intended nor adequately resourced, result in our readiness being consumed as fast as we can build it. Therefore, our top priority over the next several years is to restore balance through four imperatives: Sustain, Prepare, Reset, and Transform.

The Army's strength is its soldiers—and the families and Army civilians who support them. The quality of life we provide our soldiers and their families must be commensurate with their quality of service. We will ensure that our injured and wounded warriors, and their families, receive the care and support they need to re-

integrate effectively into the Army or back into society. We never will forget our moral obligation to the families who have lost a soldier in service to our Nation.

We are grateful for the support and resources we have received from the Secretary of Defense, the President, and Congress. To fight the wars in Afghanistan and Iraq, transform to meet the evolving challenges of the 21st century, and to regain our balance by 2011, the Army will require the full level of support requested in this year's base budget and global war on terror request.

> "The U.S. Army today is a battle-hardened force whose volunteer soldiers have performed with courage, resourcefulness, and resilience in the most grueling conditions. They've done so under the unforgiving glare of the 24-hour news cycle that leaves little room for error, serving in an institution largely organized, trained, and equipped in a different era for a different kind of conflict. They've done all this with a country, a government—and in some cases a Defense Department—that has not been placed on a war footing." Secretary of Defense, Honorable Robert M. Gates, October 10, 2007, AUSA Annual Meeting

The Army—Active, Guard, and Reserve—exists to protect our Nation from our enemies, defend our vital national interests and provide support to civil authorities in response to domestic emergencies. Our mission is to provide ready forces and land force capabilities to the combatant commanders in support of the National Security Strategy, the National Defense Strategy, and the National Military Strategy.

While what the Army does for the Nation is enduring, how we do it must adapt to meet the changing world security environment. We are in an era of persistent conflict which, when combined with our ongoing global engagements, requires us to rebalance our capabilities. We do this remembering that soldiers, and the families who support them, are the strength and centerpiece of the Army. while our Nation has many strengths, in time of war, America's Army is the strength of the Nation.

STRATEGIC CONTEXT: AN ERA OF PERSISTENT CONFLICT

Persistent conflict and change characterize the strategic environment. We have looked at the future and expect a future of protracted confrontation among state, non-state, and individual actors who will use violence to achieve political, religious, and other ideological ends. We will confront highly adaptive and intelligent adversaries who will exploit technology, information, and cultural differences to threaten U.S. interests. Operations in the future will be executed in complex environments and will range from peace engagement, to counterinsurgency, to major combat operations. This era of persistent conflict will result in high demand for Army forces and capabilities.

TRENDS CREATING THE CONDITIONS FOR PERSISTENT CONFLICT

The potential for cascading effects from combinations of events or crises arising from the trends described below compounds the risk and implications for the United States.

GLOBALIZATION AND TECHNOLOGY

Increased global connectivity and technological advances will continue to drive global prosperity—yet they also will underscore disparities, such as in standards of living, and provide the means to export terror and extremism around the world. Globalization accelerates the redistribution of wealth, prosperity, and power, expanding the have and have not conditions that can foster conflict. The scale of this problem is evident in the projection that 2.8 billion people are expected to be living below the poverty line by 2025. While advances in technology are benefiting people all over the world, extremists are exploiting that same technology to manipulate perceptions, export terror, and recruit the people who feel disenfranchised or threatened by its effects.

RADICALISM

Extremist ideologies and separatist movements will continue to have an anti-western and anti-U.S. orientation. Radical and religious extremist groups, separatists, and organizations that support them are attractive to those who feel victimized or threatened by the cultural and economic impacts of globalization. The threats posed by Sunni Salafist extremists, like al Qaeda, as well as Shia extremists with Iranian backing, represent a major strategic challenge.

POPULATION GROWTH

The likelihood of instability will increase as populations of several less-developed countries will almost double in size by 2020—most notably in Africa, the Middle East, and South and Southeast Asia. The youth bulge created by this growth will be vulnerable to anti-government and radical ideologies and will threaten government stability. This situation will be especially true in urban areas in which populations have more than doubled over the last 50 years.

By 2025, urban areas with concentrations of poverty will contain almost 60 percent of the world's population.

RESOURCE COMPETITION

Competition for water, energy, goods, services, and food to meet the needs of growing populations will increase the potential for conflict. Demand for water is projected to double every 20 years. By 2015, 40 percent of the world's population will live in water-stressed countries. By 2025, global energy demands are expected to increase by 40 percent, threatening supplies to poor and developing nations.

CLIMATE CHANGE AND NATURAL DISASTERS

Climate change and other projected trends will compound already difficult conditions in many developing countries. These trends will increase the likelihood of humanitarian crises, the potential for epidemic diseases, and regionally destabilizing population migrations. Desertification is occurring at nearly 50,000–70,000 square miles per year. Today more than 15 million people are dying annually from communicable diseases. The number of people dying each year could grow exponentially with increases in population density and natural disasters.

PROLIFERATION OF WEAPONS OF MASS DESTRUCTION

The diffusion and increasing availability of technology increases the potential of catastrophic nuclear, biological, and chemical attacks. Many of the more than 1,100 terrorist groups and organizations are actively seeking weapons of mass destruction.

SAFE HAVENS

States that are unable or unwilling to exercise control within their borders create the potential for global and regional groups to organize and export terror. Territories under the control of renegade elements or separatist factions will challenge central government authority, potentially creating a base from which to launch broader security threats. The trends that fuel persistent conflict characterize the strategic environment now and into the future and will require integration of all elements of our national power (diplomatic, informational, economic, and military) to achieve our national objectives. The implication for the Army is the need to be modernized, expeditionary and campaign capable, and prepared to operate across the full spectrum of conflict.

CHALLENGES OF PROVIDING FORCES WITH THE RIGHT CAPABILITIES

The Army recruits, organizes, trains, and equips soldiers who operate as members of joint, interagency, and multinational teams. The Army also provides logistics and other support to enable our joint and interagency partners to accomplish their missions, as well as support civil authorities in times of national emergencies. Responding to the strategic environment and the national security strategy that flows from it, we are building an expeditionary and campaign quality Army. Our expeditionary Army is capable of deploying rapidly into any operational environment, conducting operations with modular forces anywhere in the world, and sustaining operations as long as necessary to accomplish the mission. To fulfill the requirements of today's missions, including the defense of the homeland and support to civil authorities, approximately 591,000 soldiers are on active duty (currently 518,000 Active component, 52,000 Army National Guard, and 21,000 Army Reserve). Forty-two percent (251,000) of our soldiers are deployed or forward-stationed in 80 countries around the world. Additionally, more than 237,000 Army civilians are performing a variety of missions vital to America's national defense. Of these, more than 4,500 are forward deployed in support of our soldiers.

Our current focus is on preparing forces and building readiness for counter-insurgency operations in Iraq and Afghanistan. Despite this current and critical mission, the Army also must be ready to provide the combatant commanders with the forces and capabilities they need for operations anywhere around the world, ranging from peace-time military engagement to major combat operations. Examples

of Army capabilities and recent or ongoing operations other than combat include the following:

- Supporting the defense of South Korea, Japan, and many other friends, allies, and partners
- Conducting peacekeeping operations in the Sinai Peninsula and the Balkans
- Conducting multi-national exercises that reflect our longstanding commitments to alliances
- Continuing engagements with foreign militaries to build partnerships and preserve coalitions by training and advising their military forces
- Participating, most notably by the Army National Guard, in securing our borders and conducting operations to counter the flow of illegal drugs
- Supporting civil authorities in responding to domestic emergencies, including natural disasters and threats at home and abroad
- Supporting interagency and multi-national partnerships with technical expertise, providing critical support after natural disasters, and promoting regional stability
- Supporting operations to protect against weapons of mass destruction and block their proliferation

It is vital that our Army ensures that units and soldiers have the right capabilities to accomplish the wide variety of operations that we will conduct in the 21st century. Continuous modernization is the key to enhancing our capabilities and maintaining a technological advantage over any enemy we face. We never want to send our soldiers into a fair fight.

Future Combat Systems (FCS) are the core of our modernization effort and will provide our soldiers an unparalleled understanding of their operational environment, increased precision and lethality, and enhanced survivability. These improved capabilities cannot be achieved by upgrading current vehicles and systems. FCS will use a combination of new manned and unmanned air and ground vehicles, connected by robust networks, to allow soldiers to operate more effectively in the complex threat environments of the 21st century. Maintaining our technological edge over potential adversaries, providing better protection, and giving our soldiers significantly improved capabilities to accomplish their mission are the reasons for FCS. FCS capabilities currently are being tested at Fort Bliss, TX. They are proving themselves valuable in the current fight and are being fielded to our soldiers in Iraq. FCS and their capabilities will continue to be integrated into the force over the next 20 years.

TWO CRITICAL CHALLENGES: RESTORING BALANCE AND FUNDING AN ARMY OUT OF BALANCE

Today's Army is out of balance. The current demand for our forces in Iraq and Afghanistan exceeds the sustainable supply and limits our ability to provide ready forces for other contingencies. While our Reserve components are performing magnificently, many Reserve component units have found themselves assigned missions for which they were not originally intended nor adequately resourced. Current operational requirements for forces and insufficient time between deployments require a focus on counterinsurgency training and equipping to the detriment of preparedness for the full range of military missions.

We are unable to provide a sustainable tempo of deployments for our soldiers and families. Soldiers, families, support systems, and equipment are stretched and stressed by the demands of lengthy and repeated deployments, with insufficient recovery time. Equipment used repeatedly in harsh environments is wearing out more rapidly than programmed. Army support systems, designed for the pre-September 11 peacetime Army, are straining under the accumulation of stress from 6 years at war. Overall, our readiness is being consumed as fast as we build it. If unaddressed, this lack of balance poses a significant risk to the All-Volunteer Force and degrades the Army's ability to make a timely response to other contingencies.

RESTORING BALANCE

We are committed to restoring balance to preserve our All-Volunteer Force, restore necessary depth and breadth to Army capabilities, and build essential capacity for the future. Our plan will mitigate near-term risk and restore balance by 2011 through four imperatives: Sustain, Prepare, Reset and Transform.

SUSTAIN

To sustain our soldiers, families, and Army civilians in an era of persistent conflict we must maintain the quality and viability of the All-Volunteer Force and the many capabilities it provides to the Nation. Sustain ensures our soldiers and their families have the quality of life they deserve and that we recruit and sustain a high quality force.

Goals for Sustain:

- Offer dynamic incentives that attract quality recruits to meet our recruiting objectives for 2008 and beyond
- Provide improved quality of life and enhanced incentives to meet our retention objectives for 2008 and beyond
- Continue to improve the quality of life for Army families by implementing the Army Family Covenant and other programs that: standardize services, increase the accessibility and quality of health care, improve housing and installation facilities, provide excellence in schools and youth services, and expand spousal education and employment opportunities
- Continue to improve care for wounded warriors and warriors in transition through a patient-centered health care system, Soldier and Family Assistance Centers, and improved Warrior Transition Unit facilities
- Continue to support families of our fallen with sustained assistance that honors the service of their soldiers

PREPARE

To prepare our solders, units, and equipment we must maintain a high level of readiness for the current operational environments, especially in Iraq and Afghanistan.

Goals for Prepare:

- Continue to adapt and enhance the rigor of institutional, individual, and operational training to enable soldiers to succeed in complex 21st century security environments
- Train soldiers and units to conduct full spectrum operations with improved training ranges to operate as part of a joint, interagency, or multinational force
- Provide soldiers the best equipment through the Rapid Fielding Initiative, the Rapid Equipping Force, and modernization efforts
- Partner with private industry to rapidly develop and field equipment needed on today's battlefield
- Continue to improve the Army Force Generation process which increases the readiness of the operating force over time by generating recurring periods of availability of trained, ready, and cohesive units

RESET

To reset our force we must prepare our soldiers, units, and equipment for future deployments and other contingencies.

Goals for Reset:

- Develop an Army-wide reset program that repairs, replaces, and recapitalizes equipment that our soldiers need
- Retrain our soldiers to accomplish the full spectrum of missions they will be expected to accomplish
- Revitalize our soldiers and families through implementation and full resourcing of the Soldier Family Action Plan (SFAP) and our warrior care and transition programs

TRANSFORM

To transform our force, we must continuously improve our ability to meet the needs of the combatant commanders in a changing security environment.

Goals for Transform:

- Help balance our force and increase capacity to provide sufficient forces for the full range and duration of current operations and future contingencies by growing as quickly as possible
- Upgrade and modernize to remain an agile and globally responsive force with FCS as the core of our modernization effort
- Continue organizational change through modularity and rebalancing to become more deployable, tailorable, and versatile

• Improve expeditionary contracting and financial and management controls
• Continue to adapt institutions and the processes, policies, and procedures, including business practices, to more effectively and efficiently support an expeditionary Army at war
• Complete the transition of the Reserve component to an operational Reserve and change the way we train, equip, resource, and mobilize Reserve component units
• Integrate Grow the Army initiative, Base Realignment and Closure (BRAC), Global Defense Posture Realignment, and the operation of installations and facilities to increase readiness, improve efficiency, and improve the quality of life for our soldiers, families, and Army civilians
• Develop agile and adaptive leaders who can operate effectively in joint, interagency, intergovernmental, and multi-national environments

COMPELLING NEEDS FOR SUSTAIN, PREPARE, RESET, AND TRANSFORM

To achieve balance through the four imperatives, the Army will require sustained, timely, and predictable base budget and global war on terror funding. The Army's compelling needs for fiscal year 2009 are:

SUPPORT AND FUND

• Recruiting and retention incentives and benefits to enable Active and Reserve components to meet end strength objectives and achieve Army standards for recruit quality
• Quality of life programs to sustain our soldiers' and Army civilians' commitment to serve and the continued support of our Army families
• Programs to help our wounded, ill, and injured Warriors in Transition to return to duty or to civilian life
• BRAC and military construction to execute the Army's global repositioning plan
• Operations and maintenance for air and ground operations, depot maintenance, base operations, and space and missile defense capabilities
• Leader training and development to make soldiers culturally astute and better able to integrate and complement the other elements of national power (diplomatic, informational, and economic)
• Efforts to develop technical and procedural solutions to defeat the threat of improvised explosive devices
• The Rapid Equipping Force
• Equipment repair, replacement, and recapitalization programs
• Retraining soldiers to execute their new and future missions
• Programs to revitalize our soldiers and families as they reintegrate after deployments
• End-strength growth of approximately 74,000 by 2010.
• Army modernization programs including FCS, aviation, Patriot PAC–3, LandWarNet, intelligence, logistics automation, and other advanced technologies
• Planned modular transformations in 2009—two Brigade Combat Teams and 13 support brigades
• Transformation of the Reserve components to an operational Reserve

"America's ground forces have borne the brunt of underfunding in the past and the bulk of the costs—both human and material—of the wars of the present. By one count, investment in Army equipment and other essentials was underfunded by more than $50 billion before we invaded Iraq. By another estimate, the Army's share of total defense investments between 1990 and 2005 was about 15 percent. So resources are needed not only to recoup from the losses of war, but to make up for the shortfalls of the past and to invest in the capabilities of the future."—Secretary of the Defense, Honorable Robert M. Gates, October 10, 2007, AUSA Annual Meeting

FUNDING CHALLENGES

Recruiting and retaining the most combat-experienced Army in our Nation's history require predictable and sustained funding. Sustaining this high-quality and professional All-Volunteer Force will not be possible without investing in and supporting our quality of life efforts and providing competitive pay and benefits. As a manpower-intensive organization, we will continue to spend the bulk of our funds

to sustain people and maintain vital infrastructure, but we also must maintain investment in equipment and technology required for future readiness.

To support our soldiers, the centerpiece of the Army, we must rebuild and recapitalize our equipment including vehicles and weapons systems, maintain readiness for current operational demands, and build readiness for future challenges. It takes years beyond the end of hostilities to complete rebuilding and recapitalizing equipment. The fact that the number of vehicles and weapon systems currently in Army depots are sufficient to equip five Brigade Combat Teams and one Combat Aviation Brigade demonstrates the importance of timely recapitalization and reconditioning.

THE FISCAL YEAR 2009 PRESIDENT'S BUDGET

The fiscal year 2009 President's budget requests $140.7 billion for the Army. This request and the amounts in the global war on terror request are necessary to support current operations, fight the wars in Iraq and Afghanistan, sustain the All-Volunteer Force, and prepare for future threats to the Nation. This year the President approved accelerating the end strength of the Army's Active component to 547,000 and the Army National Guard to 358,200 by 2010.

The Army Reserve will increase in size to 206,000 by 2013. This most significant increase in the fiscal year 2009 budget is the result of permanent end strength increases of 44,300 soldiers in two components: 43,000 in the Active component and over 1,300 in the Army National Guard. The Army's fiscal year 2009 budget includes $15.1 billion for all the costs associated with Grow the Army, which is an increase of $7.4 billion over the costs of this initiative in fiscal year 2008. This growth will enhance combat capabilities, help meet global force demand, and reduce stress on deployable personnel. Amounts requested by major appropriation category in the fiscal year 2009 President's budget as well as the change from the amounts enacted in fiscal year 2008 are:

MILITARY PERSONNEL

The fiscal year 2009 budget requests $51.8 billion, a $5.5 billion increase from fiscal year 2008. This includes $4 billion for Grow the Army, an increase of $3.4 billion over fiscal year 2008. This amount also funds pay, benefits, and associated personnel costs for 1,090,000 soldiers: 532,400 Active, 352,600 Army National Guard, and 205,000 Army Reserve. The global war on terror request will fund special pays and incentives and the mobilization of Reserve component soldiers.

OPERATION AND MAINTENANCE

The fiscal year 2009 budget requests $40.2 billion, a $3.6 billion increase from fiscal year 2008. This includes $2.6 billion for Grow the Army, an increase of $1.9 billion from fiscal year 2008. The increase funds training and sustainment of Army forces and includes the maintenance of equipment and facilities. The global war on terror request will fund the day-to-day cost of the war, training to prepare units for deployment, and the reset of forces returning from deployment.

PROCUREMENT

The fiscal year 2009 budget requests $24.6 billion, a $2 billion increase from fiscal year 2008. This includes $4.2 billion for Grow the Army, an increase of $100 Million from fiscal year 2008. This increase continues procurement of weapons systems for the Army to include the Non-Line of Sight Cannon, an FCS-designed system. The global war on terror Request will fund procurement of weapon systems to improve force readiness and replace battle losses and the reset of forces returning from deployment.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

The fiscal year 2009 budget requests $10.5 billion, approximately the same amount requested last year, but a $1.5 billion decrease in the amount appropriated in fiscal year 2008. The fiscal year 2009 request reflects a $100 million decrease to the FCS research, development, test, and evaluation as the programs transition to procurement.

CONSTRUCTION, BASE REALIGNMENT AND CLOSURE, AND ARMY FAMILY HOUSING

The fiscal year 2009 budget requests $11.4 billion, a $1.8 billion increase from fiscal year 2008. This includes $4.3 billion for Grow the Army, an increase of $1.9 billion from fiscal year 2008. The increase funds the construction of facilities to sup-

port the growth and restationing of Army Forces. The global war on terror request will fund construction in and around the Iraq and Afghanistan theaters of operation.

OTHER ACCOUNTS

The Army executes the Chemical Agents and Munitions Destruction Program. Funding for this account is stable at $1.6 billion in fiscal year 2008 and fiscal year 2009. The Army also has fiscal responsibility for the Iraq Security Forces Fund (ISFF), Afghanistan Security Forces Fund (ASFF), and Joint Improvised Explosive Device Defeat Organization (JIEDDO) appropriations. The Army budgets for recurring sustainment costs of JIEDDO with fiscal year 2009 at $500 million, an increase of $400 million from fiscal year 2008. The global war on terror request will fund JIEDDO initiatives. The ISFF and ASFF are funded entirely through the global war on terror request.

RESTORING FISCAL BALANCE

Timely and full funding of the Army's fiscal year 2009 request of $140.7 billion will ensure the Army is ready to meet the needs of the Nation and continue the process of putting us back in balance. However, it is important to note that over the last 6 years, the Army has received increasing proportions of its funding through supplemental and global war on terror appropriations. This recurring reliance on global war on terror funds and a natural overlap between base and global war on terror programs means that the Army's base budget does not fully cover the cost of both current and future readiness requirements. Because the global war on terror planning horizon is compressed and the timing and amount of funding is unpredictable, some base programs would be at risk if supplemental funding is precipitously reduced or delayed. An orderly restoration of the balance between base and global war on terror requirements is essential to maintain Army capabilities for future contingencies.

Our goals are to be good stewards of the resources we are provided by Congress and to free human and financial resources for higher priority operational needs. Through the use of innovations such as Lean Six Sigma we are improving support to our people while reducing waste and inefficiencies. Integral to achieving our goals is the development of an Army-wide cost-management culture in which leaders better understand the full cost of the capabilities they use and provide and incorporate cost considerations into their planning and decisionmaking. This approach will enable us to achieve readiness and performance objectives more efficiently. Concurrently, we are strengthening our financial and management controls to improve contracting in expeditionary operations and ensure full compliance with the law and regulations.

Our goal to improve long-term sustainability will be achieved through effective stewardship of human, financial, and natural resources. Some examples of our ongoing initiatives include:

- Adjusting our national and global footprint to improve efficiency and sustainability
- Transforming installations, depots, arsenals, and the information network that connects them to become more effective, energy efficient, and environmentally conscious
- Transforming the Army's training, structure, systems, and processes to better sustain and prepare the force
- Adapting our activities to protect the environment
- Our accomplishments over the past year further illustrate our commitment to improving efficiency and effectiveness throughout the Army.

ARMY ACCOMPLISHMENTS

- Initiated the Army Medical Action Plan to improve medical care for our wounded warriors
- Initiated the SFAP bringing to life the Army Family Covenant
- Initiated Soldier Family Assistance Centers throughout the Army to provide a single point of entry for families and wounded warriors for health care and related issues
- Recognized with the prestigious Malcolm Baldrige Award; the Army Armament, Research and Development Engineering Center is the only organization in the Federal Government to have received this honor
- Recognized for world-class excellence in manufacturing, the Army Materiel Command's depots and arsenals earned 12 Shingo public sector awards

- Formed the Army Contracting Task Force to review current contracting operations and then immediately began implementing improvements
- Converted approximately 10,000 military positions to civilian positions through the end of fiscal year 2007
- Privatized more than 4,000 homes, bringing the total to over 75,000 homes that are privately managed
- Reduced energy consumption on our installations through fiscal year 2007, achieving levels down 8.4 percent since 2003 and 28.9 percent since 1985
- Reset 123,000 pieces of equipment, including 1,700 tracked vehicles, 15,000 wheeled vehicles, 550 aircraft, and 7,400 generators
- Improved property accountability by providing Army wide visibility of 3.4 billion items valued in excess of $230 billion
- Destroyed over 15,000 tons of chemical agent contained in 1.8 million chemical munitions and containers
- Moved 10 million square feet of unit cargo in support of the global war on terror and humanitarian aid missions
- Merged the Joint Network Node program into the Warfighter Information Network-Tactical, resulting in better integration and cost savings
- Began fielding Mine Resistant Ambush Protected vehicles to units in Iraq
- Established the Army Evaluation Task Force and fielded first 'spin-outs' from FCS
- Developed the Automated Reset Management Tool to provide a collaborative integrated tool for equipment reset planning and execution of the Army Force Generation process
- Increased the rigor in training new soldiers by requiring graduates of basic training to be Combat Lifesaver certified
- Fielded Human Terrain Teams to assist commanders in gaining objective knowledge of a population's social groups, interests, and beliefs
- Employed National Guard soldiers worldwide who aided in seizing nearly 4,000 vehicles, approximately a million pounds of marijuana, and roughly 600,000 pounds of cocaine

While we are proud of these accomplishments, we continue to identify and pursue additional ways to improve our stewardship, efficiency, and effectiveness throughout the Army.

PRESERVING THE STRENGTH OF THE NATION

The Army has been at war for over 6 years. Our soldiers have demonstrated valor, endured countless hardships, and made great sacrifices. Over 3,000 soldiers have died and many more have been wounded. The awards our soldiers have earned reflect their accomplishments and bravery on the battlefield. Our Army families have stood shoulder-to-shoulder with their soldiers throughout these challenging times.

Our examination of the current and future security environments confirms the need to restore balance and build readiness across all components of the Army as quickly as possible. Four imperatives—Sustain, Prepare, Reset, and Transform—frame how the Army will restore balance by 2011 and begin to build readiness for the future. To accomplish our plan, we will continue to require timely and predictable resources and support.

The Army will remain central to successfully achieving U.S. national security objectives, particularly in an era in which operations will be waged increasingly among people in urban environments. As the decisive ground component of the joint and interagency teams, the Army operates across the full spectrum of conflict to protect our national interests and affirm our Nation's commitment to friends, allies, and partners worldwide. Our goal is a more agile, responsive, campaign-quality and expeditionary Army with modern networks, surveillance sensors, precision weapons, and platforms that are lighter, less logistics dependent, and less manpower intensive.

As we restore balance and build readiness for the future, we continue to invest in our centerpiece—soldiers—and the families that support them. Of the million soldiers in uniform, over half of them are married, with more than 700,000 children. The Army Family Covenant, the SFAP, and the Army Medical Action Plan are examples of our commitment to caring for our soldiers, families, and Army civilians in these challenging times. With the continued support from the Secretary of Defense, the President, and Congress for our legislative and financial needs, the Army will restore balance, build the readiness necessary in an era of persistent conflict, and remain the strength of the Nation.

Chairman LEVIN. Thank you, Secretary Geren.

General Casey?

STATEMENT OF GEN GEORGE W. CASEY, JR., USA, CHIEF OF STAFF, ARMY

General CASEY. Thank you, Mr. Chairman, Senator Inhofe, members of the committee.

The chairman mentioned the fact that the Secretary and I were here in November, and, really, with the exception of some of the returning surge forces, not much has changed in the last 90 days. That said, I'd like to re-emphasize some of the themes that the Secretary and I highlighted, but do it in the context of the fiscal year 2009 budget that we're presenting today.

As has been said, our country is in our 7th year of war, and our Army remains fully engaged on all fronts, both abroad and at home. I testified, in November, that I believed the next decade would be one of persistent conflict, a period that I described as a period of protracted confrontation among state, nonstate, and individual actors who are increasingly willing to use violence to achieve their political and ideological objectives.

I also described to you some of the global trends that I think will exacerbate and prolong this period: the double-edged swords of globalization and technology, doubling populations in developing countries, competition for resources, proliferation of weapons of mass destruction and safe havens in ungoverned spaces. I said that our Army must be versatile enough to adapt rapidly to the unexpected circumstances that will result, and that we are building an agile, campaign-capable, expeditionary force that we need for this uncertain future.

I also said that the cumulative effects of the last 6-plus years at war have left our Army out of balance, consumed by the current fight, and unable to do the things we know we need to do to properly sustain our All-Volunteer Force and restore our flexibility for an uncertain future.

Now, Mr. Chairman, I wrestled hard to find the right words to describe the state of the Army, because, as the Secretary said, it remains a hugely resilient, professional, and combat-seasoned force, but I think we all acknowledge that we are not where we need to be.

I said that we have a plan that will, with your help, restore balance to our force, and that we've identified four imperatives that we must accomplish to put ourselves back in balance: sustain, prepare, reset, and transform. Let me just say a few words about each.

First and foremost, we must sustain our soldiers, families, and Army civilians. They are the heart and soul of this Army, and they must be sustained in a way that recognizes their quality of service. The Secretary mentioned some of the initiatives we've taken. They will continue with your support.

Second, prepare. We need to continue to prepare our forces for success in the current conflicts. We cannot flinch from our commitment to provide them the training, the equipment, and the resources to give them a decisive advantage over any enemy that they face.

Third, reset. The harsh environments that we're operating in, and the frequent deployments, are taking their toll on our soldiers and their equipment. Reset is about returning our soldiers and our equipment to appropriate levels of readiness for future deployments and contingencies. In fiscal year 2007, you provided us the resources to begin properly resetting the force, and, as a result, we've made significant strides in restoring systems and capabilities to the force. In my mind, resources for reset are the difference between a hollow force and a versatile force for the future.

Lastly, transform. Even as we work to put ourselves back in balance, we must continue to transform our Army into the agile campaign-capable expeditionary force that can meet the security needs of the Nation in the 21st century. For us, transformation is a holistic effort to adapt how we train, modernize, develop leaders, station forces, and support our soldiers, families, and civilians.

To guide our transformation, we are releasing, this week, a new version of our capstone doctrine, field manual 3.0. This is the first revision of our capstone doctrine since 2001. It describes how we see the future security environment and provides a framework for Army forces to operate and succeed in that environment. It has five significant elements.

First, it describes the complex and multidimensional operational environment of the 21st century, where we believe we will increasingly operate and fight among the people.

Second, the manual elevates stability operations to the level of offense and defense, and describes an operational concept for full-spectrum operations, where Army forces simultaneously apply offense, defense, and stability operations to seize the initiative and to achieve decisive results.

Third, it emphasizes the commander's role in battle command and describes an intellectual process of developing solutions to complex challenges our forces will face.

Fourth, it emphasizes the importance of information superiority in achieving success in modern conflict.

Fifth, it recognizes that our soldiers remain the centerpiece of our formations and our ultimate asymmetric advantage.

Mr. Chairman, we believe that this doctrine will provide us a great start point from which to build on the experience of the past 7 years and to shape our Army for the future.

So, that's our plan: sustain, prepare, reset, and transform. The last 2 years, you've given us the funding to begin the process of putting the Army back in balance. This budget before you, the war on terror supplemental that will accompany it, and the balance of the fiscal year 2008 war on terror supplemental, will allow this process to continue. We appreciate your support, and I'd like to give you a few examples about how we've worked hard to put the resources you've given us to good use.

First, we've made great strides in the Army Medical Action Plan to provide better care for our wounded soldiers.

Second, we've initiated an Army Soldier Family Action Plan to bring life to our Army Family Covenant to improve the quality of life for soldiers and families.

Next, we are over 60 percent complete with the modular conversion of our units. This is the largest organizational transformation

of the Army since World War II. We're also over 60 percent complete with our conversion of our 120,000 soldiers from skills that were needed in the Cold War to ones we need for the 21st century. We've reset over 120,000 pieces of equipment. We've privatized more than 4,000 homes, bringing the total of privately managed homes to over 80,000. The depots in our Army Materiel Command had been recognized by commercial industry for efficiency 12 times. There's a Shingo Award that industry gives for efficiency, and our depots have won 12 of those in the last year. So, as you can see, with your help we're not sitting still, and we're moving out to give the Nation the Army it needs for the 21st century.

Now, let me just close with some thoughts on quality.

I was in Alaska right before Christmas, and I was asked to present a Distinguished Service Cross to Sergeant Greg Williams. Sergeant Williams was on a Stryker patrol in Baghdad in October 2006. His patrol came under attack from three directions and with an explosively formed penetrator array. Those are those very lethal armor-penetrating improvised explosive devices. He was knocked out. He awoke to find his Stryker on fire, to find his legs on fire, and his eardrum burst. He put out his flames, and his first reaction was to grab the aid bag and start treating his fellow soldiers, under fire. He realized that the lieutenant was still in the burning vehicle. He went back in the burning vehicle and dragged the lieutenant to safety. Continuing to fire at the enemy, he realized that no one was manning the .50 caliber machine gun on top of the Stryker. He returned to the burning vehicle a second time, a vehicle that still contained over 30 pounds of explosives and detonating cord. He got on the .50 caliber, brought the weapon to bear on the enemy, broke the ambush, and the squad was extracted.

That's the kind of men and women that we have in your Armed Forces today, and you can be extremely proud of the job that they're doing all around the world.

That said, it will require more than the courage and valor of our soldiers to ensure that our Army can continue to protect this country in an era of persistent conflict. It will require recognition by national leaders, like yourselves, of the threats and challenges that America faces in the years ahead. It will also require full, timely, and predictable funding to ensure that our Armed Forces are prepared to defeat those threats and to preserve our way of life.

Thank you very much.

Chairman LEVIN. Thank you so much, General.

Let's try a 5-minute round of questions. It's very short, but we have five votes coming up, and I'm afraid it's necessary to hop, skip, and jump a bit. So, let's have a first round of 5 minutes.

According to the current model for planning the rotations of units into and out of Iraq and Afghanistan, the Army's assertion is that it can reduce the time deployed, from the current 15 months, as was necessary to support the surge at the beginning of last year, back to the pre-surge 12 months per rotation. Let me ask you, Secretary or General, either one, when are you going to return to the 12-months deployment? What assumptions, relative to drawdown, do you make in the answer which you give to that question?

Secretary GEREN. Let me begin, but then I'd like to ask General Casey. We've been working on this together, and I think that he could provide more details on the analysis.

We can't say, with certainty. It is a top priority for our Army. We know 15-month deployments are too long, and we know that we cannot continue to sustain the readiness that we need to build in this Army if we aren't able to extend the dwell time. Everyone in the Army understands this challenge, the importance of it, and we're working to shorten the deployment times and lengthen the dwell times.

Chairman LEVIN. What is your goal? Do you have a goal for when you're going to reach 12 months, in terms of deployment, and what you need to do, in terms of drawdown of deployments, in order to achieve that goal? You must have a goal.

Secretary GEREN. We have a goal, but so much depends upon the demand from theater, and we don't control that, obviously.

Chairman LEVIN. Is there a timetable for it?

Secretary GEREN. This summer, we'd like to see us be able to put ourselves on track to get our deployments and our dwell time in a one-to-one ratio.

Chairman LEVIN. Okay, now what would have to come from the theater, in terms of drawdown, in order for you to reach 12 months; by when? Put it in shorthand for us. You have to draw down to what level in order to get to 12-month deployment.

General CASEY. In shorthand, Senator, if General Petraeus is able to execute the announced plan of getting to 15 brigades by July, it would be our goal, at that point, to return to 12-month versus 15-month deployments.

Chairman LEVIN. All right. If that pause that he says he favors continues, say, for 6 months, would you be able to continue that 12-month deployment?

General CASEY. You asked what assumptions we make.

Chairman LEVIN. Yes.

General CASEY. If the brigade levels stay at 15 brigade combat teams, we believe it will still be possible, even with a pause, to go from 15 brigades to 12 brigades. That's our goal.

Chairman LEVIN. Fifteen months.

General CASEY. I'm sorry, yes.

Chairman LEVIN. Yes, 15 months.

General CASEY. Fifteen months to 12 months. Thank you.

Chairman LEVIN. That's regardless of the length of the pause.

General CASEY. Yes. As long as we get to 15 brigades.

Chairman LEVIN. Even if we stay at 15 brigades.

General CASEY. Even if we stay.

Chairman LEVIN. All right.

I want to talk about stop loss. How many soldiers do you expect that the Army's going to retain under stop-loss authority at the end of fiscal year 2008?

Secretary GEREN. We currently have a little less than 8,000 on stop loss today. Our goal is to get rid of stop loss as a force management tool. That also will depend upon what happens in theater. If we get down to 15 brigades, for every brigade that is reduced, we're able to reduce stop loss further. DOD, the Department of State, and the leadership of the Army all committed to utilizing

stop loss as seldom as possible. Right now, it's less than 8,000. Without some remarkable change, it'll probably be around that at the end of the fiscal year.

Chairman LEVIN. If we stay at 15 brigades?

Secretary GEREN. It might get as low as 7,000, but we don't expect it to go much lower than that over the course of this fiscal year.

Chairman LEVIN. All right. Last October, General, the Army requested $123 million to build Warrior Transition Unit and Soldier Family Assistance Center facilities. Our authorization conference fully funded that request. Now, the Army has identified requirements for a substantial increase in the number of, and the funding required for such facilities for fiscal year 2009, but there's no funding in the budget request for those facilities, and there's no request for assistance for wounded warriors or families on the unfunded requirements letter that you've provided to us. I'm wondering why that is true. General?

General CASEY. We have made great use of the funds that you've provided there, in building 35 Warrior Transition Units around the country. I visited one in Alaska last week, and am very impressed with the quality of what we're doing.

As for the additional funding in the 2009 base program, I was under the impression that we did have money in there for Warrior Transition Units. The exact number escapes me right now.

Chairman LEVIN. My understanding is, there isn't. If there isn't, should there be?

Secretary GEREN. We have used the supplementals to respond to many of the wounded warrior needs, Senator, and that is among the areas that we're looking to move into the base budget, ultimately; but, right now, since they are wounds of war and they are a response to the casualties of war, we are funding much of that in the supplementals. When we look at programs that we're going to need to move from the supplemental to the base, that is one of them.

Chairman LEVIN. So, we can expect that's going to be part of the supplemental request if it's not in the budget?

Secretary GEREN. Yes, sir.

[The information referred to follows:]

Over the last year and with Congress' support, we have rapidly improved care for our wounded warriors. We requested much of this funding in global war on terror supplemental because of our need to respond immediately. With Congress' assistance, we are operating and building facilities to support 35 Warrior Transition Units. Our fiscal year 2008 global war on terror supplemental request includes $300 million for this purpose. Once Congress completes its budget deliberations, we will be able to proceed with the construction portion ($138 million) of these important projects and finalize our remaining requirements for the fiscal year 2009 global war on terror supplemental. In the long-term, timely and predictable funding is critical to ensure quality care for our wounded warriors. Starting with fiscal year 2010, we plan to include Army Medical Action Plan requirements in our budget request.

Chairman LEVIN. Thank you.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

Secretary Geren, you and I were both serving together in the House in 1994, and you've heard me make this statement before about the witness that appeared before the House Armed Services

Committee and projected that, in 10 years, we'd no longer need ground troops. That was 1994; I think what that does is emphasize that, no matter how smart we are and how many smart generals we have around us, if you try to project out 10 years, you're going to be wrong. Right now, we're negotiating a war and you're fighting it, having started after we reduced the number of divisions and resources that we had. It looks like what you're saying in your testimony this morning is that this budget is going to allow us to do that. Is that your feeling now, that you can hold on with this budget and also address the four things that you mentioned, General Casey, the sustain, prepare, reset, and transform?

Secretary GEREN. I think we would agree, today, that we cut the Army way too much. This Army is about 40 percent the size that it was 35 years ago. In this budget and over the program objective memorandum, we're not only growing the Army, we're growing the Army faster than we planned. Our plan is to add 74,000 soldiers to the Active Army and 65,000 to the Guard and Reserve. With this budget, we're moving the growth of the Active component up from 2012 to 2010, so we'll have completed that growth by then. So, we're going to have more soldiers. As the chief mentioned, it's not just a question of more soldiers, it's moving soldiers from low-demand, high-density military occupational specialties (MOSs) to high-demand, low-density. We are in the process of moving 120 soldiers out of their old MOSs into new MOSs. For example, the Reserves are getting 1,000 new soldiers under this Grow-the-Reserves plan, but they're going to, at the end of their transformation, have 17,000 more soldiers that are going to be available to the operational Army. So, it's growing the Army, but it's also transforming the Army, making sure that we have soldiers that can do what the demands of the future require.

Senator INHOFE. General Casey, when you used your, for example, sustain, repair, reset, and transform, you weigh them all about the same, don't you? Equal emphasis?

General CASEY. Senator, I would weight "sustain," taking of and retaining our soldiers, as a little heavier than I would the others but the others are equally important.

Senator INHOFE. I guess what I'm getting at is, the problem normally is whatever is bleeding the most is going to get the most attention. That usually leaves transformation out, or moves it back. I'm very proud that you've been able to keep that where it is. I'd like to have you both comment on the current status of the FCS and how optimistic you are that you're going to be able to stay on schedule with that system.

Secretary GEREN. The cuts that we have taken in the program over the last 3 years will result in a delay. We're estimating now that it'll delay the program 7 months. We had expected to build eight of the non-line-of-sight (NLOS) cannons this year, we're going to build five this year, three the next. So, the changes in the FCS budget have affected the calendar, but we do believe that we're going to be able to stay on track and bring this program into the service of our soldiers.

There's been a lot of questions about its affordability, but if you look at the $160 billion over the life of the FCS program, at no point does it get to be more than a third of research and develop-

ment (R&D) and acquisition budget. So, our R&D budget is a fourth of our Army budget. At no point does it get more than a 12th of our Army budget. We believe it's affordable, and we believe it's an investment that we have to make.

Senator INHOFE. General Casey?

General CASEY. If I could, thank you.

You mentioned in your opening comments about some decisions that were made in the 1990s that resulted in the force that we had on September 11. If we think back to the 1990s, we were looking at what we thought was going to be a very peaceful future.

Senator INHOFE. Yes, I remember the peace dividend, yes.

General CASEY. The lesson that I take from that is, you have to continue to look for the future. We believe that the FCS is exactly the full-spectrum system that we need for our future. In fact, when you look at this manual, you'll see that the things, like precision intelligence-collection abilities and precision effects that are required in full-spectrum operations in the 21st century, are exactly the kind of systems that the FCS will bring to us.

This year is the year that you will be able to see some of the things that, up to now, you've only seen on slides. Last week, I visited Fort Bliss, TX, where we have an Army brigade that is actually testing some of the initial components of the FCS. There will be a limited user test this summer. You will also see the first prototype of the man-ground vehicle in June. So, this is going to go from the slides to reality, here, and I think you will be able to see them, and see the power of what we're trying to create.

Senator INHOFE. I appreciate that. My time has expired, but I have this very strong feeling, as I talk to people around the country, that there are expectations that if our kids are going to go to war, they ought to have the best there is out there, and currently, they don't. We are deficient in some areas. You mentioned the NLOS cannon. That's one area where, it's my understanding, there are actually five countries, including South Africa, that make a better NLOS cannon than we have. That's something we want to correct, as difficult as it is while we're negotiating war, and I applaud you for your being steadfast in that area.

Chairman LEVIN. Thank you very much.

The votes have begun. Senator Reed is next, and then I would ask Senator Reed, when he's done, whoever's here, to identify them, if you would. Senator Lieberman, if you'll take this overall charge.

Senator REED [presiding]. Thank you very much, Mr. Chairman.

Thank you, gentlemen, for your service.

Last Sunday, I think many people woke up and read a very intriguing article in the New York Times magazine about a battle that a company of the 173rd Airborne Brigade had in Afghanistan. One of the things that struck me is a passage which I'll read, "One full-moon night, I was sitting outside a sandbag-reinforced hut with Kearney," Captain Dan Kearney, a great young company commander, airborne, "when a young sergeant stepped out, hauling the garbage. He looked around in the illuminated mountains and dust and rocks, the garbage bins. The monkeys were screaming. 'I hate this country,' he shouted, then he smiled and walked back into the hut. 'He's on medication,' Kearney said quietly to me. Then another

soldier walked by and shouted, 'Hey, I'm with you, sir.' Kearney said to me, 'Prozac, serious PTSD from the last tour.' Another one popped out of the headquarters, cursing and muttering. 'Medicated,' Kearney said. 'Last tour, if you didn't give information, he'd burn down your house. He killed so many people, he's checked out.' "

I find it disturbing that we have soldiers that are suffering, and again, this is a snapshot of one unit in one very difficult situation, but soldiers appear to have serious psychological problems, that are taking antidepressants and are in combat operations on a daily basis. Does that undercut a lot of this rhetoric about how we're doing great, the Army's fine, we just need a little more resources?

General CASEY. Senator, I don't think either the Secretary or I said that everything's great and the Army's fine. I think, just to the contrary, we said that we are stretched. I think what you're seeing is the impact of repeated tours in a brutal combat environment. We all understand the impact and the toll that takes on our soldiers and on our leaders.

Now, I trust our junior leaders, supported by their medical health professionals, to make individual judgments about the soldiers in their units. Clearly what you read there is troubling.

Senator REED. I can recall, we were both in command of companies, and I, in a benign environment, was not faced with those types of leadership challenges, as portrayed here, of significant and multiple situations of young soldiers who have serious mental health problems. It seems to be that this is not a reaction to their first exposure to combat. As you point out, General, this is because they're being repeatedly cycled through combat. I think, in other circumstances, these young men would have been evacuated, or certainly not sent back into the zone. That, I think, underscores what you've said is not only overstretched, but, in fact, stretched, in some cases, beyond the capacity of individual soldiers.

General CASEY. Yes, Senator, I don't know the specifics of this particular unit, but I think you know that we have started, last summer, a very concerted effort to reduce the stigma that people attach to seeking assistance for PTSD and other mental health problems, and to inform our subordinate leaders so that they can help in diagnosis. We have trained over 800,000 of our soldiers in that, and we're starting to see a reduction in the stigma and people willing to come forward and get treatment, because, as our research has shown us, the sooner we get soldiers into the system, the more likely they are to make a full recovery.

Senator REED. There's another quote I think is important in this article by Sergeant Erick Gallardo of the unit, "we don't get supplies, assets. We scrounge for everything and live a lot more rugged, but we know the war is here, we have unfinished business," which I think speaks to the ethic of these young soldiers to carry on, but also raises a question of, do they have everything they need? We're not just talking about the new, fancy FCS, we're talking about the basic equipment to carry out the job they're doing now. I think I would be disturbed; are you disturbed? When young soldiers and noncommissioned officers (NCOs) are talking about, "we don't have everything we need."

General CASEY. Senator, I go out to the theater, just like you do, and I ask everybody I talk to, "Do you have what you need?" I called both General Rodriguez, who's the commander in Afghanistan, and General Austin, who's the commander in Iraq, yesterday, and I asked them, "Do you have supply problems? Do you have shortages?" Their answer was, "There's no systemic shortages, and they're at their stockage levels." Now, at the platoon level, can there be spare-part shortages? Sure. But I know that the logistical systems between Afghanistan and Iraq are well-established, and we can usually take care of shortages in a relatively short period of time.

Senator REED. My time is expired. I want to recognize Senator Chambliss. But, just a question for the record or for contemplation. When Secretary Gates was here just a few weeks ago, and I asked him about the status of FCS, he said, rather candidly, "I don't see how the Army could ever fund this system going forward." He's someone that I think we all respect, and he happens to be your boss. So, I think you have a problem, if the Secretary candidly and honestly feels that he can't fund FCS, and you're talking about this all coming to balance in 2011. I'll try to come back for a response, but I want that on the record, at least.

General CASEY. I can give you a short one here, that I've talked to Secretary Gates after he made that statement, and he indicated he has no basic problems with the program. As he said, he supports the spinout part of the program. But, as with anyone faced with, as the case you posed, the inevitability of reductions in resources, you have to look at a $162 billion program.

Senator REED. Thank you, Mr. Secretary.

Senator Chambliss.

Senator CHAMBLISS [presiding]. Thank you, Senator Reed.

Gentlemen, first of all, as always, thanks for your great service to our country. We appreciate both of you.

I was pleased to see both of you focus on the issue of wounded warriors in your opening statement, and also pleased to see the accomplishments and progress the Army has made in treating wounded warriors, caring for the families, and ensuring that the deployment reintegration process is as seamless as possible.

Secretary Geren, you were here a couple of weeks ago, when we had the hearing on wounded warriors, and I asked about the ongoing cooperation between Fort Gordon, the Augusta VA, and the Medical College of Georgia in relation to caring for wounded warriors, and I appreciate Lieutenant General Schoomaker's comments about the success of that collaboration. He deserves an awful lot of credit, and I probably didn't say enough about him that day, but he really did a great job when he was at Eisenhower relative to this issue, and he, frankly, gave a lot of credit to the farsighted vision of the people of the Augusta community for seeing a need for that partnership and making it work.

Now, as we go forward regarding how the Army treats its wounded warriors and works to rehabilitate them either back into the Army or successfully into civilian life, how can the private sector participate with you in this regard? How can we help you? What kind of expertise, training, or resources might you be able to use

from the private sector that would assist you in ensuring your wounded warriors receive the best treatment possible?

Secretary GEREN. Thank you and I'll pass along your kind words about General Schoomaker. He certainly did an outstanding job there, and he's doing an outstanding job as the Surgeon General for the Army today in a very challenging time. That collaboration between VA and the DOD at Fort Gordon and Eisenhower is outstanding, and it's one of the models that we look to, to emulate around the force. The community down there does an outstanding job supporting the military and VA, and we appreciate, very much, all they do.

There are many areas that we have to look to the private sector to address challenges that come with meeting the needs of wounded, ill, and injured warriors. Last year, Congress gave us $900 million in the area of TBI and PTSD work. Much of those funds will be invested with outside research efforts in order to increase our knowledge in those areas, so we will look to the outside community for research. Our health care system today depends on TRICARE, and TRICARE depends on the private sector, and that is one of the great challenges we have across the system. Many of our Army installations are in rural areas, they have certain medical specialties that are underserved in those areas, and we have a challenge in many of these rural communities, particularly in the area of mental health care, and we need to look long and hard at the TRICARE system and our system of supporting mental health needs within the Army to figure out a good way ahead that meets this need of our soldiers and their families.

Certainly, research is an area that the private sector will be a full partner. We have shortages throughout our system in the areas of mental health; we have shortages in nursing; we have shortages in dental care, and dental professionals as well. So, with the authorities you have given us, we are working with the private sector to try to meet these shortages. But, for us to be successful in meeting the healthcare needs of our soldiers, it will require a full partnership with the private sector.

Senator CHAMBLISS. I applaud you for taking giant steps and trying to make sure that these brave young men and women are getting the treatment they need when they come back, and we look forward to continuing to work with you in that respect.

I think I'm going to have to go vote. I guess we'll be in recess, subject to the call of the Chair.

Secretary GEREN. All right. Thank you. [Recess.]

Senator COLLINS [presiding]. The committee will be in order.

At the suggestion of the chairman, we're rotating back and forth between the votes, and so, I'm going to proceed quickly with my question at this time. If someone else comes back, I'll turn over the gavel. It's nice to temporarily have the gavel.

General Casey, the inadequate size of our Army has caused repeated and extended deployments for our troops, and this is a matter of great concern to all of us. You've talked this morning about the tremendous strain on our troops and their families. Another consequence of the inadequate size of our Army has been an unprecedented reliance on private security contractors in a war zone. Do you think that we have become over-reliant on private security

contractors to perform tasks, in a hostile environment, that traditionally have been performed by our troops?

General CASEY. I would not say, Senator, that we are overly reliant, as you suggest. In the 1990s, as we discussed earlier, some decisions were made to reduce the size of the Army from 780,000 down to around 482,000. As a result of that, we recognized that we would have to rely on contractors, primarily for logistics, but also for security.

My recollection is that DOD is relying on about 7,000 security contractors in theater right now. To me, that does not seem to be an inappropriate number, and the tasks they are performing, usually of providing individual or close-in security, are something that probably they could do better than our soldiers, and our soldiers can best be put to counterinsurgency-type operations.

Senator COLLINS. Secretary Geren, the same question for you. Are you satisfied with the balance between having military personnel, versus private security contractors, in Iraq and Afghanistan, or do you believe that we've become too dependent on private security contractors, who are, for the first time, performing tasks that traditionally have been performed by our men and women in uniform?

Secretary GEREN. We have to allocate our soldiers and our contract resources according to the priorities of where each could serve best. It's not just private security contractors, but we've seen a tremendous growth in the number of private contractors that support a deployed Army. In Iraq and Afghanistan, we have close to 200,000 contractors. I think that's just a reality of the kind of Army we are today. When we deploy today, we will be roughly half in uniform and half out. As we've shrunk the size of the Army, we've had to look to contractors to provide many of the support functions that have traditionally been handled by soldiers. But, if the choice is between putting a soldier in one of those contract functions or putting a soldier out, fighting the counterinsurgency war, I think we're making the better choice.

Senator COLLINS. The reason that I'm focusing particularly on the private security contractors is, unlike contract employees who are engaged in logistics, they are far more likely to be involved in a hostile incident; and, indeed, there have been several controversial cases in Iraq where private security contractors have been involved in firefights, and in some cases, have killed Iraqi civilians. Whether unprovoked or not is being investigated, even as we speak.

Let me ask you a different question, then, General Casey. Are you confident that we have a clear legal authority to deal with private security contractors who may have killed Iraqi civilians without justification?

General CASEY. Senator, I cannot say that I am confident. I don't know the specifics of the agreement that was worked out between General Petraeus and the Ambassador. I know that they were working very hard to ensure that we could exercise appropriate jurisdiction over any contractor that committed, really, any offense that was punishable under the Uniform Code of Military Justice (UCMJ).

Senator COLLINS. Doesn't the fact that that agreement did not previously exist suggest that the framework for dealing with such cases was legally tenuous or ambiguous?

General CASEY. Again, I can't speak to that. I think, as you suggest, the increasing reliance on contractors has caused us to expand what we needed to do to deal with them, and it was a learning experience, and I think we have continued to grow in our knowledge of what it takes to effectively exercise control over contractors.

Senator COLLINS. General Casey, I am going to have to go return to the floor, but, in fact, there was not such a framework worked out while you were the commanding officer in Iraq, was there?

General CASEY. That's true. That's true. I had jurisdiction over the DOD contractors; the State Department had jurisdiction over theirs.

Senator COLLINS. According to an investigation that the Homeland Security Committee has done, in some cases the only penalty for a contract employee was to be just given an airline ticket home. Does that trouble you?

General CASEY. I don't know that that is the case in every situation. I know that there were some contractors under our authority who were, in fact, punished. I certainly cannot say whether that was the case for all contractors operating in Iraq.

Senator COLLINS. My time has expired, but I would just suggest that another consequence of having too small a military force, in addition to the one that concerns us most, which is the tremendous strain that repeated deployments and extended deployments imposes on our troops, our families, and in the case of the National Guard, the employers, as well. Another consequence has been a need to rely on private security contractors who are not under the UCMJ, necessarily, or who are not subject to the kinds of legal constraints and chain of command that military personnel are under. I think that's been a real issue.

Thank you, Mr. Chairman.

Chairman LEVIN [presiding]. Thank you very much, Senator Collins.

Senator Lieberman.

Senator LIEBERMAN. Thanks very much, Mr. Chairman.

General Casey, Secretary Geren, thanks for being here. Thanks for the extraordinary service you and over a million Americans who serve under you give our country. We're placing enormous demands on you, and, in my experience and review, the Army is meeting those demands with excellence, with honor, and with a lot of bravery, and, as a result, we're succeeding in places where it's not easy to succeed. So, I thank you for that.

As you well know, in the nature of the process we go through on the budget, the administration presents the budget, and then we have a responsibility to independently evaluate, consider the threats and demands that we face, and then authorize to a level that we think meets those threats and demands. I want to focus on Army personnel, because, obviously, all the concern you've heard expressed here and elsewhere, about the 15-month tours of duty, is a result of the fact that we have fewer people in the Army than we should have, in my opinion. This fiscal year 2009 budget funds

positions up to what number, Mr. Secretary? In the Active Army, that's what I want to focus on.

Secretary GEREN. In this budget, we add 43,000 soldiers, which had been in the supplemental, into the base budget. Today, we have 523,000 soldiers on Active Duty. At the end of the fiscal year, we'll have 534,000 on Active Duty.

Senator LIEBERMAN. Okay. So, let me ask you this question, just to enable us to go through the process that we have a responsibility to go through. I want to ask both of you to answer this. Knowing what you know about the demands we face today, what your ideals would be, and what other demands and threats we may face around the world, leaving aside the very relevant, but I want to ask you to leave it aside, question of resources and budgeting, how large do you think the Army should be?

General?

General CASEY. That's hard to leave the budget out of that discussion.

Senator LIEBERMAN. I know, but I want to give both the committee and, frankly, the American people, some sense, though the budget is high, that——

General CASEY. What I have said in the past, Senator, is, we have a plan to increase the size of the Active Force by 65,000.

Senator LIEBERMAN. So, that would bring us to 547,000.

General CASEY. That's the 547,000 that we're building to now.

Senator LIEBERMAN. You've accelerated, and I appreciate it, the pace at which we're going to do that, and we're doing it.

General CASEY. That's correct.

Senator LIEBERMAN. In other words, the original was over 5 years.

General CASEY. It was going to go out through 2012 and, as the Secretary said, we accelerated the growth until 2010.

Senator LIEBERMAN. Right.

General CASEY. The purpose of that was to, again, take and reduce some of the stress on the force.

Senator LIEBERMAN. Sure. So, that's 547,000 by 2010.

General CASEY. That's correct.

Senator LIEBERMAN. Okay.

General CASEY. Now, the question really then goes to: for what? What size Army do you need for what? The next question, I think, for the Active Army, particularly is: what is the access to the Guard and to the Reserve?

Senator LIEBERMAN. Right.

General CASEY. We feel that to sustain the Guard and Reserve, a deployment ratio of about 1 to 5, 1 year out, 5 years back, is sustainable. They're operating at about 1 to 3½ right now.

Senator LIEBERMAN. One to 3½. Right.

General CASEY. So, my strategy has been, let's get to 547,000.

Senator LIEBERMAN. Right.

General CASEY. Let's build that quality force, and let's continue what we're doing to increase the size of the Guard and Reserve, and then let's reassess, and let's have a discussion and a debate about how big the Army should, in fact, be.

Senator LIEBERMAN. So, you're not prepared to give a number about what your goal would be now.

General CASEY. No, I don't think so, Senator. If you're looking for broad parameters with the folks that are mobilized, there's around 600,000 people on Active Duty today.

Senator LIEBERMAN. So perhaps the goal there would be to have 600,000 on Active Duty.

General CASEY. I don't necessarily think so, because you go back to the question you don't want to discuss. The worst thing I believe we could do, Senator, is to build a force that wouldn't be the quality of this force. I came into a hollow Army, and I really don't want to go out of a hollow Army.

Senator LIEBERMAN. No, absolutely. That's exactly the point. I've been reading the things that others have said, including your predecessor, General Gordon Sullivan, he did a slightly larger universe, but he said the Army and Marines and Special Operations Forces ought to hit a total of 750,000. Let me put it a different way. The 750,000 is the current goal. General Sullivan talked about possibly hitting a million. I take your answers, and I'm not going to push you any further to say to me, and I'll say what I believe, myself, that the current goal of 547,000 is not enough, and we're going to have to come back, as we go on to meet the threats that we need to meet, and to do it with people who are capable to defend our security.

Secretary Geren, my time is up, but I don't know if you want to add anything to what General Casey has said on this subject.

Secretary GEREN. When we consider the size of the Army, a big part of our effectiveness in the future is going to depend upon how good a job we do in operationalizing the Guard and Reserve. Our Army Active Duty is only about half of the total end strength of our military today.

Senator LIEBERMAN. Right.

Secretary GEREN. You have the same number of people in the Guard and Reserve as you do in the Active Duty. Our Reserves, over the course of this growth, are going to add 1,000 soldiers, but through transformation, they're going to be able to move 17,000 more soldiers into their operating force. So, there are a lot of variables as we look to what the right mix should be and what the right size should be. I think our most prudent course of action is to achieve the growth that we have on the books now, continue to work the transformation, move folks into MOSs that are in high demand, look at how effectively we can operationalize the Guard and Reserve, and then assess where we are, and then make a decision on whether or not it's an Army that meets the needs of the future.

Senator LIEBERMAN. The dialogue will continue. Thanks very much.

Chairman LEVIN. Thank you, Senator Lieberman.

I want to pick up, first, on a question that Senator Collins asked about under what law State Department contractors in Iraq are operating. I think it's important that we have a clear answer for the record. I understand that there's an effort now to negotiate an agreement with the Iraqi Government. That's not what I'm referring to. I don't think that's what Senator Collins was referring to either because she was talking about until now, what is the law

that governs contractors hired by the State Department who allegedly have committed crimes? We need to know that for the record.

Secretary GEREN. Let us get back to you for the record.

[The information referred to follows:]

GENERAL COUNSEL OF THE DEPARTMENT OF THE ARMY
WASHINGTON D.C. 20310-0104

MAR 3 1 2008

Honorable Carl Levin
United States Senate
Washington, DC 20510

Dear Senator Levin:

I have been asked to respond on behalf of the Secretary of the Army Pete Geren to questions posed to him during his February 26, 2008 testimony before the Senate Armed Services Committee concerning United States law applicable to State Department contractors alleged to have committed crimes outside the United States.

Among the authorities available to address alleged misconduct by contractor personnel are the Military Extraterritorial Jurisdiction Act of 2000 (MEJA) (18 U.S.C. § 3261 *et seq.*) and the Uniform Code of Military Justice (UCMJ) (chapter 47 of title 10, United States Code).

Generally, MEJA provides federal jurisdiction for felony-level crimes committed outside the United States by DoD contractors (including subcontractors at any tier) and the employees of a DoD contractors (including subcontractors at any tier). In 2004, MEJA was expanded to include contractors, subcontractors at any tier, and the employees of contractors (including subcontractors at any tier) from "any other Federal Agency . . . to the extent such employment relates to supporting the mission of the Department of Defense overseas." Where the employment of Department of State or other agency contractors is not related to supporting the mission of the Department of Defense overseas, MEJA jurisdiction would not be available.

Section 552 of the John Warner National Defense Authorization Act for Fiscal Year 2007 (Public Law 109-364, October 17, 2006) amended Article 2(a)(10) of the UCMJ regarding those circumstances in which persons serving with or accompanying our armed forces in the field may be subject to UCMJ jurisdiction. The amendment extended those circumstances to times of declared war or a contingency operation (as defined by 10 U.S.C. § 101(a)(13)). In time of war or during a contingency operation, the UCMJ amendment potentially makes military jurisdiction available to address alleged crimes committed by contractor employees, but only to the extent that such persons are serving with or accompanying our armed forces in the field. In those circumstances where it cannot be established that contractor personnel were serving with or accompanying our armed forces, a prerequisite for UCMJ jurisdiction over those contractor personnel would be absent. Also, the Article 2, UCMJ, term "in the

field" has been judicially construed to mean under circumstances where our armed forces are in a military operation with a view toward engaging an enemy or a hostile force. Not all military contingency operations involving our armed forces meet this criterion.

The Secretary of Defense recognizes the unique nature of this extended UCMJ jurisdiction over civilians and issued additional guidance on March 10, 2008, to ensure that the exercise of this jurisdiction is based on military necessity to support an effective fighting force and is called for by circumstances that meet the interests of justice.

Additionally, in 2001 the PATRIOT Act amended the definition of "special maritime and territorial jurisdiction of the United States" in 18 U.S.C. § 7 to provide jurisdiction over many federal felonies committed by or against a United States national on the premises of U.S. diplomatic, consular, military, or other government missions in foreign states, or residences used by U.S. personnel assigned to those missions. Persons subject to MEJA jurisdiction are specifically excluded from coverage by this amendment. And, finally, a number of criminal offenses in the United States Code apply extraterritorially regardless of their location (see, e.g., 18 U.S.C. § 1119 (murder of a United States national by a United States national); 18 U.S.C. § 2441 (war crimes committed by or against U.S. nationals)). Depending on the facts, these laws may also apply to State Department contractors alleged to have committed crimes outside the United States.

During the hearing you also asked that we provide for the record an overview of the agreements and understandings with Iraq with respect to jurisdiction over contractors. I am advised that Order 17(Rev.) provides in Section 3, paragraph 3 that "Contractors shall be immune from Iraqi legal process with respect to acts performed by them pursuant to the terms and conditions of a contract or any sub-contract thereto." While I am not aware of any other agreements or understandings with Iraq on this matter, the Department of State would be in the best position to provide a complete answer to your question.

Thank you for your inquiry in this matter and for your continued support of our Soldiers and their Families.

Sincerely,

Benedict S. Cohen

Secretary GEREN. The Military Extraterritorial Jurisdiction Act (MEJA) law gives our Justice Department the authority to criminally prosecute Americans who commit crimes in foreign countries, so that is a backstop, but, as you well know, it's not used very often; it's been used very few times.

Chairman LEVIN. Do you know why it's not used?

Secretary GEREN. I do not.

Chairman LEVIN. Okay. Can you give us, for the record, a clear answer to what law applies? If Iraqi law doesn't, because of some

agreement reached with the Iraqis, what American law applies? If it's a law that's not used frequently, why is it not used frequently? We need to know that, clearly, for the record.

Secretary GEREN. I'll get back to you for the record.

Chairman LEVIN. Thank you. If you could do that promptly, because this issue is coming up in other committees, and there should be an answer from the DOD on this.

On the deployment issues that I went over with you before, assume for the moment that there are two additional brigade combat teams that are needed in Afghanistan, and the other countries that are involved don't provide them, and the decision is made by our commander there that they are needed. Could those two U.S. combat teams be provided under your scenario, General? In other words, could you continue your 12-month deployment? Would that answer still be effective after July, if we get down to 15 combat teams in Iraq, and stay there, if two additional brigade combat teams of the United States are required in Afghanistan, or would that change your answer?

General CASEY. Senator, when you asked that question earlier, about what the assumption is, my assumption is 15 deployed Active component brigades, which, for the Army, is 13 in Iraq and 2 in Afghanistan.

So at 15 brigades, either in Iraq and/or Afghanistan, that's where we can stay at 12 months.

Chairman LEVIN. Okay. So, the 15 includes 2 in Afghanistan.

General CASEY. There are two Marine regiments in there in Iraq.

Chairman LEVIN. Okay. I just want a real clear answer. Now, there's 3,200 marines that are being sent, or have been sent, additionally, to Afghanistan. That's separate, correct?

General CASEY. Correct.

Chairman LEVIN. The 15 brigades that you referred to, in Iraq in July, are the 15 that General Petraeus has talked about.

General CASEY. That's correct. That would be 13 Army and 2 Marine.

Chairman LEVIN. Two Marine. My question is: if two additional brigades are needed in Afghanistan, to the number of troops we already have there, would that change your answer?

General CASEY. As I said, my assumption on getting to 15 months is that we will stay at 15 Army Active component brigades in Iraq and Afghanistan.

Chairman LEVIN. What is General Petraeus's statement about getting to 15 brigades in July and then pausing? Are those the same 15 you've just described?

General CASEY. He is describing the 15 brigades in Iraq only. Those 15 brigades consist of 13 Army and 2 Marine.

Chairman LEVIN. The 15 he's talking about are 13 Army, 2 Marine.

General CASEY. Right.

Chairman LEVIN. Now, if, in addition to what he's talking about is needed in Iraq, two additional brigades are needed in Afghanistan, on top of the troops we have there now, then, I take it, your answer is, we could not get to 12-months deployed. Is that correct?

General CASEY. Then I would have to go back and relook at that impact. I have not looked at supporting 17 brigades.

Chairman LEVIN. I thought you did look. You said that the maximum in both Iraq and Afghanistan was 15. Now you're saying you need to relook it?

General CASEY. You asked me what my assumption was to get from 15 months to 12 months. I said it was 15 deployed Active component brigades between Iraq and Afghanistan. Army brigades.

Chairman LEVIN. So, you're saying it's possible that you could add two additional brigades to Afghanistan and still have the same answer of 12-months deployment?

General CASEY. I have not looked at that specific case, Senator, and as I said, I'm very comfortable with the 15 number. I have not looked specifically at 17.

Chairman LEVIN. All right. My time's up. Would you get that back, then, for the record, to us?

[The information referred to follows:]

Deployment lengths and dwell times are a function of available supply and global combatant commander demands. Currently, U.S. Central Command demands over half of the available Brigade Combat Teams (BCTs) in the Army inventory. As demand for Army BCTs decreases, deployment lengths decrease.

The Army is planning to reduce deployment lengths for soldiers from 15 to 12 months later this year as the number of BCTs in Iraq is reduced. Twelve-month deployments are sustainable only if the global demand for BCTs remains at or below pre-surge levels. In other words, the number of available BCTs is fixed. If the two BCTs were provided to Afghanistan without a similar reduction elsewhere, the Army could not achieve 12-month deployment lengths.

Chairman LEVIN. We have 3 minutes left, plus the 5 minutes add-on. So, Senator Lieberman, we'll turn it to you. If no one is here when you are done, would you recess us for 15 minutes? I'm going to come back and make sure there's no other Senators. Thank you.

Senator LIEBERMAN [presiding]. Honored to do that. Thank you.

I just have a few questions, then I'm going to go over and vote.

I wanted to focus in on another element of Army personnel. In my opinion, and, I presume, yours, the All-Volunteer Army has been a great success. I'm often asked when I'm out in Connecticut or elsewhere, "Is there a need to go back to the draft?" I said, "No. The military, particularly, doesn't want to do that, because we have a good All-Volunteer Force."

Studies that I've looked at say that the quality of that All-Volunteer Force is dependent very much on two primary determinants, and that is the scores of the recruits on the Services Aptitude Test, and if the recruit had received a high school diploma. Obviously, there are individuals who may not score the highest on the aptitude test or may not have a high school diploma who turn out to be extraordinary soldiers. But my reading of these studies says that, on the average, we do better if we have people who score better on the test and have a high school diploma. Reports now indicate that we're falling down from the previous high levels in recruitment, that is, the test scores and the presence of a high school diploma, among people coming into the Army now. I want to ask you to comment on that, but also I want to ask this question in an affirmative spirit, which is: what can we do to help the Army, if this is a problem, recruit to a level that assures that this All-Volunteer Force of ours will continue to maintain the standards of excellence and success that it has achieved thus far?

Secretary GEREN. Many issues bear on that question. Let me, first, say that many intangibles go into deciding whether or not somebody makes a good soldier or not.

Senator LIEBERMAN. Sure.

Secretary GEREN. One of the most important intangibles in assessing our recruiting classes these days is their willingness to stand up and raise their right hand and join the Army in the middle of a war.

Senator LIEBERMAN. Right.

Secretary GEREN. That tells you a lot about that young man or that young woman.

Senator LIEBERMAN. Motivation.

Secretary GEREN. They join the Army knowing they likely will be going into combat. So, I think, as a threshold question, that helps sort out folks. It brings the type of people into the Army that we want, the people that are willing to make selfless sacrifices.

But you're right, when you look at our quality indicators over the last 3 years, they have gone down. Our high school diploma grads were at 79 percent last year. Our goal was to keep that above 80 percent. The Office of the Secretary of Defense goals are 90 percent, and we strive for that, and we are working to get to those levels.

We have a challenge with our recruiting population. Only about 3 out of 10 young men in the 17- to 24-age range have the physical, moral, mental, and educational qualifications to join the Army. So we're aiming at the same people that the job market is aiming at. We want people that are dependable, healthy, moral, and have demonstrated a commitment to finish what they started, finish high school. As a country, we need to expand that pool, we need to get more young people to finish high school.

A looming issue on the horizon is obesity. We're seeing that, as we look 10 years down the road we're going to see more and more young people disqualified for joining the Army because of obesity. We have to do a better job, as a country, producing 17- to 24-year-olds that have the standards that qualify them to join our Army. So, I think that's a national effort.

Senator LIEBERMAN. So, short answer, and I apologize, because I have to go over and vote, can you think of anything specific that we can do for you, by way of funding or programs, that will enable you to get back to those higher percentages on the high school diploma, for instance?

Secretary GEREN. In this budget, we do have a couple of new programs that we started last year continuing this year. One is our Army Advantage Fund, which is offering opportunities for homeownership and also the opportunity to start a small business as an incentive. I think one of our most promising initiatives is a partnership between the Active component and the Guard to recruit together and have a young man or woman join the Active component and then transition to the Guard for the rest of their obligated service. So we are funding those initiatives and we continue to work to figure out ways to do what we do, and do it better, just recruit better. But, long-term, we need, as a country, to do a better job of producing young people that are educated and meet the requirements of the Army. Support from leaders such as yourself, at

the national level and the State level, and encouraging young people to join the Army, is a very valuable part of our effort.

Senator LIEBERMAN. Thank you, Secretary.

General, I apologize for not having the time here, but this obviously is a long-range problem, and you and I will have many opportunities to discuss it.

Thank you.

General CASEY. Thank you, Senator.

Senator LIEBERMAN. Thank you very much.

General CASEY. Thank you for your interest.

Senator LIEBERMAN. Senator Inhofe.

Senator INHOFE [presiding]. Thank you, Senator Lieberman.

Let me mention something. Senator Akaka, have you gone, have you had a series of questions yet?

Senator AKAKA. No.

Senator INHOFE. Oh. Senator Akaka.

Senator AKAKA [presiding]. Thank you very much.

Secretary, as chairman of the Subcommittee on Readiness and Management Support, I am especially concerned about the amount of time our soldiers are getting at home in between deployments, both to take care of themselves and their families, but also to receive the necessary training. This really is about resetting, as is being mentioned. Even with the increase in Army end strength, I'm concerned that operations tempo facing our soldiers will impact their ability to be trained and prepared for missions across the spectrum of conflict.

My question to you, Secretary: what are the biggest obstacles for the Army to overcome if another crisis erupts that demands U.S. military intervention on the ground?

Secretary GEREN. Our goal is full-spectrum readiness, have our soldiers ready for the full range of threats that are out there. As you note in your question, with the length of time that we have at home today, 12 months between deployments, we do not have time to train for full-spectrum readiness in that period of time. We have funding that is allowing us to reset the equipment, so that equipment is ready for when soldiers redeploy, but, until we get to a deployment-to-dwell ratio that gives us adequate time at home, we are going to fall short of our goal of full-spectrum readiness.

Senator AKAKA. General Casey?

General CASEY. There's a perception that conventional training is not happening in the Army, and it's not happening much. But, I recently visited both Japan and Korea, and in Japan I witnessed an Army corps participating in a conventional scenario partnered with a Japanese corps. Then, in Korea, the U.S. forces under General Bell are also doing conventional training. So, not much, but it's not nonexistent.

Senator AKAKA. If current operations, Mr. Secretary, in Iraq and Afghanistan continue to require the same approximate number of forces for the next 2 or 3 years, what impact will this have on readiness, do you think?

Secretary GEREN. We are consuming readiness now as quickly as we build it, and if we are unable to extend the dwell time, if the number of brigades doesn't get down to a demand of 15 brigades for our Army, we are going to have a difficult time having sufficient

dwell time to accomplish all the missions that we hope to accomplish when a soldier is home. Our soldiers are training for the mission which they are asked to do today, counterinsurgency mission, and the soldiers that we send into combat are well-prepared for what we're asking them to do, but the demand to get them prepared for what we are asking them to do now understandably limits their ability to prepare for other missions.

General CASEY. Senator, if I could.

Senator AKAKA. General Casey?

General CASEY. Based on your question about what will happen the next few years, and if you hold the demand steady at those 15 Active component brigades, what you see is, with our growth, that the amount of dwell time at home gradually increases to the point where every year, starting in 2009, we get a progressively larger number of forces trained for the full spectrum of operations, in addition to the forces that we're deploying. So, the growth helps.

Secretary GEREN. When we reach our goal of 76 brigade combat teams across all three components, we'll be able to sustain up to 19 brigades deployed, at that point. So as we grow and reorganize towards that, we will be able to sustain a higher level of overseas deployments.

Senator AKAKA. Thank you.

General Casey, much has been said of the limited value of mechanized warfare and the impact technology can have in conducting counterinsurgency and stability operations, which tend to rely much more on cultural awareness and interpersonal relationships to be effective. In essence, the enemy is not a willing participant in the information network, and detection in urban environments may be beyond the capabilities of any known technology. My question is: what are the specific advantages that a FCS VCT could bring to the counterinsurgency fight that justify its cost in the near term?

General CASEY. Thank you, Senator. A couple of points here. First of all, the FCS is an effective system across the spectrum of conflict, and I see it as very good at conventional war in the 21st century, which is going to be different than the wars we plan to fight on the plains of Europe. But, I see it as very helpful in terms of irregular warfare. As I mentioned in my opening remarks, in irregular warfare, your intelligence requirements require much more precision than they do in conventional warfare. It's a heck of a lot easier to find the second echelon of the 8th Guard's Tank Army than it is to find, as you suggested, an individual on the sixth floor of a high-rise apartment building in a sprawling city. What we're working on with the FCS, and what is being tested and evaluated today out at Fort Bliss, are unmanned and unattended ground sensors, UAVs, all linked by the network, that will allow us to locate, precisely, the targets of our military operations, and then to apply precision effects. There's a NLOS weapon system, that is part of this first test that you'll see, that can put a missile on a target from 40 kilometers away. So its precision intelligence-collections ability and its precision attack capabilities will make it, in my view, just as useful in irregular warfare as it is in conventional warfare.

Lastly, the network will enable our soldiers to have a much better situational understanding of what will inherently be a very, very complex environment, and they will be augmented in that, in their cultural understanding and their cultural training, which would still be part of it. But, as I said, I am quite comfortable with the FCS capabilities in both an irregular and in a conventional environment.

Senator AKAKA. Thank you for your responses.

Senator Thune.

Senator THUNE. Thank you, Mr. Chairman.

Secretary Geren and General Casey, thank you for your service and your outstanding leadership to our country. Welcome to the committee.

I have to say that the last 6 years have made me extremely proud of the work that our Army does. These amazing men and women have performed incredible feats in the toughest of environments without complaint, and their families, of course, have shouldered an incredible burden, as well, with many of the soldiers serving multiple tours in harsh environments overseas.

What I'd like to do is pick up on some of the questioning. I serve as the ranking Republican on the Readiness Subcommittee, with Senator Akaka. Last November, when you both appeared before the committee, I asked about the unwillingness of Congress to deliver adequate and predictable funding to you, and what kind of effect this was having. General Casey, you answered, "We will beggar the home front to make sure that our soldiers that are in the theater have everything that they need, and it will put a terrible burden on soldiers, on families, on the institutional Army, our ability to train." Despite that testimony, Congress decided to provide only a portion of the emergency supplemental funds required by the President last year, and, in your prepared statement today, you emphasized that today's Army is out of balance, that, overall, our readiness is being consumed as fast as we build it. These statements are obviously cause for deep concern, and I guess my question is: is the problem of our readiness being consumed as fast as it is built related to the problems that you face in receiving timely and complete funding from Congress? Is the lack of full funding inhibiting our ability to grow the force with the capabilities that we need for future operations?

Either one of you, if you want to react to that, or answer.

Secretary GEREN. You have to look at the funding in all the many categories that we rely on it. We use the term in the trade, the color of money, but there's money that can be used for certain purposes and can't be used for other purposes. Predictable and timely funding is key for us to be able to operate an organization that is the size of the United States Army. A million men and women in uniform, and over 200,000 civilians, and over 200,000 contractors. When funding is unpredictable, it makes it very hard to plan, long-term.

One area of great concern for us right now is Base Realignment and Closure (BRAC) funding. Last year, you all did not fund the entire BRAC bill, and, for the Army, we're $560 million short, going into this year, in BRAC funding. It's going to make it very difficult for us to meet what the law requires, finishing BRAC by

September 2011. We need that funding. We need it sooner, rather than later.

The military construction funding also is very critical to maintaining support for our families. We're moving tens of thousands of soldiers around, we're building housing and other support structures across the country and around the world, and the delays that we've experienced in receiving the military construction funding also complicated our ability to being able to build what we need, when we need it, and maintain the type of synchronization that's necessary in order to manage the personnel of a huge organization such as the Army's.

We are going to run out of the money in personnel in June in the supplemental funding, and we will run out of our O&M funds in July. As we anticipate that, we'll have to start making adjustments in order to accommodate for the ripple effect of that situation. So, it makes it very difficult, it makes things cost more, and it makes things take longer. Last December, we got awfully close to a point where we were going to have to start laying off people, or at least giving them notice of layoffs, and I'm hopeful that we don't find ourselves in that situation this spring. We really need the supplemental funding by Memorial Day.

General CASEY. The only thing I'd add to that, Senator, is that what you don't necessarily see are the second- and third-order effects of the delays. For example, I mentioned in my opening statement that in fiscal year 2007 we got the money for the reset, right up front, and we were able to not only commit all of that, but also to buy the spares in advance that we needed, the long-lead items. Every time you delay long-lead items, you delay the completion of the reset and the vehicle. So, there are always second- and third-order effects that aren't visible that impact us over the long haul.

Secretary GEREN. Let me mention one other thing, if I could, on military construction. When we're operating under a continuing resolution, we don't have the authorities for new starts, either. That greatly complicates our ability to build the infrastructure to meet the needs of our soldiers and their families. Over the last several years, we have found ourselves having to operate without the new-start authority, or at least not having it in a timely manner. That complicates it as well. So, it's not just a question of the money, it's also a question of the authority which comes from authorizers. That makes it challenging to be able to build our infrastructure on the timeline that we need in order to meet the needs of our soldiers and families.

Senator THUNE. I have some other questions, Mr. Chairman, but I see my time is expired. That was the main issue I wanted to get out, so perhaps I'll submit some of those for the record.

Thank you.

Senator REED [presiding]. Thank you very much.

Senator Nelson.

Senator BEN NELSON. Thank you, Mr. Chairman.

Thank you, gentlemen, for your service. I know our men and women in Army green are indebted to you for your commitment, and we appreciate your giving us your candid appraisal of where we are, at the moment, with readiness and a number of other extremely important issues.

One of them has come to my attention; last week, the Washington Post published an article outlining the Army's policy on maternity leave and deferments from war-zone areas for new mothers that are serving in the military. According to the story, new mothers are facing a continuing difficult decision between motherhood and their service for their country. New mothers who have the critical skills to support operations in Iraq and Afghanistan have to seek a deferment which would allow them to spend more time with their newborn before having to return to their job within the military.

In 2007, the Navy extended their deferment time for new mothers to 12 months. But the Army's policy only allows, at the present time, for 4 months before facing deployment. Some of my colleagues and I have written a letter to Secretary Gates to review the current policies that are in place, but I wonder, Secretary Geren, in light of our need to keep skilled personnel, many of whom are women, maybe as much as 15 percent of our force, what are your thoughts about the Army's policy versus the Navy policy, or at least in looking at the policy to see if this is a reasonable period of time or whether it should be extended?

Secretary GEREN. The chief and I have had numerous discussions about that, and we have tasked the Army staff to examine that policy and examine the impact of a change in that policy. I don't want to prejudge the outcome at this point, but we have asked them to explain to us why we should not be able to increase the maternity leave at least up to the level where the marines have been, which is 6 months.

Senator BEN NELSON. With the force strength that we have, and the number of deployments and extended deployments, and trying to cut all that down, it only adds another variable to your already difficult task. But, if we're going to think about both recruitment and retention, I think clearly that has to be reviewed because it has to have some impact on people deciding whether to get in or stay in, if they have to get an extended deferment in order to have a family.

Secretary GEREN. I understand and share your concerns, and we should be able to get back with you pretty soon with an answer.

[The information referred to follows:]

Current Army policy requires a 4-month Postpartum Operational Deferment period for a female soldier after the birth of a child. The Army Postpartum Operational Deferment policy matches designated guidelines established by the Office of the Secretary of Defense.

The Army recognizes the merit in lengthening the Postpartum Operational Deferment period, and intends to lengthen that period to 6 months once Active Army units return to a 12-month deployment rotation policy from the 15-month deployment rotation policy that is currently in place.

Senator BEN NELSON. Okay.

I think it was June 2007 that the Center for New American Security Publication titled "Institutionalizing Adaptation Report" stated, "The most important military component of the long war will not be the fighting we do ourselves, but how well we enable and empower our allies to fight with us." We're faced with requiring heavy numbers with a very well-armed and well-staffed Army to do what we would call, I guess, the essential combat of the past that an Army does. But, we're now faced with new requirements

around the world. I guess we're no longer talking about nation-building, that's passe. At least in trying to help other countries develop their own military, are we at a point where we need to have a standing Army Advisory Corps, General Casey, as well as the typical operating mix of conventional forces and Special Operations Forces?

General CASEY. That's something that we are looking at very closely, and not only internally, but also with the Commander of Special Operations Command, Admiral Olson, and with the Commandant of the Marine Corps. In fact, we're getting together, here, in the next couple of weeks to discuss that.

Clearly, one of the elements of any former battlefield, we believe, will be our ability to interact and work with indigenous forces.

Senator BEN NELSON. Without knowing the answer to this, it's impossible to even give much of a guess, but on a 50–50 basis, do you think that 50 percent of the future will require conventional forces, or will it be 60 percent or 40 percent? What mix do you envision between an asymmetrical combat force capability and conventional force capability?

General CASEY. Senator, as we look to the future, we believe that we will be best served by multipurpose forces that can operate across the full spectrum of conflict, from conventional war to peacetime engagement. That's the doctrine that I spoke about here. Those are the forces that we are trying to build. I would also tell you a bit more about your initial question. Cleary, there's an increasing role for special forces in training other armies, and we are increasing the number of special forces battalions by five, and that will give us great capability. We are, as you suggest, examining whether we should put an assistance group in each of the regional combatant commanders. We're working with them to see if that would be useful to them.

But, working with indigenous forces is clearly an element of any future battlefield.

Senator BEN NELSON. My time's up, but I'm going to follow up with a letter to the Secretary of Defense, in light of the concern that we have about the North Atlantic Treaty Organization's (NATO) capabilities of providing military support, where necessary, at the required levels of support necessary. Should we be looking, perhaps, for a two-tiered approach by NATO to not only have the capabilities of combat forces, as in the case of Afghanistan, but for more assistance in this area of an advisory role for part of their commitment? It seems to me that it's one thing for us to hit them over the head because they don't send enough troops, they don't have enough troops, they don't keep enough troops, and I'm not talking about all those that are already doing it, but those who can't. There may be another role that they could play. Rather than have us hit them over the head for what they're not doing, maybe we ought to start thinking about what they could do, and how they could support that kind of a growth in the Army.

General CASEY. The NATO allies, especially Italy, did a great job in Iraq training police. The Carbinieri were very effective in the south.

Senator BEN NELSON. Thank you, Mr. Chairman. Thank you, gentlemen.

Senator REED. Senator Graham.

Senator GRAHAM. Thank you, Senator.

I missed the discussion between Senators Levin, Collins, and, I think, yourselves, about what law governs contractor behavior. The sooner we could get an answer to that situation, I think, the better the country would be.

I've just gotten back from a fairly extended visit to Iraq, and one of the big issues facing our country is that we're going to war now with, I think, over 100,000 contractors. They're patriotic Americans who are doing a great job, generally speaking, for our country, but we've never had a war quite like this. The idea of that many people being in Iraq, some of them with guns, requires us to address this problem and find out what law does regulate their behavior; because, Mr. Secretary, General Casey, I think it's a very demoralizing event for an E–4 or E–5 to be sitting across the table from a civilian contractor who makes four times what they make, and the contractor breaks the rules in an obvious way, and nothing happens, other than maybe getting fired. So, I would just add my voice to the idea that we need, as a country, to come up with a solution to this problem.

General Casey, when it comes to force reductions in Iraq, the goal is to try to get to 15 brigades, I think, by July. Is that correct?

General CASEY. Correct, sir.

Senator GRAHAM. Could you explain to me, very briefly, the collaborative process that's going on, in determining when the troops come home, between you, General Petraeus, and others?

General CASEY. General Petraeus will come back in April and give his assessment of what needs to happen after July. He will interact with the Joint Chiefs in the process of forming his recommendations. But, there will also be independent action by the Joint Chiefs, so that we can present the President with our independent views on what the situation requires.

Senator GRAHAM. I understand that, and my two cents worth here is that it's been a very hard fight to turn things around in Iraq. I think we are turning things around politically, economically, and militarily. Every one wants the troops back home, and you can add me to that list. But, more than anything else, I want to make sure we don't lose the gains we've achieved by going down too fast. I'm sure you're sensitive to that. Is that correct, General Casey?

General CASEY. I am sensitive to that, sir.

Senator GRAHAM. I know the troops want to come home, but they're very proud of what they've achieved, and I want to make sure that we don't bring people home for anything other than success. I think they're going to come home with success.

General CASEY. Senator, if I could add to what you say.

Senator GRAHAM. Please. Yes, sir.

General CASEY. As I talk to the soldiers, it's exactly what you suggest. The most important thing to them is winning, not necessarily coming home.

Senator GRAHAM. Generally speaking, General Casey, how is morale for folks in the Army, particularly in Iraq and Afghanistan?

General CASEY. Senator, everything I have personally observed during my visits in December, and that I continue to hear, is that morale, both in Iraq, Afghanistan, and among the returning forces,

is very positive. They believe in what they're doing. They see themselves making a difference in a very difficult environment. So I believe morale is very good.

Now, as we said before you arrived, the force is stretched and there is no question about that. I just visited a brigade in Alaska that had been back about 90 days. My assessment is, they felt pretty good about what they did, but they were tired.

Senator GRAHAM. Sure, and that's why we're trying to build up the Army, right?

General CASEY. Right.

Senator GRAHAM. Is that correct? Okay.

There was a comment made at, I think, the last Democratic debate by Senator Obama. Mr. Secretary, I don't know if you are familiar with what he said, but basically, during the debate, he indicated that a captain who was in charge of a rifle platoon in Afghanistan had come up to him and said that the amount of troops in that platoon were basically reduced in half, and the other half went to Iraq, and that the people left over went to Afghanistan, and they didn't have bullets, and they had to use Taliban weapons. It was easier to use Taliban weapons than it was to get the equipment they needed from the Army. Has Senator Obama talked to you or anyone in the Department about this?

Secretary GEREN. No. I have not discussed it with Senator Obama. General Casey, though, has looked into this issue, and I'd like to give him the opportunity to respond, with your permission.

Senator GRAHAM. Please.

General CASEY. Senator, as we looked into this, the best we could tell is, this incident occurred back in 2003 and 2004, and it was in a brigade of the 10th Mountain Division. We have talked to the brigade commander, and we've looked at their readiness reports. The brigade was manned over 100 percent, and stayed over 100 percent manned the whole time they were there. Now, it's certainly possible that platoons within that brigade might not have been filled to the same level as the rest of the brigade.

You'll recall that was a difficult time, as we were all working very hard to get uparmored Humvees in to the troops. There were no uparmored Humvees available for him in training, which is one of the points that he made; there were only, at that time, a little over 50 in all of Afghanistan.

There may have been some spot shortages of spare parts and ammunition, but the commander said that there was never a shortage of ammunition that impacted on the unit's ability to accomplish its mission.

Senator GRAHAM. But, you were never contacted by Senator Obama in 2003 or 2004, or any other time?

General CASEY. No, I have not been.

Senator GRAHAM. Okay. Thank you very much.

Chairman LEVIN [presiding]. Thank you, Senator Graham.

Senator McCaskill.

Senator MCCASKILL. Thank you, Mr. Chairman.

Since we had a McCain moment, I think I need to have an Obama moment, out of fairness. It wasn't what I intended to ask about, but Secretary Geren and General Casey, I think you both are certainly aware that this captain has been contacted and has

independently verified to independent sources the frustration he had with getting everything they needed, to do what they needed to do in Afghanistan. Is that your understanding, that this captain who has served valiantly and heroically, has independently verified that, certainly, there was a frustration over getting what they needed to do the job in Afghanistan at that point in time?

General CASEY. Senator, I don't think there's any doubt about that. We have purposefully not tried to seek out the captain, individually.

Senator MCCASKILL. Which I respect.

General CASEY. I've seen the same reports that you've seen. Again, I have no reason to doubt what it is the captain says. But, this was 2003–2004, almost 4½ years ago. We acknowledge, and we all worked together to correct, deficiencies with equipment that we saw during that period, not only in Afghanistan, but in Iraq. It was a period that we have worked our way through.

Senator MCCASKILL. I admire the acknowledgment that has occurred in this hearing room, by command, DOD, Secretary Gates, and by you and all of your colleagues, at the shortcomings, in terms of getting the equipment and we all know the shortages we have in Afghanistan right now, in terms of boots-on-the-ground. I mean, that is a critical, critical problem for us right now, in terms of us having success with NATO, getting the number of other countries involved, like we should have and haven't been able to, because of their unwillingness. So to act as if this Army captain is speaking about something that we all haven't acknowledged, I think, frankly, is misleading.

Now I'll get to my questions.

First of all, I want to congratulate Senator Nelson for speaking about maternity leave. I'm glad that he showed his softer side today and acknowledged that this is a career issue for the Army.

I also want to talk, in passing, before I get to officer retention, about paternity leave. I think that it's time for the Army, frankly, and for the Secretary of Defense to look at, overall, a uniformity of policy between the various branches as it relates to both maternity leave and acknowledgment of some recognition of paternity leave. I know this was being discussed. I know that there was a pullback that occurred by one of the Under Secretaries of Defense about paternity leave. But, I just wanted to say that I'm hopeful that you all continue to look at that issue, because it dovetails nicely with what I want to ask you about this morning, which is our ability to retain officers.

[The information referred to follows:]

The Department of Defense is reviewing a legislative proposal that will amend section 701 of title 10, U.S.C., to include a new authorization to allow up to 21 days of permissive temporary duty for servicemembers in conjunction with the birth of a new child. The legislative proposal is consistent with a recent congressional change to section 701 of title 10 (section 593), which authorized up to 21 days of administrative leave for a servicemember adopting a child. As with all leave, paternity leave would be granted on an individual basis dependent on the unit's mission and operational circumstances.

Senator MCCASKILL. I would like both of you to speak to what I think the Government Accountability Office (GAO) pointed out, which is, we need to consolidate the command over West Point and Reserve Officers' Training Corps (ROTC), in terms of officer reten-

tion and it worries me that we are promoting 98 percent of our captains and majors right now. That's an extraordinarily high number. It also worried me that we are doing the officer ascension program directly through Officer Candidate School, as opposed to West Point and ROTC. Looking from the outside, it appears to me that we may have a little turf war going on here between the command of West Point and the command of ROTC. Clearly, if I have young people that have applied to go to West Point, and they don't make it, we need to make sure we're grabbing those folks and getting them in the ROTC program. I'm very worried about this lack of coordination, especially when you realize that this is a huge hole that we can't patch. We have to integrate a solution and I'd love both of you to speak to that.

Secretary GEREN. Thank you for raising that. I appreciated the letter you sent on that. I've studied the GAO report and agree with many of those concerns.

We have tasked a retired general to look at this issue and make some recommendations on how we could do a better job of coordinating the overall officer accessions. We are already working to do a better job of taking those outstanding young men and women who are not accepted into West Point, and trying to make them aware and recruit them into ROTC programs. But, overall, we have to do a better job of taking what, right now, are, by and large, three stovepipes—the military Academy, ROTC, and OCS—and bring those together and break down the walls between them. Over the course of this spring, we'll be back to you with a proposal to address those very important concerns. We are in agreement about the challenge, and we'll be getting back with you soon on a recommended way ahead.

Senator MCCASKILL. I'm happy. I know that the stovepiping is resisted by the commands, and if some pointed letters to any of those commands, General, would help, I'm more than happy to let my pen fly.

General CASEY. Thank you for the offer, Senator. I find they respond pretty well to my direction.

Senator MCCASKILL. I think that you can handle it, but I just want you to know there are several of us that have your back on this one. I think it's really important.

General CASEY. Thank you.

Secretary GEREN. Thank you.

Senator MCCASKILL. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator McCaskill.

Senator Sessions.

Senator SESSIONS. General Casey, one of the things that you promised to do when you returned as our commander in Iraq was, as Chief of Staff, to check on the status of families, those who've served, how they're doing. Your wife has been active in that. You've visited with a lot of people. First, are you continuing to do that? What are your observations, in general, and concerns about the state of the Army family health?

General CASEY. Senator, as I took over here, and we—my wife and I—traveled around the Army, it was clear to us, and this is late last summer, that the families were the most brittle part of

the force, that we were asking more of Army families than I, frankly, thought that we should have been. We weren't doing enough for them. I've been a member of an Army family for 60 years, so I have some experience in this.

In October, the Secretary and I issued an Army Family Covenant where we restated the commitment of the Army to families. We focused that covenant on five key areas, and they were the five key areas that families gave to my wife and I, that they were most concerned about.

They wanted standardized services. They said, "We don't need a bunch of fancy new programs. What we need is you to fund what you have, standardize them across the installations."

They want better access to quality health care. Quality is not usually the problem; it's accessing, getting into the system. So we're working with the Defense Health Services on that one.

They want quality housing, they want better education and childcare opportunities for their children, and they want better education opportunities and employment opportunities for themselves.

So we have focused $1.4 billion last year, and $1.2 billion this year, in this budget, on improving family programs. That's about double what we've done in the past. I believe it is absolutely essential to continue on that track, to retain the quality force that we have today.

Mr. Secretary, anything you want to add to that?

Secretary GEREN. I'd like to add something quickly. We signed the Family Covenant, our leaders at each command signed it, all across the world—we had 120 Family Covenant signings—to make sure that families understood our commitment to them.

Senator SESSIONS. Were the families participating in these signing ceremonies?

Secretary GEREN. Yes, they did. We had large family groups at every signing. The Chief mentioned some of the funding and some of these new initiatives that have been undertaken, but some of the most important initiatives that help the families are going to come from those commanders on the ground, those garrison commanders and those command sergeant majors, as they identify ways to just make the Army work better for families.

General Caldwell, out at Leavenworth, he took over the command there, and saw that we had a start time for the classes at Leavenworth that conflicted with the start time for children's classes in the area schools. So General Caldwell moved the start time of his classes back 30 minutes, so the parents, who had the responsibility of taking care of those children, could take the kids to school, and could eat breakfast with them. I think it's little things like that, in addition to some of these major budget initiatives, that are going to make the Army work better for families. So, we are going to see a lot of creativity coming out of leaders, up and down, NCOs and officers, as we try to make the Army work better for families.

I'd like to briefly mention, we did the Covenant with Families last fall, this spring, we're going to do a covenant between the communities and families. Every installation in America has some wonderful programs in which the local communities stand up and

support families; Adopt a Platoon, the Hugs program that helps families through difficult times. Every one of the installations all over the country has some, or many, innovative programs to help families.

We're going across the whole force in trying to identify those, catalog them, identify the best practices, and, over the course of this spring and through the summer, we're going to be going to all the major installations across our country to invite our community leaders to join us in this Covenant with Families, and give them some ideas on things they can do to help families better; take good ideas from Alabama and take them to Texas, or take them to Oklahoma. So, it's our second step in this.

We are, the Chief used the term, brittle. The families no doubt are stretched. They have shown extraordinary resilience. But, we can do more as an Army, we can do more as a government, and our communities can do more. So we're inviting them to join hands with us and help better support those families during these challenging times.

Senator SESSIONS. I think you're wise to spend time on that. I think it's the right thing to do. We are asking a great deal of men and women in uniform, and, as a result, we want them to be supported in every feasible way.

My time is up, but I do believe we're making some progress on improving housing. Some very good housing programs are out there that have accelerated our ability to produce housing much faster than we've done in the past. But, I hope that the Army, in particular, will emphasize, because we don't mean that our Army personnel, who oftentimes are away while their family's at home, are in anything but the best housing we can give them.

So, thank you, General Casey, for your commitment to that issue. I believe you'll fulfill the commitments you made when you were confirmed and I asked you about that.

Secretary Geren, I appreciate your report. I think that's a step in the right direction, because we are all worried that our personnel are supported adequately in a whole host of different areas.

Secretary GEREN. Thank you.

Chairman LEVIN. Thank you, Senator Sessions.

Senator Nelson.

Senator BILL NELSON. Thank you, Mr. Chairman.

Mr. Secretary, I want to thank you for your getting personally involved in this case of the World War II veteran who was inaccurately imprisoned and given a dishonorable discharge. The Army, a half a century later, recognized its mistake and gave him an honorable discharge; but then, to compensate him for the year that he spent in prison, sent him his pay of $720. I want to thank you for personally getting into it, with the VA, to try to figure out some appropriate compensation, given the fact that 50 years has passed. So, thank you.

Mr. Secretary, the chairman has already asked you to release the full classified version of the RAND report, which was on the planning for post-war Iraq, which was prepared for the Army by the RAND Corporation, and also to prepare an unclassified summary. I'd like to, additionally, suggest that the RAND study be sent to the Intelligence Committee. I have the privilege, as does the chair-

man, of sitting on both committees, and, if you will do that, we would appreciate it very much.

[The information referred to follows:]

The Chief of Legislative Liaison, Major General Galen Jackman, responded to your request on March 20, 2008. A copy of the letter from General Jackman is attached.

DEPARTMENT OF THE ARMY
OFFICE OF THE CHIEF OF LEGISLATIVE LIAISON
1600 ARMY PENTAGON
WASHINGTON DC 20310-1600

REPLY TO
ATTENTION OF

MAR 20 2008

The Honorable Bill Nelson
United States Senate
Washington, DC 20510

Dear Senator Nelson:

Thank you for your letter of March 5, 2008, requesting classified and unclassified versions of the RAND report entitled "Rebuilding Iraq."

The volumes you have requested are part of a larger, multiyear effort – "Operations in Iraq: Key issues for the Army" – which is rapidly nearing completion. We envision that RAND's findings will be published in eight separate reports totaling over 3000 pages. Six of the eight reports will be classified. Unclassified reports will summarize the entire effort, and address prewar planning and the occupation of Iraq until the transfer of authority to the Interim Iraqi Government on June 28, 2004. The classified executive summary has not yet been written. We will provide each report to Congressional and defense and intelligence committees as they are finalized.

In the interim, we have provided current drafts of each of the currently available six reports to the Committees on Armed Services of the United States Senate and the United States House of Representatives. We ask that you make use of those copies until we complete each report, including final determination of security classification.

Sincerely,

Galen B. Jackman
Major General, U.S. Army
Chief of Legislative Liaison

Senator BILL NELSON. Now, what I want to suggest to you here is that, it has come to my attention, from women in my State, the rapes that have occurred in Afghanistan and Iraq. I have been after this to try to get information, but what we'd like is to know the number of sexual assaults. Now, this is not military people, these are contractors. If you had this in the military, you have the UCMJ. Now, the chairman has already asked you, earlier today, what law applies if a civilian contractor commits a crime, and you said you would get back to the chairman on that. What we're find-

ing is incomplete information and also this Never-Never Land of not knowing what to do and what laws to apply, and who's going to enforce it. You would think, if it's a contractor to DOD, DOD would enforce the prosecution of these crimes. Same for a contractor with the State Department, and so forth. So, for the record, let me just lay out a number of questions that I'd like you to address. We're not going to have time, obviously, in this setting here.

The Inspector General (IG) has given us what they thought were the sexual assaults in 2005, 2006, and 2007, but we need to know, going back to the beginning of October 2001 in Afghanistan, and then, likewise, March 2003 in Iraq, what's the disposition of each of those sexual assault cases? What are the Service components or government agencies involved in each investigation? What is the status of the persons involved in each case? In other words, are they Active Duty military? Are they U.S. Government civilian employee, contract employee, or Iraqi national? Who has the jurisdiction or investigative authority for these sexual assault allegations in both Afghanistan and Iraq? This committee should have a clear explanation of the rules, regulations, policies, and processes under which these sexual assaults are investigated and prosecuted.

It's obviously in our oversight responsibility to ask these questions. We would be most appreciative if you could help us get this information, because we've gotten very limited information, thus far, as a result of the IG referring us to the Army Criminal Investigative Command.

Senator BILL NELSON. I come to the table with this, because, indeed, there is a Tampa lady that was part of a contractor that had contracted to the DOD. I've already talked to the chairman. In my capacity as chairman of a subcommittee in Foreign Relations, I'm going to have a hearing on this, as it involves the contractors to the Department of State. But, we need this information with regard to the DOD.

Thank you, Mr. Chairman.

[The information referred to follows:]

This information would be more appropriately addressed by the General Counsel, Office of the Secretary of Defense.

Chairman LEVIN. Thank you very much, Senator Nelson. Let me just, first of all, commend you for your pursuit of this issue. We will ask our witnesses whether or not they will be able to promptly provide that information.

Secretary Geren?

Secretary GEREN. We'll certainly work to provide everything we can acquire. Now, it's possible that some of this information will come from other departments of government, but we'd be glad to cooperate with them and do everything we can to get you the information you request.

Chairman LEVIN. That's great. Thank you so much.

Senator Webb.

Senator WEBB. Thank you, Mr. Chairman.

Just to follow up briefly on what the Senator from Florida just asked you. General Casey could tell us what law applied to contractors when you were commanding troops over there.

General CASEY. We did this earlier, Senator, and the UCMJ applied to the folks that were working for the DOD.

Senator WEBB. Applied to civilians?

General CASEY. The contractors.

Senator WEBB. Civilian contractors were under the UCMJ?

General CASEY. That worked for DOD. Not all of them.

Senator WEBB. That worked for DOD. How many are you talking about?

General CASEY. It varied over the time I was there, Senator. I want to say around 20,000.

Senator WEBB. You had 20,000 civilian contractors subject to the UCMJ?

General CASEY. I'm sorry not——

Senator WEBB. How many were subject to the UCMJ when you there?

General CASEY. Senator, I do not recall the number right now.

Senator WEBB. Approximately. You were commanding the troops. How many were subject to the UCMJ?

General CASEY. Senator, we worked very hard over time to get an accurate number on contractors, and I want to say the number that was subject to UCMJ was around 7,000 to 8,000, but I am not sure of that number.

Senator WEBB. When you were commanding, 7,000 to 8,000 civilians were subject to the UCMJ?

General CASEY. That's my recollection, yes, Senator.

Senator WEBB. Do you know if any of them were ever charged under the UCMJ?

General CASEY. Senator, I have vague recollections of a couple of cases, but I can't say for certain.

Senator WEBB. As someone who has spent some time in military law, and sat on courts-martial and been involved in the appeal of cases out of the UCMJ, I'm not even sure how you could have a proper court for a civilian under UCMJ, or how you could charge them. The most recent news I've heard about this was that this was a proposal last year, when I arrived on this committee. You're saying that you actually had civilians in Iraq subject to the UCMJ, who were subject to proceedings under the UCMJ?

General CASEY. Senator, my recollection is that we had UCMJ authority over some number of DOD civilians that were contracted by DOD. I am not 100 percent certain of that.

Senator WEBB. I'd like to know. I would think, quite frankly, if you were commanding people over there, you'd know that.

General CASEY. At one time, I did Senator, and it's been a while.

Senator WEBB. It's been a while since you knew that? I can remember when I was commanding troops in 1969.

General CASEY. Yes, Senator.

Senator WEBB. It's not a difficult concept, whether people are subject to the UCMJ. This isn't something I was going to ask about, but I find it very curious.

Senator BILL NELSON. May I say to the Senator that I have been told that the UCMJ does not apply, and that's the reason why we have to get some clarity about what law does apply to protect these Americans that are serving their country in a civilian capacity abroad. Thank you.

Senator WEBB. I would agree. I would say to the Senator from Florida that this was an issue that came up in the Personnel Subcommittee last year as a proposal.

I'm not aware of anyone, Mr. Chairman, who as a civilian, has been subjected to UCMJ.

Chairman LEVIN. We've asked the question so that we can get very clear answers for the record. We've not gotten them clearly this morning. I believe that my chief of staff has just told me that, in the last couple of years, we've taken some steps relative to contingency operations, and people who are contracted for, relative to those operations, to be covered. But, that's within the last couple of years, and I'm not sure I even heard my own chief of staff, because he was whispering in my ear as you were asking the question.

In any event, Secretary Geren has also, this morning, indicated a backup form of prosecution, and used an acronym, which I'm not personally familiar with.

Perhaps, Secretary Geren, you could repeat for us what you made reference to earlier this morning, in terms of possible prosecution by the Department of Justice.

Secretary GEREN. It's a law that was passed in the early 1990s, and it goes by the acronym of MEJA. It gives our Justice Department the authority to prosecute crimes by American citizens abroad, and it came out of a case in which an American citizen, I believe in Saudi Arabia, committed a crime and led to this initiative. It has not been used much. As I understand it, it's been used 12 to 18 times.

Chairman LEVIN. In Iraq? In Afghanistan?

Secretary GEREN. No. I think just overall, as I understand it. It's a Justice Department authority, it's not a DOD authority. I believe it's been used twice in Iraq. One was a CACI contractor, having to do with one of the detainee investigations. It was a CACI contractor that was accused of detainee abuse, and I believe he was prosecuted under MEJA. There was one other case, and I don't remember the details of that one. But, it's been used very sparingly. At one point, I heard the Justice Department discuss some of the challenges associated with applying that as a prosecution tool. There's problems with witnesses and gathering evidence. They could, obviously, provide you more insights than I could.

As I understand it, in 2007, Senator Graham offered an amendment that expanded the application of the UCMJ for use against civilians, and broadened that authority, and clarified that authority. Some of our commanders are waiting for some implementing instructions to figure out exactly how you do it. As Senator Webb noted, there are some obvious complications using the UCMJ as broadly as it's now allowed under Senator Graham's amendment.

Chairman LEVIN. Yes, that is the reference which my chief of staff made, was to that 2007 amendment by Senator Graham, which became law.

Secretary GEREN. Yes.

Chairman LEVIN. Yes.

Okay, we ought to give you some additional time, Senator.

Senator WEBB. I would just say to the chairman, I would appreciate if we could really stay on top of this a little bit, because I

think that Congress has been rolled on this issue for quite some time. We now have in excess of 150,000 contractors in Iraq, from the count that I've seen; it's probably higher than that. I'm not aware of any case, there may be a case, but I'm not aware of any case where serious crimes have been brought to justice. We know serious crimes have been committed.

Chairman LEVIN. We did ask before for a very prompt assessment, because other committees are also interested in this subject, and there's been an IG report on this subject so that Secretary Geren committed to a very prompt overview of the law in this area.

Senator WEBB. I thank the chairman.

Mr. Secretary, I was told by Senator Warner, who's not here today, that, in a meeting with him, you expressed, I'm not sure whether they were your personal views or the views of the Department of the Army, that you were in support of the concept of a GI bill that would take care of these people who have been serving since September 11 in the same way that those who served in World War II were taken care of.

Secretary GEREN. We talked, in general, about expanding the benefits of the GI bill, and talked, most specifically, about expanding the eligibility of benefits so that a soldier could transfer his or her GI bill benefits to spouses and children. That was really the focus of our conversation that day. Congress had passed legislation several years ago that allowed us, for critical skills, to offer an expansion of the use of GI bill benefits allowed to be transferred to children, and talked, that day, about how we might expand that benefit and make it more broadly available.

Senator WEBB. Right. That's a totally separate concept than the issue of S.22, the GI bill that's before the Senate right now. That's taking the Montgomery GI bill and moving it laterally rather than measurably increasing the benefits themselves.

Secretary GEREN. That was our discussion.

Senator WEBB. Does the Department of the Army have a position on the expansion of GI bill benefits other than the Montgomery GI bill?

Secretary GEREN. No, Senator, we have not had an opportunity to reach a final recommendation on it. The Secretary of Defense, Dr. Gates, has taken ownership of that initiative, for want of a better word. The Services are working with his Under Secretary in analyzing the bill. We have not had an opportunity to work through all the provisions of it. In the President's State of the Union, he noted the GI bill is one of the areas that he wants to see our Department expand its benefits.

Senator WEBB. I am told that the administration opposes this and so I'm trying to get some clarification. I mentioned that to Secretary Gates when he was testifying, and in concept, I think he agreed with what we were saying here. I would note that you have a pilot program, I just got something on this about a week ago, that as a recruitment incentive will pay enlistees who sign up for 5 years, as it reads here in this article, $40,000 toward purchasing a home when they leave the Army.

Secretary GEREN. Yes.

Senator WEBB. I don't know what the cost of that program is, but the argument against S. 22 is that it would affect retention at the

end. What you're seeing here is clearly an incentive for someone to get out and cash in their $40,000 to buy a home at the end of an enlistment. As someone who spent a lot of my life working manpower issues, I would respectfully say that probably the best recruitment incentive you can give people if you want to broaden your recruiting pool is good educational benefits. You seem to be pounding on one potential pool of enlistees over and over again, when you have this whole group over here of people who are struggling to get through college, who might have some incentive to serve, that aren't being fit into the formula.

Secretary GEREN. Unquestionably, educational benefits are one of the most appealing benefits for service in the United States military. It's a big part of our recruiting, it's a big part of our retention. The Secretary of Defense, again, has taken ownership of evaluating that. The Services are providing input, and to my knowledge, the administration has not taken a position on the bill. I'm not aware of it, if the administration has.

Senator WEBB. We've had a number of articles in the Service Times where the administration has opposed the bill. The VA opposed it in hearings last year. I'm on the Committee on Veterans' Affairs as well. Like the General, I've been around the military since the day I was born. I feel very strongly about the people who are serving. I think that the military, right now, has been doing a very good job, in terms of managing its career force. We have some disagreements on the dwell-time issues and that sort of thing. But, there are so many people who come into the military because of family tradition, love of country, with no intention of really staying. Those are the people who are getting lost in the system. That is a pool that actually would expand with the right sort of educational benefits, and they'd have something when they walked back into the community. The number one recruiting tool, at least from the time that I was doing this, back in the community, is a veteran who is proud of their service and believes strongly that the military took care of them. So, this is kind of a no-brainer to me. I can't see why we can't get it done.

Secretary GEREN. It's being actively evaluated right now, and the Department will take a position on it, I expect, soon. I checked, just as of yesterday, and the Office of the Secretary of Defense was still accepting input from the Services, and evaluating it, and looking at the financial implications. As soon as a decision is made, sir, we'll get back with you, Senator.

Senator WEBB. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Webb.

When you present the analysis of the law which applies to contractors as to whether they can be prosecuted either in a military court or in an American court, include in that any understandings or agreements which have been reached between the American authorities and the Iraqi authorities relative to the prosecution of these folks in Iraqi courts.

Secretary GEREN. We will.

[The information referred to follows:]

The information you requested was provided in a March 31, 2008, letter from the Honorable Benedict S. Cohen, General Counsel of the Department of the Army. I have enclosed that letter for your records.

GENERAL COUNSEL OF THE DEPARTMENT OF THE ARMY
WASHINGTON D.C. 20310-0104

MAR 5 1 2008

Honorable Carl Levin
United States Senate
Washington, DC 20510

Dear Senator Levin:

I have been asked to respond on behalf of the Secretary of the Army Pete Geren to questions posed to him during his February 26, 2008 testimony before the Senate Armed Services Committee concerning United States law applicable to State Department contractors alleged to have committed crimes outside the United States.

Among the authorities available to address alleged misconduct by contractor personnel are the Military Extraterritorial Jurisdiction Act of 2000 (MEJA) (18 U.S.C. § 3261 *et seq.*) and the Uniform Code of Military Justice (UCMJ) (chapter 47 of title 10, United States Code).

Generally, MEJA provides federal jurisdiction for felony-level crimes committed outside the United States by DoD contractors (including subcontractors at any tier) and the employees of a DoD contractors (including subcontractors at any tier). In 2004, MEJA was expanded to include contractors, subcontractors at any tier, and the employees of contractors (including subcontractors at any tier) from "any other Federal Agency . . . to the extent such employment relates to supporting the mission of the Department of Defense overseas." Where the employment of Department of State or other agency contractors is not related to supporting the mission of the Department of Defense overseas, MEJA jurisdiction would not be available.

Section 552 of the John Warner National Defense Authorization Act for Fiscal Year 2007 (Public Law 109-364, October 17, 2006) amended Article 2(a)(10) of the UCMJ regarding those circumstances in which persons serving with or accompanying our armed forces in the field may be subject to UCMJ jurisdiction. The amendment extended those circumstances to times of declared war or a contingency operation (as defined by 10 U.S.C. § 101(a)(13)). In time of war or during a contingency operation, the UCMJ amendment potentially makes military jurisdiction available to address alleged crimes committed by contractor employees, but only to the extent that such persons are serving with or accompanying our armed forces in the field. In those circumstances where it cannot be established that contractor personnel were serving with or accompanying our armed forces, a prerequisite for UCMJ jurisdiction over those contractor personnel would be absent. Also, the Article 2, UCMJ, term "in the

field" has been judicially construed to mean under circumstances where our armed forces are in a military operation with a view toward engaging an enemy or a hostile force. Not all military contingency operations involving our armed forces meet this criterion.

The Secretary of Defense recognizes the unique nature of this extended UCMJ jurisdiction over civilians and issued additional guidance on March 10, 2008, to ensure that the exercise of this jurisdiction is based on military necessity to support an effective fighting force and is called for by circumstances that meet the interests of justice.

Additionally, in 2001 the PATRIOT Act amended the definition of "special maritime and territorial jurisdiction of the United States" in 18 U.S.C. § 7 to provide jurisdiction over many federal felonies committed by or against a United States national on the premises of U.S. diplomatic, consular, military, or other government missions in foreign states, or residences used by U.S. personnel assigned to those missions. Persons subject to MEJA jurisdiction are specifically excluded from coverage by this amendment. And, finally, a number of criminal offenses in the United States Code apply extraterritorially regardless of their location (see, e.g., 18 U.S.C. § 1119 (murder of a United States national by a United States national); 18 U.S.C. § 2441 (war crimes committed by or against U.S. nationals)). Depending on the facts, these laws may also apply to State Department contractors alleged to have committed crimes outside the United States.

During the hearing you also asked that we provide for the record an overview of the agreements and understandings with Iraq with respect to jurisdiction over contractors. I am advised that Order 17(Rev.) provides in Section 3, paragraph 3 that "Contractors shall be immune from Iraqi legal process with respect to acts performed by them pursuant to the terms and conditions of a contract or any sub-contract thereto." While I am not aware of any other agreements or understandings with Iraq on this matter, the Department of State would be in the best position to provide a complete answer to your question.

Thank you for your inquiry in this matter and for your continued support of our Soldiers and their Families.

Sincerely,

Benedict Cohen

Benedict S. Cohen

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Chairman LEVIN. Okay.

Secretary GEREN. Just to expand, earlier you asked us to address the State Department.

Chairman LEVIN. That is correct.

Secretary GEREN. We'll try to pull together a picture of the entire governmental position.

Chairman LEVIN. We appreciate that.

Senator Kennedy, thank you for your patience.

Senator KENNEDY. Thank you very much, General.

I'd like to talk with you a little this morning about the kinds of pressures that are upon those that have served, and also those that are serving in the military, in order to understand the state of our Army.

First of all, in this area of Army suicide in 2007, the Army suicide rate was the highest it's ever been. In 2006, Army suicides rose to 17 percent. That number increased to 20 percent in 2007, when 121 soldiers committed suicide, more than double the numbers reported in 2001, before we sent troops into Iraq.

The Army strives to ensure that 90 percent of its enlistees have high school diplomas. Last year, only 79 percent of the enlistees achieved that goal. The Army conduct waivers have more than doubled since 2003. The felony conviction waivers have increased 24 percent. Serious misdemeanor waivers have increased by 168 percent. These obviously highlight the strain we placed on the Armed Forces. The Army is currently facing a shortage of 3,000 officers or more, and the shortage is overwhelming in the mid-grades, the senior captains and majors. The Army recently announced that it failed to meet its goal of retaining 14,184 captains, and retained only 11,933, despite an aggressive campaign that offered cash bonuses, as much as $35,000, plus ability to choose next assignment or attend military-funded graduate school in exchange for continued service. All told, 67 percent of those eligible for the program agreed to serve an additional 1 to 3 years. The goal was 80 percent. The attitude of the very young, in terms of how they view joining of the Service, has been dramatically altered or changed in the last several years.

Several weeks ago, Senator McCaskill and I and others wrote to you about some of these challenges that you're having, in terms of the expansion of West Point and Officers Candidate Schools. We've reached sort of a level on this. It seems that we're reaching a perfect storm here, both in terms of attitude of young people going in, and in terms of the key personnel that are in there, remaining and staying. For those that do remain and stay, and that have been called on to go to Iraq and Afghanistan, it's an explosion in terms of domestic problems and challenges that are happening.

What's your take of this? How should we view all of this? Is this the perfect storm, what's happening in terms of the military? How much should we be concerned about it? Is it just enough to change the tempo of service from 15 to 12 months? If you look at all of these kinds of indicators together, and take them, it certainly poses a very serious kind of challenge for the military. How are we going to deal with this?

General CASEY. Senator, you're right, and you are seeing the signs of a force that is stretched and under stress. The Secretary and I monitor these and other trends on a very regular basis, and it is something that we are all very concerned about and watch very closely.

That said, there are some other positive indicators that we also watch. For example, retention: NCO retention in all three of our components is well above 100 percent. That's a very strong signal. We believe that even though the force is stretched, they are still a very dedicated and committed group.

The second thing I'd say is that all of these indicators that you've mentioned, we are looking at and addressing. You mentioned suicides; that is something that concerns us all. We have a four-point program that we've been implementing for some time to reduce the

stigma, to raise awareness, increase access to behavioral health care, and provide feedback to commanders.

So, it's a combination of, one, recognizing that, yes, the force is stretched and stressed, and then, two, taking aggressive action to provide as much support and mitigation to the soldiers and the families as we can.

Senator KENNEDY. You had a task force that was focused on suicide, and then that became, as I understand, generally underfunded until very recently. I don't know what the take is on that. It seems to me, the re-enlistment rate is certainly something to be watched, but if you're looking across the board on this, in terms of the youths' attitude about whether to join the Service, all the steps that's been necessary to try and bring people into the Service, the challenge that people have in remaining in the Service, who are the high-quality figures in their mid-career, the majors and the captains, particularly those who have been involved in combat arms, it's certainly a pattern of enormous kinds of dangers. I'm just interested in what we're looking at. Do you take each of these components and try and deal with them individually? Do you look at this globally? How are you trying to come to grips with this in a meaningful way?

Secretary GEREN. Senator, we're in our 7th year of combat operations, and next month will have been 5 years in Iraq. I don't think it's surprising to see some of these personal indicators that you've noted start to show the stress on the force, both on the soldiers and on the families. On a macro level, one of the most important things we can do is get the deployment lengths down from 15 months to 12 months, and get the dwell time greater than the deployment length. That will go a long way towards reducing a lot of this stress on the force.

But the symptoms of the stress, and you've done an excellent job of detailing them, we are approaching every one of those individually, as well. The suicides we've seen; we've watched the divorce rates; we've seen an increase in the number of divorces among females; we have family programs, chaplain programs, and other support programs to try to address that. We have an increase in the number of soldiers that have sought treatment for mental health. We're trying to staff up and do a better job of meeting those needs.

So on a macro level, we're trying to grow the Army, and we're trying to reduce the stress on individual soldiers. But then, in detail, we're going after every one of those symptoms. We have an aggressive program to try to attack every single one of those and help soldiers, and help families deal with this stress.

Senator KENNEDY. Let me just say, finally, in December I mentioned I sent a letter to you with Senators Biden, Bayh, and McCaskill urging you to develop a plan to efficiently and effectively manage your accession pipeline. In developing a plan, we suggested that you conduct a thorough review of the Army's professional military education and career progression and selection programs. Your response, Mr. Secretary, to our letter detailed some long-term solutions to these problems, such as precommissioning retention programs and increasing West Point and ROTC production. For many

of us, though, our concern is more immediate, and I'd hope you'd take a look again at the letter that we sent.

Secretary GEREN. Yes, sir.

Senator KENNEDY. Thank you.

Secretary GEREN. We have taken immediate steps to respond to the concerns raised in your letter, and I share your concerns. The GAO report that you noted in your letter made some very important observations about our officer accessions, and we are taking immediate steps, and we have a task force that is going to be reporting back to the chief and me within a couple months. Then we're going to take some additional steps. But, you've raised some very important points in that letter about the need to do a better job of coordinating officer accessions, and we are acting on that.

Senator KENNEDY. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Kennedy.

Just one more question about the FCS program. It's, as you point out, a critically important program for Army modernization, and you've given us some of the funding assumptions in the future, and are confident that the program will be completed.

Secretary Gates said, and perhaps you were asked this and I missed it, that it's hard for him to see how that program can be completed in its entirety.

General CASEY. We discussed that with Senator Reed.

Chairman LEVIN. Is there not a disconnect there?

General CASEY. I've talked directly to the Secretary about it. He has no problems with the program. As he said, he particularly likes the spinout program to help the current force. My sense is that, the question was formed, "Faced with the inevitability of a downturn in resources, would you have to relook the program?" It's a $162 billion program, and I think that's where he framed his answer.

Chairman LEVIN. I don't understand then what your answer is. Did he say that it is his expectation that the program will not be completed in its entirety?

General CASEY. Senator, my recollection of the exchange was, it was about, "Faced with a drawdown in resources, could we afford a $162 billion program?"

Chairman LEVIN. It was on the assumption that there would be a reduction in overall resources, that he gave that answer?

General CASEY. I think, as the Secretary said earlier, even at the high point of the funding, it's less than a third of our procurement accounts, which are about a quarter of our overall budget. So, we believe that it is affordable.

Chairman LEVIN. I just want to be clear that you're saying that Secretary Gates' comment, that it's hard for him to see how the program can be completed in its entirety, that was left out in that quote was that, "if there is a reduction in overall resources for the Army," that then it would be hard for him to see it? Is that what you're saying?

General CASEY. That's my recollection. There was something in there about the inevitability of a decrease in resources.

Chairman LEVIN. He said it was inevitable there will be a reduction in resources?

General CASEY. Senator, my recollection is that's the way the question was posed.

Secretary GEREN. He has expressed his strong support for the program. I also have discussed his comment with him since that hearing. He was expressing concern over long-term, when you have a program that depends on funding over many years, about the challenges associated with maintaining support over those years in the face of budget challenges. But, he assured me in our conversations of his strong support for FCS, and nothing to do with the quality of the program or the importance of the program. But, he was being candid about what he sees as the challenges, long-term, in maintaining a program such as that over many years.

Chairman LEVIN. We thank you both. It's been a morning which, happily, had only three interruptions instead of five, so as it was, it was a bit hectic, but we very much appreciate your testimony and your service. Again, please, always represent to our troops and their families the support of this Senate.

Secretary GEREN. Thank you, Mr. Chairman.

General CASEY. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you. We are adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR DANIEL K. AKAKA

FUTURE COMBAT SYSTEMS

1. Senator AKAKA. General Casey, with regard to the Army's Future Combat Systems (FCS), cost estimates continue to rise, and the most recent analyses by the Army and the Department of Defense (DOD) predict that the total cost for the program will be between $230 and $300 billion. This program has come under scrutiny lately both due to its price and its immediate relevance in fighting the global war on terrorism. Given the level of immature technologies that are being integrated into FCS, and recent concerns over available networking bandwidth, what is the Army doing to control costs of this system over the coming years?

General CASEY. The Army's FCS cost estimate has not continued to rise. With the exception of the one-time program restructure initiated in 2004 (restoration of four deferred systems, introduction of current force Spin-Outs, added experimentation, and a 4-year program extension to reduce concurrency), FCS costs have been stable. The Army is aware of other independent cost estimates that are higher than the Army estimate, but much of the difference between the Army's estimate and the independent estimates is driven by potential risks that to date have not manifested themselves in negative cost performance. The Army has acknowledged these risks and has implemented program metrics and risk mitigation strategies to minimize the likelihood of the risks that may lead to cost growth. At this point, it would not be prudent to plan and budget the program to a set of potential risks.

FCS program costs are managed through an integrated life-cycle cost containment strategy. The safeguards reflected in this strategy include state-of-the-art processes, systems, and incentives. The independent estimates have been reviewed by the Army and the Office of the Secretary of Defense.

CULTURAL TRAINING OF SOLDIERS

2. Senator AKAKA. General Casey, there has been a lot of emphasis within the DOD lately about increasing the cultural awareness of our soldiers so that they may better perform counterinsurgency and stability operations. Training soldiers to effective levels in language and culture differences comes at a price, however, in reduced resources and time to train them in more traditional conventional areas of warfare. From a soldier's perspective, what do you make of these calls to create an Army of culture warriors, and do you think there will be an impact on the capabilities of the Army to perform large force traditional combat operations as more resources are invested in cultural training?

General CASEY. Training soldiers to effective levels of culture and foreign language capabilities is a daunting task and does indeed come with a price. However,

the benefits to the conduct of current and future operations are worth the investment of both time and funding.

Within the scope of counterinsurgency and stability operations, a basic level of cultural awareness is vital to plan operations and interact with the local populace, to include building trust and cooperation. Culturally aware and foreign language-enabled soldiers are much more adept and responsive to situations that may arise during these operations. Moreover, culturally aware and foreign language-enabled soldiers and leaders contribute to the successful planning and execution of all types of operations, not just counterinsurgency and stability operations.

The Army has several initiatives underway that build on existing capabilities for the total force. Cross-cultural competence training is embedded throughout Army professional military education. Our Training and Doctrine Command is developing an Army Culture and Foreign Language Strategy that expands training in cultural and foreign language competencies throughout a soldier's career. This strategy allows for additional focused training for units during their pre-deployment preparations. The Secretary of the Army has initiated a program that will encourage future officers to begin foreign language study during their participation in the Reserve Officer Training Corps.

Cultural awareness and foreign language capabilities are combat multipliers that we can ill afford to neglect in the training and preparation of America's soldiers. Our challenge is to develop these skills while maintaining our basic warrior skills.

RETENTION

3. Senator AKAKA. General Casey, America is now engaged in the most enduring conflict since establishment of the all-volunteer professional military, and retention has emerged as a significant challenge for the Army. Recently, it was reported that almost 60 percent of the 2002 graduating class from the U.S. Military Academy at West Point left the Army as soon as their service commitment was fulfilled. This compares with only 20 percent of the class of 1998 leaving when they had fulfilled their commitments. Given the high taxpayer cost of training a cadet at West Point, what sort of programs is the U.S. Army implementing to try to do a better job of retaining Academy graduates when they complete their initial service requirements, since as captains they fulfill such a critical role in combat leadership positions in both Iraq and Afghanistan?

General CASEY. The average United States Military Academy (USMA) graduate loss rate for year groups 1991–2002 at 60 months of service (5 years) is 29 percent, and it increases to 41 percent at 66 months of service (5.5 years). Attrition rates for year groups 2000–2002 are approximately 5 percent higher than the average at 60 months and 2 percent higher than at 66 months of service. Overall, there is no statistical significance in the loss rate differences from USMA year groups 1991–2002.

The increased loss rates, regardless of statistical significance, are still of concern to the Army. We have, therefore, begun a thorough review of officer accession and retention policies, and are assessing the overall health of the officer corps. We have instituted two initiatives to boost officer retention. First, we provide the highest-performing cadet officers from West Point and our ROTC scholarship programs the opportunity to select either their branch of choice, initial post of choice, or a fully-funded graduate degree program. This incentive has garnered over 9,000 additional man-years of obligated service among year groups 2006 and 2007 officers. We expect this incentive will raise the number of high-performance officers electing to serve 8 years by more than a third. Second, our unprecedented captain retention program offers a number of incentives, including graduate school or a cash bonus, to encourage our best and brightest officers to remain on Active Duty. Analysis of the results of our first several months of this program indicate a slight reduction in the loss rates of captains in the 2000 and 2001 year groups graduating from West Point.

WAIVERS

4. Senator AKAKA. Secretary Geren and General Casey, the number of waivers granted by the Army to recruits with prior criminal offenses and/or illegal drug usage has risen markedly since the beginning of the Iraq conflict. Are the commanders in the field experiencing any noticeable detriment to the quality of the force as a result of this increase in waivers?

Secretary GEREN and General CASEY. The number of enlistment waivers has increased over the last few years, in an era of persistent conflict and growth of the Army. Army mechanisms for screening these individuals are designed to mitigate

risk and have proven very effective. A recent study comparing trends of waivered soldiers to non-waivered soldiers who entered the Army from fiscal years 2003–2006 indicates that the soldiers who received enlistment waivers performed comparable to their non-waivered peers in most areas. We continue to monitor these trends closely.

5. Senator AKAKA. Secretary Geren and General Casey, with the understanding that basic training standards have not been adjusted, has there been any change in discipline-related failures to complete training as a result of this policy?

Secretary GEREN and General CASEY. Overall, there has been no discernable adverse change in the discharge rate for discipline-related failures in Initial Entry Training as a result of waiver policy. A review of attrition rates for entry level performance and conduct demonstrated a decline in attrition for this category from 2003 to present. A recent analysis by the Human Resources Research Organization showed that attrition rates among individuals with approved conduct waivers were not significantly different from the rates among individuals without conduct waivers. The use of these waivers does not currently appear to be causing any marked overall decrease in soldier quality, proficiency, or abilities or increase in related attrition in the training base.

QUESTIONS SUBMITTED BY SENATOR BILL NELSON

SEXUAL ASSAULT ALLEGATIONS AND PROSECUTION IN AFGHANISTAN AND IRAQ

6. Senator BILL NELSON. Secretary Geren, how many sexual assault allegations and prosecutions have there been since October 2001 in Afghanistan?

Secretary GEREN. There have been 76 unrestricted sexual assault allegations in Afghanistan since October 2001. Of the 76 investigations, four remain in open investigative status. There were at least nine military courts martial, one trial by Italian authorities for an allegation against one of their soldiers, and one trial by Egyptian authorities for an allegation against one of their soldiers.

In addition to the 76 unrestricted reports of sexual assault investigated by the U.S. Army Criminal Investigation Command (USACIDC), there have been five restricted reports of sexual assault recorded by soldiers in Afghanistan since DOD instituted the restricted reporting option in June 2005. Restricted reports are not reported to the chain of command or USACIDC, and are, therefore, not investigated or prosecuted.

7. Senator BILL NELSON. Secretary Geren, how many sexual assault cases have been reported since March 2003 in Iraq?

Secretary GEREN. There have been 454 unrestricted sexual assault cases in Iraq since March 2003. In addition to the 454 unrestricted reports of sexual assault investigated by USACIDC, there have been 15 restricted reports of sexual assault recorded by soldiers in Iraq since DOD instituted the restricted reporting option in June 2005. Restricted reports are not reported to the chain of command or USACIDC, and are, therefore, not investigated or prosecuted.

8. Senator BILL NELSON. Secretary Geren, what is the disposition of each of these cases?

Secretary GEREN. The disposition of the 454 sexual assault investigations in Iraq:[1]

80	Courts Martial
72	Non-judicial punishment (Article 15, Uniform Code of Military Justice)
1	U.S. Federal District Court prosecution under provision of MEJA
2	Referred to the U.S. Navy for action as subjects were Navy personnel
64	Adverse personnel actions
21	Referred to local authorities
15	No action taken by responsible authorities
25	Remain unsolved
160	Either not substantiated or unable to develop sufficient evidence to support any type of judicial or adverse action
29	Still pending action by commanders in the field
39	Still open and active investigations

[1] Some cases had more than one suspect, so dispositions will not equal investigations.

9. Senator BILL NELSON. Secretary Geren, what are the Service components or government agencies involved in each investigation?

Secretary GEREN. In both Iraq and Afghanistan, the USACIDC is the agency responsible for investigating all unrestricted sexual assault allegations that occur and either involves U.S. Army soldiers as subjects or victims or both, no matter the location, or occurs on Army installations and involves anyone, regardless of status. Depending on the availability of other military and Federal criminal investigative organizations such as the Navy, Air Force, or FBI, the location of the alleged offense and persons involved and the status of the alleged offender joint investigations between USACIDC and these other agencies may occur. For the cases mentioned in the preceding question, USACIDC was the primary investigative agency. Recent changes provide Uniform Code of Military Justice (UCMJ) authority over civilians and USACIDC investigative authority has expanded to include all civilians accused of criminal acts who are accompanying the Army, or working on Army contracts, no matter where the crime occurs. For civilian offenders, prosecution would be with local judicial authorities (especially for local and third country nationals), U.S. Federal prosecutors under the provisions of the Military Extraterritorial Jurisdiction Act (MEJA), or, as of October 2007, with military authorities under the UCMJ.

10. Senator BILL NELSON. Secretary Geren, what is the status of the persons involved in each case, i.e. Active military, U.S. government civilian employee, contract employee, or Iraqi national?

Secretary GEREN. Of the 76 investigations in Afghanistan, 49 suspects were U.S. Army soldiers, 14 suspects were local or third country nationals, two suspects were U.S. civilians, one was a member of the U.S. Air Force, three suspects were from foreign militaries, and nine were unknown. In those same 76 investigations in Afghanistan, there were 78 U.S. Army soldier victims, 3 local or third country national victims, 5 U.S. civilian victims; 3 were in the U.S. Air Force, 1 in the U.S. Navy, and 1 in the U.S. Marine Corps. Some of these investigations remain active investigations and the number and type of persons involved may change in the future.

For the 454 investigations in Iraq, there were 375 U.S. Army soldier suspects, 62 local or third country national suspects, 16 U.S. civilian suspects, 3 U.S. Navy suspects, 2 U.S. Air Force suspects, 2 U.S. Marine Corps suspects, 5 suspects from foreign militaries, and 28 unknown suspects. In those same 454 investigations in Iraq, there were 467 U.S. Army soldier victims, 14 local or third country national victims, 22 U.S. civilian victims, 4 U.S. Navy victims, and 6 U.S. Air Force victims. Some of these investigations remain active investigations and the number and type of persons involved may change in the future.

11. Senator BILL NELSON. Secretary Geren, who has jurisdiction or investigative authority for sexual assault allegations in both Afghanistan and Iraq?

Secretary GEREN. In both Iraq and Afghanistan, the USACIDC is the agency responsible for investigating all unrestricted sexual assault allegations that occur and either involves U.S. Army soldiers as subjects or victims or both, no matter the location; or occurs on Army installations and involves anyone, regardless of status. Depending on the availability of other military and Federal criminal investigative organizations such as the Navy, Air Force, or FBI, the location of the alleged offense and persons involved, and the status of the alleged offender, joint investigations between USACIDC and these other agencies may occur. For the cases mentioned in the preceding question, USACIDC was the primary investigative agency. Recent changes provide UCMJ authority over civilians and USACIDC investigative authority has expanded to include all civilians accused of criminal acts who are accompanying the Army, or working on Army contracts, no matter where the crime occurs. For civilian offenders, prosecution would be with local judicial authorities (especially for local and third country nationals), U.S. Federal prosecutors under the provisions of the MEJA, or, as of October 2007, with military authorities under the UCMJ.

12. Senator BILL NELSON. Secretary Geren, could you provide a clear explanation of the rules, regulations, policies, and processes under which sexual assaults are investigated and prosecuted?

Secretary GEREN. Allegations of sexual assault involving soldiers as either suspects or victims, regardless of location, or allegations of sexual assault that occur on Army installations, regardless of the status of the participants, are investigated by the USACIDC. Allegations of crimes involving soldiers that occur on other Service controlled bases (e.g. U.S. Marine Corps) are investigated by that Service's criminal investigative organization. Prosecution of soldiers is a command function pursuant to the UCMJ, and the Manual for Courts-Martial (MCM). The MCM provides general guidance to commanders on the disposition of any offense. However, pursu-

ant to Army policy, authority to dispose of cases that resulted from allegations of sexual assault is withheld to the Battalion commander level and above, and that commander may do so only after receiving the advice of a judge advocate. Prosecution of civilians accused of criminal offenses may be accomplished either through local law enforcement/judicial authorities (especially for local nationals) or through the Department of Justice (DOJ) under the MEJA of 2000, if the acts occurred overseas. Under MEJA, the USACIDC provides its investigative report concerning a civilian suspect to either the Combatant Commander, or his Staff Judge Advocate, who may refer the case and the investigative report to the DOD General Counsel's office for coordination with the DOJ. Article 2(a)(10), UCMJ, also provides for UCMJ jurisdiction over civilians serving with or accompanying the force in the field during contingency operations.

13. Senator BILL NELSON. Secretary Geren, have any civilians been prosecuted during the entirety of U.S. involvement in Afghanistan and Iraq under the UCMJ?

Secretary GEREN. No. Jurisdiction over civilians was expanded on October 17, 2006 when the John Warner National Defense Authorization Act for Fiscal Year 2007 amended Article 2(a)(10), UCMJ. The expansion provided for UCMJ jurisdiction over civilians serving with or accompanying the force in the field during contingency operations. Prior to the effective date of the act, there were no prosecutions, because UCMJ jurisdiction over civilians was limited to periods in which there is a formal declaration of war. There have been no prosecutions of civilians since the statutory amendment became effective.

14. Senator BILL NELSON. Secretary Geren, have any civilians been prosecuted during the entirety of U.S. involvement in Afghanistan and Iraq under any other U.S. or international law? If so, what international laws?

Secretary GEREN. Yes. I am aware that one former soldier, Specialist Steven Green, is being prosecuted under the MEJA of 2000 in Federal District Court in Kentucky, after being accused of murder and rape of Iraqi nationals in Iraq. Additionally, one U.S. civilian, who indecently assaulted a soldier in Iraq in 2005, was prosecuted and convicted in Federal District Court in Georgia. Issues relating to the prosecution of civilians serving with or accompanying our forces overseas under U.S. laws and international law are under the purview of the DOD Office of General Counsel (OGC). DOD OGC coordinates directly with the DOJ in its exercise of jurisdiction under MEJA, and maintains records and information on these cases or their disposition. Given DOD's and DOJ's responsibility and control over this process, they would be better positioned to provide specifics regarding the number of cases and their disposition. I am not aware of any American civilian or soldier being prosecuted in international tribunals. However, DOD OGC is the best source of data for this question.

15. Senator BILL NELSON. Secretary Geren, what are the circumstances of all cases that have been prosecuted under the UCMJ or U.S. or international law?

Secretary GEREN. For Army activity under the UCMJ, there have been 96 summary, special and general courts-martial of soldiers for sexual assaults in Iraq and Afghanistan. The alleged offenses include rape, forcible sodomy, sodomy with a child, and indecent assault. There have been an additional 92 adverse administrative and non-judicial actions for soldiers accused of sexual assaults. Under MEJA, one former soldier, Specialist Steven Green, is being prosecuted in Federal District Court in Kentucky, after being accused of murder and rape of Iraqi nationals in Iraq; and one U.S. civilian who indecently assaulted a soldier in Iraq in 2005 was prosecuted and convicted in Federal District Court in Georgia. Given DOD's and DOJ's responsibility and control over the application of MEJA, they would be better positioned to provide specifics regarding the number of cases and their disposition. I do not know of any cases where U.S. soldiers have been prosecuted for sexual assault under international law, at international tribunals, or in foreign domestic courts arising from allegations of misconduct in Iraq or Afghanistan. I would again encourage consultation with DOD OGC concerning this matter.

16. Senator BILL NELSON. Secretary Geren, what is the law that governs civilian contractors (DOD, State, or any other U.S. Government agency) who are alleged to have committed crimes?

Secretary GEREN. Civilian contractors are subject to prosecution under the MEJA of 2000, and as of October 17, 2006, the UCMJ, Article 2(a)(10). If a civilian in Afghanistan or Iraq commits a criminal offense that violates U.S. Federal criminal law, the MEJA allows the military to investigate the incident and coordinate with the DOJ concerning prosecution of the case. Under MEJA, civilian contractors are

subject to prosecution under U.S. Federal criminal law if they commit a criminal act that would have been a felony-level Federal offense if committed within the United States. MEJA also requires that the contractor be employed by or contracted to the DOD, or that their employment or contractual work for another agency supports the mission of DOD. Since October 17, 2006, UCMJ jurisdiction extends to civilian contractors serving with or accompanying the force in the field during contingency operations. Therefore, civilian contractors who fall within this category are subject to prosecution for UCMJ offenses at courts-martial. If jurisdiction exists under both MEJA and the UCMJ, by DOD policy, Federal prosecution takes precedence over UCMJ prosecution.

17. Senator BILL NELSON. Secretary Geren, what role, if any, does the MEJA of 2000 play in the prosecution of civilian contractors who allegedly commit crimes in Iraq and Afghanistan?

Secretary GEREN. If a civilian in Afghanistan or Iraq commits a criminal offense that violates U.S. Federal criminal law, the MEJA of 2000 allows the military to investigate the incident and coordinate with the DOJ to determine a United States Attorney's Office to prosecute the case. Under MEJA, civilian contractors are subject to prosecution under U.S. Federal criminal law, if they commit a criminal act that would have been a felony Federal offense if committed within the United States. MEJA also requires that the contractor be employed by or contracted to the DOD, or that their employment or contractual work for another agency supports the mission of DOD. Prosecution in MEJA cases is conducted by a United States Attorney's Office in a Federal District Court within the United States. If jurisdiction exists under both MEJA and the UCMJ, by DOD policy, Federal prosecution takes precedence over UCMJ prosecution of civilians.

18. Senator BILL NELSON. Secretary Geren, how many prosecutorial investigations have been initiated under MEJA?

Secretary GEREN. Issues relating to the prosecutions of civilians under U.S. laws and international law are under the purview of the DOD OGC. DOD OGC coordinates directly with the DOJ in its exercise of jurisdiction under the MEJA of 2000. According to the DOD OGC, eight investigations of alleged sexual assault have been referred to the DOJ under the MEJA. Thus far, DOJ has proceeded with prosecution in two of these cases. Former soldier, Specialist Steven Green, is being prosecuted under MEJA in Federal District Court in Kentucky, after being accused of murder and rape of Iraqi nationals in Iraq; and one U.S. civilian who indecently assaulted a soldier in Iraq in 2005 was prosecuted and convicted in Federal District Court in Georgia. Both cases were investigated by the U.S. Army Criminal Investigation Command. Three cases have been declined for MEJA prosecution because there was insufficient evidence. The remaining three cases are listed as "pending."

19. Senator BILL NELSON. Secretary Geren, what is the earliest date that you can provide to the Senate Armed Services and Intelligence Committees the classified and unclassified RAND report and all summaries titled "Rebuilding Iraq"?

Secretary GEREN. The Chief of Legislative Liaison, Major General Galen Jackman, responded to your request on March 20, 2008. A copy of the letter from General Jackman is attached.

DEPARTMENT OF THE ARMY
OFFICE OF THE CHIEF OF LEGISLATIVE LIAISON
1600 ARMY PENTAGON
WASHINGTON DC 20310-1600

REPLY TO
ATTENTION OF

MAR 20 2008

The Honorable Bill Nelson
United States Senate
Washington, DC 20510

Dear Senator Nelson:

Thank you for your letter of March 5, 2008, requesting classified and unclassified versions of the RAND report entitled "Rebuilding Iraq."

The volumes you have requested are part of a larger, multiyear effort – "Operations in Iraq: Key Issues for the Army" – which is rapidly nearing completion. We envision that RAND's findings will be published in eight separate reports totaling over 3000 pages. Six of the eight reports will be classified. Unclassified reports will summarize the entire effort, and address prewar planning and the occupation of Iraq until the transfer of authority to the Interim Iraqi Government on June 28, 2004. The classified executive summary has not yet been written. We will provide each report to Congressional and defense and intelligence committees as they are finalized.

In the interim, we have provided current drafts of each of the currently available six reports to the Committees on Armed Services of the United States Senate and the United States House of Representatives. We ask that you make use of those copies until we complete each report, including final determination of security classification.

Sincerely,

Galen B. Jackman
Major General, U.S. Army
Chief of Legislative Liaison

MISSILE DEFENSE TRANSITION TO THE ARMY

20. Senator BILL NELSON. Secretary Geren, the Missile Defense Agency (MDA) has indicated that it is in discussions with the Army about its proposal for how and when to transition and transfer certain missile defense capabilities, such as the Terminal High Altitude Area Defense (THAAD) system. Can you describe your view of the proposed transition plan, and any concerns you have about it?

Secretary GEREN. The Army and MDA have been working plans to transition and transfer those Ballistic Missile Defense System (BMDS) elements for which the Army is the lead Service. There are currently three BMDS elements designated to be transferred to the Army: the ground-based interceptors and ground-based mid-course defense fire control and communications; the THAAD system; and the AN/TPY–2 Forward Based Mode Radar. A fourth BMDS element, the PAC–3, has already been transferred to the Army. For the past 2 years, we have collaborated on the transition and transfer plans and have participated on integrated product teams for each element in order to work the specific details associated with transition and transfer. Transition and transfer was the main topic of a recent Army/MDA board

of directors meeting where it was decided to develop and sign an overarching memorandum of agreement with individual, event-driven element annexes to further guide the transition and transfer process. Our only concern with the transition and transfer of BMDS elements to the Army is long-term affordability. Element transitions must only occur when full funding is secured, as procurement and operations and support costs anticipated at transfer are beyond the Army's ability to program and fund without a total obligation authority increase.

THAAD SYSTEM DELAYS

21. Senator BILL NELSON. General Casey, the MDA budget request for fiscal year 2009 would delay the delivery of THAAD Fire Units 3 and 4 by 1 year. These are near-term capabilities that we understand the regional combatant commanders want delivered as soon as possible to defend their forward-deployed forces against existing missile threats. If it is possible to eliminate this delay and deliver these fire units on time to the combatant commanders, would you support doing so?

General CASEY. Yes, and the MDA has recently taken steps to realign internal funding to restore planned procurement and delivery of these two fire units and interceptors as originally planned and scheduled. THAAD represents a cutting edge ballistic missile defense capability that we need to field as early as possible.

22. Senator BILL NELSON. General Casey, the Joint Capabilities Mix study of missile defense systems indicates that we will need about twice the number of THAAD interceptors as the 96 we are currently planning to buy. Do you agree that we will need more than 4 THAAD Fire Units and 96 THAAD interceptors to provide adequate capability for our forward-deployed forces?

General CASEY. The Joint Capabilities Mix (JCM) II+ Sensitivity Analysis was completed in early January 2008. To date, the results of the study have been briefed at the Force Protection Functional Capabilities Board (FP FCB) and went to the Joint Capabilities Board in mid-February 2008. Results are scheduled to be briefed to the Joint Requirements Oversight Council (JROC). JCM II+ results support the findings of the Upper Tier interceptor inventory requirements for U.S. forces in 2015 that were detailed in the JCM II. These studies clearly show that current inventory levels are not sufficient to operate in multiple theaters in near-simultaneous combat operations.

QUESTIONS SUBMITTED BY SENATOR EVAN BAYH

MENTAL HEALTH

23. Senator BAYH. Secretary Geren, as I understand, the reality is that our Nation and the military's medical system face significant shortages of mental health professionals. In fact, the Army is trying to hire 272 new mental health professionals this year. Unfortunately, the Army has estimated that it will have only 150 by March. As a result, our system today is hard-pressed and strained, at best, to provide the essential care that so many of our soldiers who suffer from traumatic brain injury (TBI) and post-traumatic stress disorder (PTSD) need. With that in mind, should we instead be focusing our efforts on taking the needed steps to increase access to quality, community-based and private care for our wounded soldiers?

Secretary GEREN. To provide optimal care for our soldiers, we must make full use of the Military Health System (MHS), the Department of Veterans Affairs (VA), and private sector care. Currently, the MHS makes extensive use of private sector care through the TRICARE Network. The Office of the Assistant Secretary of Defense for Health Affairs (HA) recently issued a new policy to ensure beneficiaries have appropriate access to mental health services by aligning mental health access standards with existing primary care access standards. This policy directs two new business practices. First, military mental health clinics must provide more self-referral capabilities, much like a primary care clinic. Mental health clinics traditionally operated as specialty referral clinics, with soldiers only having limited self-referral capabilities. Second, the policy establishes a 7-day routine standard for receiving mental health treatment for a new onset, non-urgent behavioral health condition or the exacerbation of a previously diagnosed condition. Military treatment facilities closely track access standards for our wounded soldiers. If access to care standards cannot be met at a military facility, the soldier is referred to the private sector for care. In addition, we are partnering with civilian health care providers to ensure that civilian providers have the education and training to care for our soldiers and veterans.

DOD has focused its efforts on increasing access to community based care through a health care program called Military OneSource. The DOD provides Military OneSource at no cost to servicemembers and their families, and it is accessible 24/7. The health care system provides access to community counseling services by phone and in person. These counseling sessions are private and focus on issues ranging from reactions to deployment, to grief and loss, to stress related problems, to relationship problems. The servicemember or family member receives up to six free sessions per issue. Servicemembers can call 1–800–342–9647 toll free, or they can access services through the website at www.militaryonesource.com.

24. Senator BAYH. Secretary Geren, are you pursuing a comprehensive examination of TBI sufficient to provide protection for our future soldiers? That is, are the engineering and scientific communities being joined with the medical community to develop a deep understanding of the issues of blast waves and their interaction with the human body?

Secretary GEREN. Yes. The Army's core medical research program is currently supporting multiple parallel efforts to examine the medical effects of blast waves on the human body, and specifically on the brain. These efforts include evaluating the attenuating effects of protective equipment, as well as assessing design considerations that will improve the protective effect of the soldier's equipment. The medical research community is actively working with the engineering research community, multiple academic institutions, and private industrial labs to advance our understanding of primary and secondary blast effects on the human body, and to develop effective countermeasures to prevent injury to our warriors in the future.

25. Senator BAYH. Secretary Geren, what are your plans to develop a broad body of investigators with new approaches, as opposed to a small number of research organizations, to research TBI and its remediation?

Secretary GEREN. There are already a myriad of research projects under way across a vast multidisciplinary research community, which includes academia, private organizations, and governmental organizations. The results of these multidisciplinary research initiatives being pursued by the best scientists in the field will advance our understanding of how to prevent, detect, diagnose, and treat TBI. Some examples of these research initiatives include neuroprotection and repair strategies, rehabilitation and reintegration strategies, and the physics of blast injury relative to brain injury.

DOD PTSD/TBI Research Program supports basic and clinically oriented research that will: (1) result in substantial improvements over today's approaches to the treatment and clinical management of TBI; (2) facilitate the development of novel preventive measures; and (3) enhance the quality of life of persons with TBI. Congress mandated that the program be administered according to the highly effective U.S. Army Medical Research and Materiel Command's two-tiered review process that includes both an external scientific (peer) review conducted by an external panel of expert scientists, and a programmatic review. After the scientific peer review has been completed for each proposal, a programmatic review is conducted by a Joint Program Integration Panel (JPIP), which consists of representatives from DOD, VA, and Department of Health and Human Services. The JPIP identified several gaps in TBI research, including (1) treatment and clinical management; (2) neuroprotection and repair strategies; (3) rehabilitation/reintegration strategies; (4) field epidemiology; and (5) physics of blast. Research proposals that address these gaps will have the highest priority for funding.

The DOD's investment strategy for the $150 million appropriation included multiple intramural (DOD and VA) and extramural award mechanisms focused primarily on pre-clinical TBI research. The funding mechanisms include the Concept Award, which supports the exploration of a new idea or innovative concept that could give rise to a testable hypothesis; the Investigator-Initiated Research Award which supports basic and clinically oriented research; the Advanced Technology-Therapeutic Development Award, which supports studies designed to demonstrate the effectiveness of pharmaceuticals (drugs, biologics, and vaccines) and medical devices in preclinical systems and/or the testing of therapeutics and devices in clinical studies; the New Investigator Award, which supports bringing new researchers into the field of TBI; and the Multidisciplinary Research Consortium Award which supports optimizing research and accelerating the solution of a major overarching problem in TBI research within an integrated consortium of the most highly-qualified investigators.

The DOD PTSD/TBI Research Program is offering competitive funding for a Clinical Consortium, which will combine the efforts of the Nation's leading investigators to bring to market novel treatments or interventions that will ultimately decrease

the impact of military-relevant PTSD and TBI within the DOD and the VA. Further, the Clinical Consortium is required to integrate with the DOD Center of Excellence (DCoE) and is intended to support the DCoE's efforts to expedite the fielding of PTSD and TBI treatments and interventions. Several other award mechanisms offered by the PTSD/TBI Research Program will also support preclinical and clinical trials for more effective treatments for TBI.

The opportunities for funding research in TBI through these award mechanisms is open to all investigators worldwide, including military, academic, pharmaceutical, biotechnology and other industry partners. The competition is open, but rigorous, and the process ensures that the best research and brightest people are funded to provide solutions to the problem of TBI.

26. Senator BAYH. Secretary Geren, how have the responders to your solicitations for TBI research shown investments that compliment and accelerate the programs of research?

Secretary GEREN. The DOD PTSD/TBI Research Program solicited proposals under intramural and extramural funding opportunities. Intramural funding mechanisms were dedicated to supporting research aimed only at accelerating ongoing TBI-oriented DOD and VA research projects or programs. Intramural proposals were solicited under two TBI-focused funding mechanisms, the Investigator-Initiated Research Award, which supports basic and clinically oriented research, and the Advanced Technology-Therapeutic Development Award, which supports studies designed to demonstrate the effectiveness of pharmaceuticals (drugs, biologics, and vaccines) and medical devices in preclinical systems and/or the testing of therapeutics and devices in clinical studies. Approximately $35.3 million of the $150 million TBI appropriation has been approved for funding ongoing DOD and VA research projects or programs. It is anticipated that other ongoing DOD and VA research will be supported indirectly through the extramural funding process.

Congress mandated that the program be administered according to the highly effective U.S. Army Medical Research and Materiel Command's two-tiered review process that includes both an external scientific (peer) review conducted by an external panel of expert scientists, and a programmatic review. After the scientific peer review has been completed for each proposal, a programmatic review is conducted by a JPIP which consists of representatives from the DOD, VA, and Health and Human Services. The members of the JPIP represent the major funding organizations for TBI and, as such, are able to recommend funding research that is complimentary to ongoing efforts.

UNMANNED AERIAL VEHICLES

27. Senator BAYH. General Casey, as I understand, the Air Force and Army utilize different models for their unmanned aerial vehicle (UAV) crews. The Air Force's model, as it has been explained to me, is called Remote Split Operations. This places crews (pilots, sensors, analysts) in installations across the United States to allow for their constant usage. In turn, this means that the crew footprint in theater is relatively small and limited to only the launch and recovery elements. However, I understand that the Army is deploying the units forward allowing for only the use of those deployed assets (1/3 deployed, 1/3 in train up, 1/3 in reconstitution). Does this not allow for 100 percent utilization of Air Force crews instead of the Army's approximately 33 percent utilization rate?

General CASEY. The Army uses a modular Brigade Combat Team (BCT) centric model to generate forces for deployment. Our BCT structure incluces a Shadow UAS platoon of 22 soldiers. This small platoon conducts all launch, recovery, and flight operations. The UAS operators are fully integrated into the BCT mission planning and fully understand the commander's intent. If an unanticipated high priority mission occurs while a Shadow UAS is flying, the BCT can direct the operator to change the planned mission to provide immediate support. The Army currently has 20 Shadow UAS platoons, 2 Hunter UAS companies, 1 I-Gnat UAS detachment, and 4 Warrior-A UAS platoons deployed in OIF; and 2 Shadow UAS platoons and 1 Warrior-A UAS platoon deployed in OEF. All BCTs scheduled to enter theater on the next rotation train with their Shadow UAS platoon to ensure the commander and staff understand how to employ this critical asset.

28. Senator BAYH. General Casey, commanders abroad continue to note their growing UAV requirements for operations abroad. As I understand, the Joint Requirements Oversight Council (JROC) is currently reevaluating the UAV requirement for the entire DOD. Given what appears to be a modest explosion in need for

the kind of persistent intelligence, surveillance, and reconnaissance (ISR) that UAVs provide, why is the Army not following the Remote Split Operations model the Air Force uses?

General CASEY. The Army focuses on tactical Reconnaissance, Surveillance, and Target Acquisition with its UAS assets. The integration of the UAS operator into mission briefings allows for greater understanding and facilitates dynamic retasking, effective manned/unmanned teaming, full use of on-board communications relay capabilities, and dynamic flexibility to meet emerging, time sensitive high risk threats. Of the 22 soldiers in the Shadow Platoon only two are operators not involved in launch and recover operations. If the Army placed those soldiers in the States they would not attend mission briefings, would not understand the commander's intent, and would not be readily available for dynamic retasking. The Army would have to add satellite technicians at each BCT and in the locations in the States. This would likely increase the footprint in theater, require the recruitment and training of large numbers of satellite technicians, and sever the critical link between the BCT commander and his UAS operators.

29. Senator BAYH. General Casey, the Army currently supports an equivalent of 12 combat air patrols (CAPs) with its UAV fleet. The Air Force is anticipating that they will be able to support an estimated 24 CAPs by June of this year thanks to a surge in their usage of personnel and assets. What are the Army's current UAV or ISR needs in Iraq and Afghanistan?

General CASEY. As of February 19, 2008, the Army has flown over 429,000 UAS hours in theater. That includes 99,000 Raven Small UAS hours. Over the past 3 months, approximately two thirds of the major subordinate commands' full motion video requests were satisfied. The Army will provide a Sky Warrior Quick Reaction Capability and six more Shadow platoons to meet stated MNC–I shortfalls. We are awaiting feedback from the Chairman of the Joint Chiefs of Staff on our recommended courses of action to support the ISR surge.

30. Senator BAYH. General Casey, has the Army considered an approach similar to the Air Force's to try and meet that current need?

General CASEY. The Army has provided the Secretary of Defense with options for increasing the number of Army UASs in theater. One option would be to accelerate the deployment of the Sky Warrior Block 0 and Shadow UAS into theater. Other options include mobilizing additional Reserve component units and adding Government Owned/Contractor Operated systems into theater. With all the options the Army balances the current need for UAS systems in theater with the scheduled rotations and to meet the Secretary of Defense's dwell time and boots-on-the-ground requirements.

IRAQ AND AFGHANISTAN

31. Senator BAYH. Secretary Geren and General Casey, can you please delve into your plans to ensure that the force is appropriately balanced for future counterinsurgency or nation-building contingencies?

Secretary GEREN and General CASEY. The Army continuously assesses capabilities to ensure the right mix of force structure to meet current and future strategic demands. The Army's ongoing analysis will directly result in the rebalancing of more than 142,000 spaces of capability, including the growth of 74,200 spaces of structure in the Grow the Army plan, by the end of fiscal year 2013. The focus of the Army's rebalancing and growth is to provide more special operations forces, infantry, military intelligence, military police, engineers, civil affairs, psychological operations, and critical combat service support enablers. These capabilities have allowed the Army to shift its weight to meet increasing requirements for counterinsurgency and nation building capabilities. The combined impact of rebalancing and growth will build strategic and operational depth across all three Army components to meet combatant commander requirements; mitigate high-demand/low-density persistent shortfalls; and ensure the capability to generate, train, and sustain the force in an era of persistent conflict.

32. Senator BAYH. Secretary Geren and General Casey, how is the Army training soldiers for both the situations today in Iraq and Afghanistan while also balancing the potential requirements of tomorrow?

Secretary GEREN and General CASEY. Army training has aggressively adapted to fully prepare deploying forces. However, we face challenges to maintain balance for full spectrum conflict and future force modernization. The Army continues to deploy

highly trained forces prepared for their projected mission in Iraq or Afghanistan. Units are alerted of their expected deployment as early as possible, identify mission essential tasks associated with their assigned mission, and focus pre-deployment training on achieving proficiency in those tasks. The Army has improved the capability of training venues at units' home stations and Combat Training Centers (CTCs) to realistically portray the ever changing operational environments—terrain, social, language, and culture—in which our soldiers are fighting. Every deploying unit conducts a mission rehearsal/readiness exercise or capstone event which features nongovernmental organizations, contractors, media, coalition role players, and hundreds of civilians on the battlefield.

Given the predominance of operational deployments to Iraq and Afghanistan and the high demand for forces there, the Army is sensitive to likely atrophy of expertise for other kinds of operations. To counter any such trend and regain more suitable balance, the Army requires units to retain training focus as long as possible on the core tasked for which they were designed, before shifting to the tasks and operational conditions associated with their projected deployment. Doing so enables a unit to build skill on the fundamental tasks required of full spectrum operations—offense, defense, and stability operations—which are executed during any kind of operation whether counterinsurgency or major combat operations. As the dwell time before units must deploy increases over time, units will be able to train more on their as-designed, core tasks. Additionally, to ensure leaders develop in a balanced way over their extended careers, the Army requires professional military education courses for commissioned officers and noncommissioned officers to retain a broad focus on the entire range of military operations.

Sustained demand of current operations has stressed the Army's training capability. For example, replicating current operational conditions at unit home stations and Army CTCs is accomplished by using a combination of base and supplemental funding at the expense of modernization. Overtime the training capability of the Army generating force has slipped out of balance with requirements of operating force because we have taken risk in manning, equipping, and resourcing the training base. The Army seeks to achieve balanced training capability, in part, by:

- Investing in training modernization for a fully integrated live, virtual, and constructive training environment.
- Transferring training tasks from post-mobilization to pre-mobilization for Reserve component units.

33. Senator BAYH. Secretary Geren and General Casey, can you please explain how long you believe the Army will be able to handle the current operations tempo?

Secretary GEREN and General CASEY. The cumulative effects of the last 6-plus years at war have left our Army out of balance. The impacts on soldiers and units of increasing time deployed and decreasing time between deployments are visible in several different areas such as training and readiness. Additionally, there is a backlog of soldiers who have not attended professional military education schools commensurate with their rank. Units are only able to train to execute counterinsurgency operations rather than full-spectrum operations. Other potential indicators are worrisome: the competitive recruitment environment with a declining number of qualified potential recruits, the increase in the number of soldiers with post traumatic stress disorder, and an increasing number of suicides. However, we predict that we will continue to recruit and retain enough soldiers to meet our end strength requirements.

The Army has identified four imperatives that we must accomplish to put ourselves back in balance: Sustain, Prepare, Reset, and Transform. The Army has accelerated its planned growth of soldiers and units and we expect to complete our growth by the end of 2011. In this era of persistent conflict, the Nation needs to field fully prepared and resourced forces wherever required.

34. Senator BAYH. Secretary Geren and General Casey, you both mention that the force is strained; can you please contrast and compare your definitions of a strained force and a broken force?

Secretary GEREN and General CASEY. Today's Army is out of balance, it is strained but not broken. Indications that the force is strained and out of balance include demand exceeds supply, counterinsurgency-focused, rather than a full-spectrum trained force, accelerated equipment wear out, and stress on soldiers and families. Nevertheless, today's Army is able to meet the national strategy. The Army sends only properly manned, trained, and equipped units to Iraq and Afghanistan. A broken force lacks the capability to man, train, and equip itself to meet the national strategy.

QUESTIONS SUBMITTED BY SENATOR MARK PRYOR

JOINT CARGO AIRCRAFT

35. Senator PRYOR. General Casey, the National Defense Authorization Act (NDAA) for Fiscal Year 2008 states that no funds will be appropriated for the procurement of the Joint Cargo Aircraft (JCA) until 30 days after the Secretary of Defense signs off on six reports, one of which being the Joint Intra-theatre Airlift Fleet Mix Analysis. Having been completed in December 2007, this report is long overdue to Congress. Where is this Fleet Mix Analysis and when will it be signed?

General CASEY. The Fleet Mix Analysis is a United States Air Force report; therefore, you will receive it from the Chief of Staff, Air Force.

36. Senator PRYOR. General Casey, how will a delay in this report affect the procurement and development of the JCA program for the Army?

General CASEY. The authorization delay will not effect the procurement of four aircraft in fiscal year 2008. The delay does impact JCA testing and the Business Case Analysis to support the Joint Program Strategy for Full Rate Production. Additionally, delayed funding will have a direct impact on establishing the first bed down site in Georgia, the maintenance contract, purchase of ground support equipment and special maintenance tools, and training for pilots and crew members. Today, we are in a day-for-day slip with regard to the first unit equipped in fiscal year 2010.

37. Senator PRYOR. General Casey, can you elaborate on the importance of the JCA for the Army and the strategic differences in intra-theater airlift and the last tactical mile?

General CASEY. The importance of the JCA Program to the Army cannot be understated. The JCA enables the Army to meet its inherent core logistics functions as described by Joint Publication 3–17 and Joint Publication 4–0. The primary mission of the Army JCA is to transport Army time-sensitive mission-critical (TSMC) cargo and personnel to forward deployed units, often in remote and austere locations, commonly referred to as the last tactical mile. Because of the critical nature of this cargo to the success of the tactical ground commander's mission and the short notice of its need (usually less than 24 hours), lift assets must be in a direct support relationship to provide the necessary responsiveness.

For sustainment operations, Army fixed wing aviation performs those missions which lie between the strategic and intra-theater missions performed by the U.S. Air Force and the tactical maneuver and movement performed by Army rotary wing or ground assets. The JCA will provide point-to-point distribution where effectiveness vice efficiency is critical to meeting the ground tactical mission needs. Simultaneously, the JCA will continue to push the majority of supplies forward, maintaining the potential synergistic effect between efficiency and effectiveness. JCA for both the Army and Air Force is meant to be a complimentary asset.

38. Senator PRYOR. General Casey, on January 23, 2008, you met with General Moseley at Bolling Air Force Base for Warfighter Talks in an effort to strengthen joint partnerships between the Army and the Air Force and to discuss issues about interdependence and interoperability of operations. Specifically, what conclusions were drawn regarding the joint nature of the JCA?

General CASEY. The Army and Air Force have agreed to examine Intra-theater Air Lift Roles and Missions as part of the Quadrennial Defense Review. In the most recent Air Force-Army Warfighter Talks, we recommitted our Services to the success of the C–27 program in its current format, on the current fielding timeline, and in accordance with the current beddown plan. Together, both Services will work any roles and missions issues that may arise.

FINANCE AND ACCOUNTING OFFICERS

39. Senator PRYOR. Secretary Geren, what steps is the Army taking to increase the number of finance and accounting officers both within the Army and the combatant commands for current and future areas of concern?

Secretary GEREN. The Army's financial management community has proactively embraced transformation and modularity. Initiatives such as the Defense Integrated Military Human Resource Management System and the General Fund Enterprise Business System leverage technology to better use the talents of the officers within the financial management community. Our financial management community is also combining the functions of financial operations and resource management within

the tactical structures to provide a full scope financial management asset for deployed commanders, while conforming to modularity for enhanced scale efficiencies. All these efforts maximize the capabilities of our current financial management officer population as the Army attempts to meet an increasing number of mission requirements.

Despite these efficiencies, the experiences of OIF/OEF revealed the increased need for both financial management and contracting officers in deployed environments. The Gansler Report prescribed an increase to the expeditionary nature of contracting culminating with the establishment of the U.S. Army Contracting Command and a higher percentage of Army officers comprising the acquisition profession. Parallel efforts within the Army's financial management community recognized that battlefield procurement far exceeded previously anticipated volumes and recommended doubling the size of both corps and division level resource management cells. The analysis prescribed an increase from 4 to 8 soldiers at each echelon of these forward deployed money management cells—a total of 88 commissioned and noncommissioned officer positions across the Army. The next step toward achieving this increase in financial management personnel occurs in April when the Army's corps structure review revalidates the need and determines a sourcing solution.

40. Senator PRYOR. Secretary Geren, what are the incentives for a soldier to go into this critical field and has the Army instituted a general officer career path?

Secretary GEREN The Army has a well-established financial management career path for enlisted soldiers and officers through the ranks of sergeant major and colonel. However, the extraordinary financial circumstances of the past few years; the missions in Afghanistan and Iraq; the Gansler report; and expectations for a different budgetary landscape in the future indicate that the Army should increase the number of general officers from the financial management field.

The Office of the Assistant Secretary of the Army (Financial Management and Comptroller) recently identified 16 positions across the Army and Joint Staff for which our skilled financial managers would be ideal fits. Both the Army and the Joint Staff would benefit from the assignment of soldiers from the financial management field to these jobs.

To support growth in the number of general officers from the financial management community, I have agreed to the chief of staff's recommendation to increase the number of financial management personnel selected for brigadier general this fiscal year, and to select at least one every year thereafter. For fiscal year 2009, we are contemplating selecting two financial management personnel in order to accelerate by 1 year the plan to put more financial management general officers into key Army and Joint Staff positions.

The Army has not experienced any difficulties in recruiting or retaining uniformed financial-management personnel. Soldiers appreciate the inherent challenge of the job and being part of a community in high demand with enormous responsibility. Financial management offers the opportunity to make a tangible difference from the micro to the macro level—from helping to improve the quality of life and the service environment for individual soldiers and their families, to obtaining and shepherding the operational resources that enable the Army to execute its mission and build for the future.

QUESTIONS SUBMITTED BY SENATOR SUSAN COLLINS

NATIONAL GUARD AVIATION UNITS

41. Senator COLLINS. Secretary Geren and General Casey, the Maine Army National Guard's Air Medical Evacuation (MEDEVAC) Company of the 1st Battalion of the 126th Aviation Regiment is currently training at Fort Sill, OK, and will soon be deployed to Iraq. This will be their second deployment to Iraq since 2003, in addition to a deployment to Kosovo in 2000. The proposed DOD budget has $5.01 billion for Army aviation aircraft procurement. Some Army National Guard aviation units will be trading in their older UH–60 A model Blackhawk helicopters for newer model UH–60 M models. I also understand that there is a plan for some National Guard units to get their UH–60 A model Blackhawks modified to the UH–60 L configuration. While I am pleased to see that the Army is making great efforts to get the latest and very best equipment to our men and women in the National Guard, I am concerned that the Maine Army National Guard is not included in any of these plans despite the fact that they have deployed more often and more frequently than other National Guard Army aviation units. Can you tell me what the plan is to ensure that all of the Army Aviation National Guard units receive the most modern

aircraft in order to perform all of their missions, both here at home, as well as when deployed overseas?

Secretary GEREN and General CASEY. The Army is completely committed to providing the best equipment available to all aviation units, regardless of component. To this end, there is a deliberate review of the capabilities of each unit prior to its being sourced for a deployment to either Iraq or Afghanistan. If, during that review, it is determined that additional capability beyond what it currently possesses is either needed or appropriate for that unit to be able to accomplish its mission, the mechanisms to accomplish that are put into motion. This is the process that was used to upgrade the UH–60A MEDEVAC aircraft in Maine's 1–126th Aviation with the newest engines available—the T701D. These are the best engines in the Army and give that unit the added aircraft performance that is needed for the missions that it will perform. While the end result will be to have all UH–60 aviation units upgraded to UH–60Ms or UH–60Ls, fielding nearly 2,000 Blackhawks in just these 2 configurations will take over 15 years. This fleet will be a mix of Active and Reserve component units and will be fielded in a holistic manner. In the meantime, the Army will ensure that each unit has the proper capability. To this end, the needs of individual National Guard units are initially assessed by the National Guard Bureau, which makes an informed decision about the order in which these units need to receive new aircraft.

42. Senator COLLINS. Secretary Geren and General Casey, despite the fact that the Maine Army National Guard's Air MEDEVAC Company of the 1st Battalion of the 126th Aviation Regiment has deployed more than any other National Guard Air Ambulance company since 2000, it is troubling to see that they are not on the list to receive newer equipment. Can you describe the process and criteria used in determining which units will receive the newest aircraft?

Secretary GEREN and General CASEY. The Army is completely committed to providing the best equipment available to all aviation units, regardless of component. To this end, there is a deliberate review of the capabilities of each unit prior to its being sourced for a deployment to either Iraq or Afghanistan. If, during that review, it is determined that additional capability beyond what it currently possesses is either needed or appropriate for that unit to be able to accomplish its mission, the mechanisms to accomplish that are put into motion. This is the process that was used to upgrade the UH–60A MEDEVAC aircraft in Maine's 1–126th Aviation with the newest engines available—the T701D. These are the best engines in the Army and give that unit the added aircraft performance that is needed for the missions that it will perform. While the end result will be to have all UH–60 aviation units upgraded to UH–60Ms or UH–60Ls, fielding nearly 2,000 Blackhawks in just these 2 configurations will take over 15 years. This fleet will be a mix of Active and Reserve component units and will be fielded in a holistic manner. In the meantime, the Army will ensure that each unit has the proper capability when it is needed most. To this end, the needs of individual National Guard units are initially assessed by the National Guard Bureau, which makes an informed decision as to the order in which these units need to receive new aircraft.

QUESTIONS SUBMITTED BY SENATOR SAXBY CHAMBLISS

COMMUNITY GROWTH AROUND BASES

43. Senator CHAMBLISS. Secretary Geren and General Casey, as you are well aware, both Fort Stewart and Fort Benning in the State of Georgia are in the process of growing as a result of the Grow the Army plan and the Base Realignment and Closure (BRAC) process, and we welcome that growth and look forward to having more Army soldiers and their families residing in the State of Georgia. This growth does bring challenges, and one specific challenge that I've been aware of and working to address for several years now is the growth in the number of students at local school districts resulting from an influx of military-connected children. No school district is going to turn away additional students, and I know that the folks in Muscogee County, Chattahoochee County, and Liberty County are eager to accommodate new Army families and their children into their school districts—and they will do so. I have had a very difficult time getting accurate estimates from the Army regarding how many soldiers and, consequently, how many school-aged children will be relocating to Georgia bases. The estimates have varied widely and have made it very difficult for local school districts to predict and plan how to accommodate this growth. However, everyone agrees that, at least at Fort Benning, they will experience a growth of several thousand students. But this is not just a Georgia

issue. Bases and communities in Virginia, North Carolina, Kentucky, and Kansas will be affected as well. As you can well understand, any additional facilities and teachers required to accommodate additional students will need to be funded in advance of the students arriving. Local communities are challenged to pay for these expenses, especially when the tax base for doing so does not exist, or will likely be made up of non-residents who may not be paying income and property tax. Can you tell me what the Army is doing to partner with communities around bases experiencing this growth?

Secretary GEREN and General CASEY. Installation commanders maintain dialogue with local education activities about timing and level of projected growth, as well as associated challenges. In December 2007, a Growth Summit was held in St. Louis, Missouri, where participants shared their communities' experiences, including techniques or services that would help others respond better to their anticipated growth.

Impact Aid, a function and responsibility of the Department of Education, is a tool local communities use to meet the challenges they face in funding additional facilities and teachers to accommodate increased student loads. The aid is specifically designed to assist local school districts that have lost property tax revenue due to the presence of tax-exempt Federal property, or experience increased expenditures due to enrollment of federally connected children. The Army, in coordination with the DOD Office of Economic Adjustment and Department of Education, conducted a series of installation visits to provide Impact Aid stakeholders with on-the-ground knowledge of issues surrounding mission growth, to improve communications among all partners, and to identify gaps/lags in capacities.

The accompanying table reflects school-aged dependent growth at Georgia installations.

Georgia installations	Projected school-aged dependent growth from fiscal years 2007–2011
Fort Benning	3,983
Fort Gillem	–838
Fort Gordon	518
Hunter Army Airfield	13
Fort McPherson	–2,251
Fort Stewart	1,963

44. Senator CHAMBLISS. Secretary Geren and General Casey, how are you working to ensure that the children of Army families will have schools to attend when they arrive at a new station?

Secretary GEREN and General CASEY. The Army, in coordination with the Department of Education's Offices of Elementary and Secondary Education and Management, and DOD Office of Economic Adjustment and DOD Military Community and Family Policy, conducted site visits to a representative sample (Fort Benning, Fort Bliss, Fort Drum, and Fort Riley) of locations to provide program stakeholders (Federal, State, and local) with on-the-ground knowledge of issues surrounding mission growth, improve communications among all partners, identify gaps/lags in capacities, and to more extensively document the specific requests for Federal action to assist communities and States responding to student migration.

45. Senator CHAMBLISS. Secretary Geren and General Casey, can you give me your assurances that making sure this transition is seamless and doing everything you can to help local communities prepare for this growth will remain a priority for the Army?

Secretary GEREN and General CASEY. The Army is partnering with local communities to deal with community needs, such as schools, housing, and community activities, associated with Army stationing and growth. Garrison commanders and staff regularly engage with community leaders and have school liaison officers who facilitate communication with local education agencies to help communities deal with stationing and growth.

The Army is committed to providing soldiers and families with a quality, supportive environment commensurate with their voluntary service and daily sacrifices. The Army Family Covenant lays out the Army's commitment to soldiers and families, and the fiscal year 2009 budget includes $1.5 billion to make the covenant a reality. The Army Family Covenant is in direct response to concerns from Army families who expressed concern about support for family programs, physical and mental health care, housing, education, childcare, and employment opportunities for spouses.

The Installation Management Command works extensively with garrisons to develop individual plans to meet staffing, funding, and programming requirements. Our BRAC plan addresses the needs of families as their numbers change on our installations. Our global rebasing plans include maintaining support to our soldiers and families throughout the process. At our installations impacted by growth, we have programmed new child development centers, youth centers, and fitness facilities and increased staffing, as needed. The Army will closely monitor these efforts to ensure that our families' needs are met as the Army undergoes this dramatic era of growth, restationing, realignment, and deployment.

[Whereupon, at 12:26 p.m., the committee adjourned.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2009

THURSDAY, FEBRUARY 28, 2008

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

POSTURE OF THE UNITED STATES NAVY

The committee met, pursuant to notice, at 9:34 a.m. in room SH–216, Hart Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Kennedy, Lieberman, Reed, Akaka, Bill Nelson, Webb, McCaskill, Warner, Sessions, Collins, Chambliss, Dole, Thune, and Martinez.

Committee staff members present: Richard D. DeBobes, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Creighton Greene, professional staff member; Mark R. Jacobson, professional staff member; Gerald J. Leeling, counsel; Thomas K. McConnell, professional staff member; William G.P. Monahan, counsel; and William K. Sutey, professional staff member.

Minority staff members present: William M. Caniano, professional staff member; David G. Collins, research assistant; David M. Morriss, minority counsel; Lucian L. Niemeyer, professional staff member; Christopher J. Paul, professional staff member; Sean J. Stackley, professional staff member; Diana G. Tabler, professional staff member; and Richard F. Walsh, minority counsel.

Staff assistants present: Fletcher L. Cork, Kevin A. Cronin, and Benjamin L. Rubin.

Committee members' assistants present: Bethany Bassett and Jay Maroney, assistants to Senator Kennedy; Charles Kieffer, assistant to Senator Byrd; Frederick M. Downey, assistant to Senator Lieberman; Elizabeth King, assistant to Senator Reed; Bonni Berge and Richard Kessler, assistants to Senator Akaka; Christopher Caple, assistant to Senator Bill Nelson; Andrew R. Vanlandingham, assistant to Senator Ben Nelson; Jon Davey, assistant to Senator Bayh; Gordon I. Peterson, assistant to Senator Webb; Todd Stiefler, assistant to Senator Sessions; Mark J. Winter, assistant to Senator Collins; Clyde A. Taylor IV, assistant to Senator Chambliss; Lindsey Neas, assistant to Senator Dole; Jason Van Beek, assistant to Senator Thune; Brian W. Walsh, assistant

to Senator Martinez; and Erskine W. Wells III, assistant to Senator Wicker.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody. First, the committee welcomes Secretary of the Navy Donald C. Winter and General James T. Conway, USMC, back to the committee this morning. In addition, we'd like to welcome Admiral Gary Roughead, USN, to his first posture hearing. You are well known to this committee. You served as Chief of Legislative Affairs not too many years ago, a fairly short time, I think. Do you remember what years you were here as legislative affairs chief, if you want to admit this?

Admiral ROUGHEAD. I wouldn't want to admit that. I think it was in the 2000, 2001 timeframe.

Chairman LEVIN. It's great to have you back.

Admiral ROUGHEAD. It's great to be back, sir. Thank you.

Chairman LEVIN. We're grateful to each of you for your service, and to the valorous and truly professional men and women that you command and to their families, that we always remember when we extend our greetings and our gratitude to the men and women in uniform. We always remember to include their families, for reasons which you gentlemen are very well aware of.

You're faced with a number of critical issues that confront the Department of the Navy in balancing modernization needs against the costs of supporting ongoing operations in Iraq and Afghanistan. In one notable case, the Nation is calling on the Marine Corps to surge additional forces to Afghanistan because of a refusal among our allies to support operations there.

General Conway's prepared statement highlights that at least 3,200 marines will soon deploy to Afghanistan, without relaxing commitments elsewhere in the United States Central Command (CENTCOM) theater of operations. When I talked to General Conway the other day in my office, I asked him whether that failure on the part of our allies to do their committed part had any impact at all on the morale of our marines. His answer was a very firm, stout, and immediate "No," and we recognize that. If we can be doubly grateful to our marines for that kind of a response, we are.

The Navy's been contributing directly to the war effort in CENTCOM as well. In addition to the normal deployments of ships and aircraft in support of these operations, according to the Admiral's prepared statement the Navy has trained and deployed more than 17,000 individual augmentees (IAs) to support these missions on the ground in Iraq and Afghanistan. Again, not their usual duty, but there are no complaints, and we're tremendously grateful for that response.

As we visit these men and women we talk to them about that issue, and they are doing their duty, period.

General CONWAY. Thank you, sir.

Chairman LEVIN. These activities further stress our troops and represent challenges to our servicemembers and their families. Again, let me express the thanks of every member of this committee and I'm sure every member of the Senate and every American for just how well and ably the men and women of the Depart-

ment of the Navy and their families are responding to these challenges.

A number of challenges facing the Department of the Navy center on acquisition programs. We have concerns about cost problems in the shipbuilding arena, most notably with the Littoral Combat Ship (LCS) program. When we met here last year, the Navy had cancelled the contract for the second ship with the first of the two LCS contractors. Since that time the second LCS contractor has run into much the same cost and schedule problems that plagued the first LCS contractor and the Navy cancelled that contractor's second ship as well.

Changing requirements, poor cost estimates, inexperienced program managers, and poor supervision of the contractors' performance were among the causes of the overrun. Long ago, a famous study concluded: Don't monkey with requirements after signing a contract, because that leads to cost and schedule problems. I've heard through the decades that the Navy has learned that lesson, but it apparently still has not.

In Marine Corps programs, we saw significant cost growth on the Expeditionary Fighting Vehicle (EFV) program last year. More recently, we've seen reports of significant problems in affording the VH–71 helicopter that will replace the current Marine Corps helicopters that support the President. We will need to understand what has caused those cost growth overruns and problems and what steps are being taken to correct them.

In the case of the Mine-Resistant Ambush-Protected (MRAP) vehicle program, Congress intervened to accelerate this program enough so that the Marine Corps will complete filling its requirement for the MRAP vehicles in fiscal year 2008.

Another concern surrounds future force levels. We're facing the prospect that the current Navy program will lead to potentially large gaps between the forces that the Chief of Naval Operations (CNO) has said that he needs and the forces that will be available to his successors. In one case, the CNO has said that the Navy needs to have 48 attack submarines to meet combatant commanders' requirements, but we are faced with the risk of falling well short of that goal for more than 10 years starting during the next decade.

Under current plans for tactical aircraft acquisition, the Navy is facing a shortfall of as many as 200 tactical fighters needed to outfit our aircraft carrier air wings. With shortfalls that large, we could be faced with drastically reducing the number of aircraft available on short notice to the combatant commanders, either because we've deployed understrength air wings or because we did not deploy the carrier at all because of those aircraft shortages.

The Navy has predicted that the reduction in carrier force levels to 10 will not prevent them from maintaining the current capability to surge carriers under the Fleet Response Plan, the so-called 6+1 capability. If the Navy were not to have enough aircraft to outfit 4 of its 10 carrier air wings, this would be a moot point in any event.

We look forward to the testimony of our witnesses this morning. We're very grateful again for their presence, for their commitment to this Nation, and to their fine work.

Senator Warner, I think this may be your last Navy posture hearing, unless we sneak in another one before the end of the year.

STATEMENT OF SENATOR JOHN WARNER

Senator WARNER. I've enjoyed 30 years of being with you, Senator, at these posture hearings, and then 5 years prior thereto when I sat at that table. So it's been a very wonderful opportunity for this humble person to have had that experience.

I join you, Mr. Chairman, in the respect and homage we pay to the men and women of the Armed Forces, and today it's the Navy-Marine Corps team and their families for their service to country.

Mr. Secretary, I was pleased when we visited the other day you told me about the centennial celebration for the Great White Fleet launched by Teddy Roosevelt 100 years ago, and how his aides said to him: Mr. President, we only have money to really get them halfway around the world. The President said: That's fine by me; we'll get them there and we'll park the ships until Congress appropriates the money to bring them home.

So here we are. But I think those moments of history are important to remember. We should reflect also upon the Constitution, which says that this Nation shall maintain a Navy and raise an Army as we see fit in the appropriate time.

Today, a third of our Fleet is underway at any one time, from the Western Pacific to the Arabian Gulf, sailing with the flag of freedom and hope, not only for our country, but for so many countries. We also see the trends in naval construction of other countries, notably China and now a rejuvenated Russian interest in their Navy, and that brings to mind the essential requirement of this country and we must remember, in effect, we're an island nation, and we're dependent on a maritime strategy for our overall security interests.

Meanwhile, 25,000 marines are conducting our Nation's most pressing business in Iraq and Afghanistan, and more are on the way. So we salute you, General, and your forces. Today's hearing should ensure that we are doing all in our power so that they can meet that motto, the most ready at all times.

For the Navy and the Marine Corps, this comes down to ships and aircraft, ordnance and armor, and a trained force of sailors and marines equally ready for sea and ready for war.

The chairman covered several points that are also of interest to me and I'll just put that in the record as a part of my statement. But I'd like to say to the Commandant, I was impressed. I watched a piece last night, I believe it was on the Lehrer show, about your concern of the current armor and the weight of that armor and how that weight, not only of the individual's armor, but the armor that we put on vehicles, requires you to do some consideration about the future. I commend you for that. Certainly the uparmored Humvee has been a successful operation, and now the MRAP. But with that armor goes some loss of tactical mobility of those vehicles as well as the tactical mobility of the individual marine. Perhaps in your testimony you will touch on that decision that you've been making.

We also are interested in the recruiting and training. The chairman and I will bring those issues into focus here.

As the CNO, we're encouraged by the Navy's continued focus on the Fleet Response Plan, on stabilizing your steaming days and flying hours. I join the chairman with regard to the shipbuilding budget and, Mr. Secretary, we hope it is accurate and we're hopeful that we can maintain the goals that you've established for this coming fiscal year and in the outyears. That's the essential part of our responsibility here, providing for an adequate force.

The 313-ship total, Admiral, is still the goal, as it should be, of our Fleet. We are also faced, as the chairman said, with shortfalls in aircraft as we try to fill the gap with the Joint Strike Fighter (JSF), and we'll cover that.

But a "well done" to each of you gentlemen and those that you're privileged to have the responsibility to care for, both in uniform and the families, and a very significant civilian corps, Mr. Secretary, that you know well. I looked at your overall figures. It's 900,000 individuals in the Department of the Navy that you're responsible for, uniformed and civilian.

Secretary WINTER. Yes, sir.

Senator WARNER. Thank you, Mr. Chairman.

[The prepared statement by Senator Warner follows:]

PREPARED STATEMENT BY SENATOR JOHN WARNER

Thank you, Chairman Levin.

General Conway, Admiral Roughead, Secretary Winter, thank you for your testimony today. I commend each of you for your outstanding leadership to our Nation, our service men and women, and theirfamilies.

Mr. Secretary, I was pleased to note your recent centennial commemoration of President Theodore Roosevelt launching the great white fleet. President Roosevelt had a clear vision for American Seapower, and in the century since, our Nation's security has been underpinned by our preeminent position as a maritime power.

Today, you report that a third of the fleet is deployed from the western Pacific to the Arabian Gulf, sailing with a freedom truly unmatched in history. Yet, today we also see trends in naval construction by foreign navies which alert us that this freedom, this 'command of the seas' will surely be challenged ahead, and it is our responsibility to be prepared to meet such challenge.

Meanwhile, 25,000 marines are conducting our Nation's most pressing business in Iraq and Afghanistan, to be joined soon by an additional Marine task force deploying to Afghanistan—another demonstration of the Corps' commitment, to be 'most ready.'

Today's hearing should ensure that we are doing all in our power so they can meet this commitment.

For the Navy and Marine Corps, this comes down to ships and aircraft, ordnance and armor, and a trained force of sailors and marines equally ready for sea and ready for war.

Commandant, you've stated that you're operating at "surge-plus" with marines experiencing a one-to-one ratio of time deployed to time back home, and that equipment usage rates are seven times greater than peacetime rates. I am most interested in your assessment of the Marine Corps' ability to sustain this operational tempo, your readiness to surge the additional 3,200 marines to Afghanistan next month, and how you will transition the experience you've gained in the Al Anbar province to achieve equal success in Afghanistan.

It is important to hear from you on trends in recruiting, retaining, and equipping the force as you increase the Corps to an end strength of 202,000 marines. While we are focused today on Iraq and Afghanistan, it's important to understand your challenges in maintaining the Corps' excellence in Expeditionary Warfare.

As well, Chief of Naval Operations, I'm encouraged by the Navy's continued focus on the Fleet Response Plan, on stabilizing steaming days and flying hours, and on increasing force readiness. Similarly, the Navy has been successful at managing end strength while offsetting increasing personnel costs—this done, while supporting ground forces with 10,000 sailors in Iraq and Afghanistan.

However, the Navy's force readiness—current and future—will ultimately rely on ships and aircraft at sea, and I remain concerned by the continued downward trends in recapitalizing our fleet and naval air force.

You have rightfully stated that the Navy's program to build a fleet of 313 ships is "the floor" required to meet the future threat. Yet today, with a force of 279 ships and just 7 ships in this budget request, we are simply not building at the rate we need.

Compounding this problem, we are on the front end of a long gap to strike fighter aircraft. Shortfalls of at least 2, perhaps 4 air wings, threaten to extend beyond the next decade.

In considering this budget request, the debate should not center on how we will make due with shortfalls in carriers, strike fighters, submarines, and amphibious lift; but rather, how we can best close these gaps. At the very core of this debate we must address spiraling cost growth, or the 313 ship fleet under the cover of 10 carrier air wings will remain beyond our reach. I know you all share this concern.

Secretary Winter, I greatly appreciate your efforts to strengthen the business of building our Navy. Programs like the Littoral Combat Ship and Expeditionary Fighting Vehicle received much attention this past year, but the greater concern is that these programs' troubles are symptomatic of systems, processes and an industrial base that are struggling with today's demand for highly complex systems in low-rate production.

I'm interested in your views on how we strike a course in acquisition that brings the Navy's affordability imperative in line with its mission requirements.

As always, we rely on you to advise this committee on the adequacy of this budget request to fully support these objectives and to identify any challenges you face that warrant the attention of this committee. Again, I thank you gentlemen for joining us today and look forward to your testimony.

Chairman LEVIN. Thank you, Senator Warner.

Secretary Winter?

STATEMENT OF HON. DONALD C. WINTER, SECRETARY OF THE NAVY

Secretary WINTER. Thank you very much, Mr. Chairman. Chairman Levin, Senator Warner, and members of the committee: Thank you for the opportunity to appear before you today. I am here to present the Department of the Navy's plan to support our sailors and marines in their mission to defend our Nation against current and future challenges.

The President's fiscal year 2009 budget will assist the Navy and Marine Corps in accomplishing their complementary and reinforcing missions while building capabilities necessary to meet future threats. One of the primary responsibilities of our Government is to provide for the Nation's defense. Those responsibilities include the critical requirements to organize, train, and equip the naval forces. For the vast majority of citizens, the only cost imposed on us is financial. America is able to provide for the national defense with such a minimal impact on the citizenry because we are blessed to have among us a generation of people, patriots all, who volunteer to serve. They are the ones who bear many hardships, accept many risks, and go in harm's way.

The pay and benefit funding levels in our 2009 budget request reflect the compensation levels necessary to continue to attract and retain quality personnel in the Navy and the Marine Corps. Furthermore, although we are doing well in our overall recruiting and retention numbers, I emphasize the need for special pays and bonuses to meet critical sub-specialty needs such as our requirements for nurses, physicians, and explosive ordnance disposal personnel.

It is because of the hard work of our sailors and marines that we are making progress, fostering maritime security, defeating ter-

rorist networks, progressing towards a stable Iraq, supporting the Afghan government, countering piracy and the proliferation of deadly technology, rendering humanitarian assistance, and strengthening partnerships around the world. Our sailors and marines have responded when called and superbly performed their many missions in our Nation's defense. It is truly an honor and privilege to work with them and support them as their Secretary.

The Department of the Navy's fiscal year 2009 budget meets the challenge of resourcing the Navy and Marine Corps team across a range of missions, from partnership building to combat operations. It invests in our ability to operate, sustain, and develop forces that are engaged in the global war on terrorism while preparing the force for the challenges and threats of the future.

We are requesting a total of $149 billion, a 7 percent increase over the fiscal year 2008 baseline. This increase is driven by factors such as rising oil costs and the critical comprehensive growth of the Marine Corps. Our fiscal year 2009 budget reflects three key priorities, which are consistent with those of previous years. They are: first of all, prevail in the global war on terror; second, take care of our sailors, marines, and their families, and particularly our wounded; and lastly, prepare for future challenges across the whole spectrum of operations.

To help meet our first priority, prevail in the global war on terror, we are adapting our force for current and future missions, to include growing the Marine Corps, shaping the force by recruiting and retaining the right people, and addressing critical readiness needs. Among the most critical readiness needs is the ability to train our sailors and marines for the threats that they may encounter. Unfortunately, our Navy has encountered increasing encroachments in our ability to conduct critical training. We recognize that there are on occasion impacts on the citizenry at large associated with such training. But these are necessary costs that are critical to the defense of the Nation. We take extensive precautions to minimize the impact of our training. We owe it to the American people and we owe it to those who serve to acknowledge that, as in all things in life, there are competing interests and tradeoffs and that we treat the risks of sonar operation at sea or the impact of jet noise the way we treat all public policy issues, balancing risks and costs against legitimate national security interests.

I greatly appreciate the support this committee provided us last year with respect to Miramar Air Station, thereby ensuring that our naval aviators can continue to receive vital training. I commit to you today that I will continue to keep you apprised of legal challenges and their implications for readiness that we face over the course of the coming year.

Mr. Chairman, if in the future we are unable to properly train our sailors and marines we will have failed to do our duty to them and to the American people.

Another critical issue I would like to highlight concerns doing right by those who go in harm's way. As Secretary of Defense Robert M. Gates has stated, apart from the war itself we have no higher priority than to take care of our wounded. Our wounded warriors and their families deserve the highest priority care, respect, and treatment for their sacrifices. Our 2009 budget honors our

commitment to ensure that our sailors and marines receive the appropriate care, training, and financial support that they need.

Finally, to meet the challenges of the future, the 2009 budget provides for a balanced fleet of ships, aircraft, and expeditionary capabilities with the fighting power and versatility to carry out blue, green, and brown water missions wherever called upon.

Furthermore, I would like to note that, consistent with our commitment to assure affordability and timely delivery of capabilities, we have launched an acquisition improvement initiative to provide better integration of requirements and acquisition decision processes, improve governance and insight into the development, establishment, and execution of acquisition programs, and formalize a framework to engage senior naval leadership.

Mr. Chairman, I am grateful for the strong support this committee and Congress at large have given our Navy and Marine Corps team. I want to thank you on their behalf. Our Navy and Marine Corps are a strong, capable, and dedicated team. I appreciate the opportunity to represent them today and I look forward to your questions.

[The prepared statement of Secretary Winter follows:]

PREPARED STATEMENT OF HON. DONALD C. WINTER

The Navy and Marine Corps Team . . . fighting today and preparing for future challenges

I. INTRODUCTION

Chairman Levin, Senator McCain, and members of the committee, it is an honor to appear again before you representing the men and women of the United States Navy and the United States Marine Corps—Active, Reserve, and civilian—a force of over 800,000 strong.

I am here to present the Department of the Navy's (DON) plan to support our sailors and marines in their mission to defend our Nation against current and future challenges as they conduct operations spanning the spectrum, from major combat to humanitarian assistance. The President's fiscal year 2009 budget will assist the Navy and Marine Corps in accomplishing their complimentary and reinforcing missions, while building capabilities necessary to meet future threats. The fiscal year 2009 budget balances capabilities to support both traditional and irregular warfare demands. It also continues to expand the Marine Corps' capacity and furthers the transformation from a blue water navy into one that can fight and win in the blue, green, and brown waters.

As I reflect upon my time as Secretary of the Navy, nothing is more sobering than the experience of seeing—every single day—the dedication, professionalism, and willingness to sacrifice shown by our sailors, marines, civilian employees, and their families. I will attest to you their unwavering commitment to duty. These patriots put themselves in harm's way to protect our Nation. From those who have given the ultimate sacrifice, such as Medal of Honor recipients Lieutenant Michael Murphy and Corporal Jason Dunham, to those who daily take the pledge to support and defend our Nation, our Navy and Marine Corps Team is second to none. It is because of their efforts that we are making progress fostering maritime security, defeating terrorist networks, progressing towards a stable Iraq, supporting the Afghan government, countering piracy and the proliferation of deadly technology, giving humanitarian assistance to people in need after tsunamis and earthquakes, and strengthening partnerships around the world. The men and women of the Navy and Marine Corps have responded when called upon. It is an honor and privilege to work with them and support them as their Secretary.

Today our Nation is faced with a myriad of challenges and uncertainties across the globe. There have been several unexpected, and sometimes sudden, changes in the security environment over the past few years. Yet many of the strategic imperatives of the United States—particularly with respect to the maritime environment—remain unchanged. It is clear the United States must have the capacity to act in such a fluid and unpredictable environment, and that naval forces offer unique flexi-

bility to respond swiftly and decisively anywhere in the world. Providing this flexibility requires that the DON invest wisely across a wide range of capabilities, and that we take care to deliver a balanced portfolio of capabilities to the joint force. Worldwide presence, credible deterrence and dissuasion, projection of power from naval platforms anywhere on the globe, and the ability to prevail at sea are the critical, most fundamental elements of the Navy and Marine Corps strategic posture; these are our indispensable contributions to the joint warfighting capability of the Nation.

The United States is a maritime power, bounded by sea to the east and west. The health of our national economy depends on assuring safe transit through the seas—and the maritime dimension of international commerce is ever increasing. Consider that 70 percent of the earth is covered by water, 80 percent of the world's population lives in close proximity to the coast, and 90 percent of the world's international commerce is transported via the sea. Given our national interests, and the role we play in the world, it is unsurprising that our sailors and marines are constantly called upon to react to a wide range of challenges. I suggest that the strength of a nation's naval force remains an essential measure of that nation's status and role in the world. I also submit that maritime dominance by the United States remains vital to our national security, to our position in the world, and to our ability to defend and promote our interests.

Last fall, the DON, in collaboration with the U.S. Coast Guard, reaffirmed its emphasis on the traditional capabilities of forward presence, deterrence, sea control, and power projection in its new Maritime Strategy: A Cooperative Strategy for 21st Century Seapower. However, the Maritime Strategy also makes clear that we consider our core capabilities to include maritime security and the provision of humanitarian assistance and disaster relief—areas of growing importance. The strategy emphasizes the use of soft power, and highlights the criticality of our foreign friends and allies, while reminding us that the underlying credibility for partnerships and peace is the United States' ability to swiftly defeat a threat with overwhelming and decisive combat power.

The unique nature of our Department is such that the Navy and Marine Corps team is a constantly deployed force, both in peacetime and in war, with the further ability to surge assets worldwide, anytime required. As we consider the current and projected strategic environment, we must anticipate a steadily growing reliance on our unique expeditionary character. This is becoming ever more apparent. The challenge of resourcing our two services across such a large range of steadily growing global missions, from partnership building to combat operations, is one that we have met with the President's fiscal year 2009 budget.

Reflected in the budget submittal is the fact that today's Navy and Marine Corps are operating in blue, green and brown waters, in the air and on the shore—and sometimes deep inland—facing a wide variety of threats. On any given day, approximately 40 percent of the fleet is deployed at sea or involved in pre-deployment training. Forward deployed carrier and expeditionary strike groups operate on the high seas, unencumbered by constraints facing land-based forces. They are providing our combatant commanders with many important and powerful combinations of capability: tactical aviation, land attack systems, SEAL and Marine Special Operations Forces (SOF), intelligence and surveillance platforms, amphibious assault and forcible entry capacity, over-the-horizon force projection, and flexible seabasing and at sea logistical support. Our full spectrum of capabilities also includes ship-based ballistic missile defense—providing a shield that not only protects our maritime freedom of movement and access, but which also contributes to the defense of our allies and our homeland against missile threats. In other words, we are presenting a budget which supports a force in high demand across the globe.

The President's budget does more than just fulfill our responsibilities in today's complex environment; it continues to evolve our portfolio of capabilities. This is essential to our ability to defend against future threats which could range from the asymmetric—from terrorists to proliferation and/or use of weapons of mass destruction—to the more traditional challenges posed by nation-states and possible future "near peer" competitors.

Evolving our portfolio of capabilities can be challenging, since the Navy and Marine Corps have an operational construct that emphasizes forward deployment and presence. Historically, while the bulk of U.S. forces return home after cessation of a conflict or crisis, our maritime forces often do not. They are continuously present in forward regions, and through their forward engagement they maintain familiarity with the environment and the characteristics of regional actors; they also foster and sustain trust and cooperation with friends and allies. Thus when a threat to our national security emerges overseas, it may well be encountered first by the Navy and Marine Corps. Meeting that threat, whether on land, in the air, on the high

seas, or under the sea, will require our forces to be in peak fighting condition. They must be ready to fight and win at any time, and to do so at great strategic distance. We have developed a budgetary plan which addresses these requirements.

We have developed the budget in the face of a demanding and rapidly changing security environment, and there are worrisome trends that bear watching. Nations are developing weapons and systems which seem deliberately intended to threaten our naval assets, deny access, and restrict our freedom of maneuver. The proliferation of anti-access weapons technology to unfriendly nations is a significant concern. Furthermore, the DON, like other parts of the Department of Defense (DOD), has been a target of aggressive foreign intelligence and data-collection activities. As such, we need to invest in the capabilities necessary to preserve our technological advantage. Additionally, aside from growing costs and schedule delays in some acquisition programs, we also struggle with regulatory encroachment and legal challenges that threaten to undercut our ability to effectively train and maintain readiness. We must address these challenges; doing so is fundamental to maintaining our naval readiness and our capability to defend our Nation.

In summary, the DON's fiscal year 2009 budget invests in the Navy and Marine Corps to operate, sustain and develop forces that will remain engaged in the global war on terrorism, while at the same time preparing the force for the challenges and threats of the future. The fiscal year 2009 budget requests $149.3 billion for these purposes. This is a 7-percent increase over the fiscal year 2008 baseline and is driven by factors such as rising oil costs and the critical, comprehensive growth of the United States Marine Corps.

Priorities for the Department of the Navy

The DON is committed to finding solutions that allow the Navy and Marine Corps to balance our current requirements and operational realities with the likely needs of the future. We strive to maintain an agile and flexible force that can not only contribute to winning our Nation's wars but also can assist in preventing future conflict to the extent possible—whether by dissuasion, deterrence, humanitarian action, or disaster relief. As such, our priorities remain consistent with those in previous years. They are to:

- Prevail in the global war on terrorism;
- Take care of our sailors, marines, their families and particularly our wounded; and
- Prepare for future challenges across the full spectrum of operations.

As in the past, for the sake of brevity, some of the key programs are highlighted and can be found in greater detail in the Highlights of the DON fiscal year 2009 budget.[1] This statement is designed to reinforce, and build upon, initiatives articulated in previous testimony and budget material.

II. PREVAIL IN THE GLOBAL WAR ON TERRORISM

The Department's top priority remains the global war on terrorism. Today, approximately 29,300 marines and 11,300 sailors (including individual augmentees) operate ashore, along with 12,000 sailors at sea. They are conducting and supporting operations in Iraq and Afghanistan, and throughout the U.S. Central Command region, and their contributions are central to the progress being made.

Naval forces provide a major part of the national worldwide rotational presence and an increasing portion of the required support for ground units in Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF). They operate across the spectrum—from low intensity conflict, humanitarian assistance and disaster relief, to high intensity conflict involving airborne strike and Marine Corps forces in coordinated joint and coalition ground operations. To illustrate the wide range of activities undertaken, it is noteworthy that, in 2007, five Carrier Strike Groups and five Expeditionary Strike Groups deployed in support of OEF and OIF. Throughout 2007 the Marine Corps provided three embarked Marine Expeditionary Units (MEUs) forward positioned in all geographic commands. Two of these MEUs were employed ashore in support of Multinational Force-West and participated in sustained combat operations. Naval aviation, afloat and ashore, in concert with U.S. Air Force and coalition aviation forces, has provided critical strike, overland surveillance, logistical and electronic warfare support to the joint land forces deployed in Iraq and Afghanistan. The Navy has also deployed riverine forces for the first time since Vietnam, operating on Lake Thar Thar and the Euphrates River. The Marine Corps also achieved a milestone with successful deployment of the first MV–22 Osprey squadron in OIF operations. Naval Special Warfare (NSW) forces continue to

[1] Highlights of the DON fiscal year 2009 budget, February 2008.

be actively engaged in combating terrorism. The Navy SEALs and the Marine Special Operations Command have done outstanding work in OIF/OEF and have made critical progress in countering the threat of international terrorism. We will continue to prioritize investment and retention of our highly-skilled Special Operations Forces.

In addition to traditional types of maritime activities, the Navy continues to support the global war on terrorism in a variety of non—traditional areas. For example, Navy sailors are leading a number of Provincial Reconstruction Teams in Afghanistan today. Significant numbers of naval combat support and combat service support personnel are relieving the Army and Marine Corps in select mission areas. In U.S. Central Command, Navy personnel are providing base and port operations support, medical, explosive ordinance disposal, construction battalions, civil affairs, electronic warfare, mobile security forces, detainee operations, intelligence, and headquarters staff support. The Navy also continues command of the detainee mission in Guantanamo Bay, Cuba and at Camp Bucca, a high security prison in Iraq. Executive agent responsibilities are discharged by the Navy for the global war on terrorism-related Combined Joint Task Force Horn of Africa (CJTF HOA) in Djibouti. CJTF HOA has transformed from its initial seafaring force, aimed at blocking terrorists fleeing Afghanistan (and preventing them from establishing new safe havens), into a task force that also conducts military-to-military training and humanitarian assistance over a large geographic expanse of eight countries.

With respect to the Marine Corps, the II Marine Expeditionary Force Forward, augmented by marines from around the Corps, conducted counterinsurgency operations in Iraq and led the Multinational Force-West in Al Anbar Province, supported by Army, Air Force, and Navy personnel. The achievements of the marines in Al Anbar have been widely noted, and their success in creating a permissive environment for local governance and economic development—making significant inroads in security, training, and transfer of responsibility to their Iraqi counterparts—has been crucial. More broadly across the country, Marine Corps Transition Teams have conducted training for Iraqi military, police, and border teams. The Marine Corps provided over 800 personnel across more than 50 types of Iraqi transition teams in 2007. Building upon these successes in Iraq, recently the President approved the deployment of 2,200 marines to Afghanistan in support of the NATO-led International Security Assistance Force mission, and 1,000 marines to assist in the training and development of the Afghan National Security Forces. In preparation for these overseas missions, the Marine Corps continues to implement comprehensive training programs at home, such as Mojave Viper and Desert Talon.

At sea, the effective conduct of Maritime Security Operations is a critical element of the fight against terrorism. In the Northern Arabian Gulf, our sailors and marines are working with coalition and Iraqi forces in a Coalition Task Group to defend the Al Basra Oil Terminal and the Khawr al Amaya Oil Terminal. The security of these platforms is provided through waterborne patrols in rigid hull inflatable boats, platform security personnel, and helicopter surveillance. Working with our NATO allies, the Navy continues to provide support for Operation Active Endeavor, which is an ongoing maritime interdiction effort in the Mediterranean. Similarly, the conduct of operations to dissuade and counter piracy off the West African coast and the actions of the guided missile destroyers U.S.S. *Porter,* U.S.S. *Arleigh Burke* and U.S.S. *James E. Williams* off the coast of Somalia this past October are examples of how the Navy is working to provide a secure maritime environment.

Fostering enduring foreign partnerships and friendships is yet another key contributor to the global war on terrorism, as we bolster the capacity of nations to work with us, and to conduct counterterrorism efforts of their own. The Navy is continuing to develop the concept of Global Fleet Station (GFS), envisioned to be a highly visible, positively engaged, reassuring, and persistent sea base from which to interact with the global maritime community of nations. The Department demonstrated the concept through the GFS pilot in October, using the HSV–2 SWIFT in the Caribbean, and again with the African Partnership Station in the Gulf of Guinea, using the U.S.S. *Fort McHenry* and HSV–2 SWIFT. In addition to targeted outreach activities, the Navy and Marine Corps team extends America's diplomatic reach through the conduct of multinational exercises and port visits. Throughout 2007, the naval force participated in over 230 bilateral and multinational exercises with partners around the globe.[2] The Marine Corps also participated in over 60 The-

[2] Illustrative of our global security cooperation are exercises involving the Japanese Maritime Self Defense Force and the Indian Navy during TRILAX 07 in the Northern Pacific; PHOENIX EXPRESS 07 with Moroccan, Algerian, and Tunisian forces west of the Gibraltar Strait; BALTOPS 07 in the Baltic Sea with Denmark, France, Germany, Sweden, Poland, Russia, Lat-

Continued

ater Security Cooperation events, which ranged from deployment of small Mobile Training Teams in Central America to MEU exercises in Africa, the Middle East, and the Pacific. Additionally, several overseas training events were held with foreign special operations forces to improve interoperability with Navy and Marine SOF, and the Department provided support to the stand-up of NATO's new SOF Coordination Center. The cumulative effect of these exercises and events is to foster trust and sustain cooperative relationships with our international partners. This is critical to U.S. national security.

Outreach to foreign populations is also an important part of the Nation's efforts to stem the spread of terrorism. This is an important mission for the Navy and the Marine Corps and is a tangible way that we can demonstrate the compassion and values of the American people. Last year, the Navy and Marine Corps together were at the forefront of numerous humanitarian assistance and disaster relief operations. Sailors and marines in the Pacific provided desperately-needed humanitarian support to Bangladesh in the aftermath of Cyclone Sidr. The Marine Corps engaged in civil-military and humanitarian assistance operations such as "New Horizons" in Nicaragua and land mine removal training in Azerbaijan. The joint and combined crew aboard the U.S.N.S. *Comfort* gave humanitarian aid during a 4-month tour in Latin America and the Caribbean. During Pacific Partnership 2007, the joint and interagency crew of the U.S.S. *Peleliu* gave similar aid to the Philippines and other Pacific island nations. We hope that the support given during these missions, whether it was the Seabees' reconstruction of homes and schools devastated by a tsunami, or inoculation and treatment of children and the elderly by Navy and Marine medical professionals, helped convey a positive image of the United States with local populations.

Finally, within the United States, the Department continues its emphasis on providing increased force protection to our sailors and marines, particularly in the area of counter-improvised explosive devices (IED). As lead service for the joint Mine Resistant Ambush Protected (MRAP) vehicle program, the Department accelerated production for MRAP vehicles to rapidly field this capability in Iraq and Afghanistan. Through the use of Lean Six Sigma activities and projects, the Department synchronized an effort to build and transport MRAP vehicles to the theater, rapidly identifying and mitigating deficiencies in the MRAP vehicle pipeline. Over 2,000 MRAP vehicles have been fielded to support the Department's joint urgent requirement, over 900 of which are in the hands of marines and more than 150 fielded to the Navy. Also as part of the broader counter-IED effort, the Department is procuring Biometric Tools, the Family of Imaging Systems, counter-IED robotics, and Counter Radio-Controlled IED Electronic Warfare systems.

Adapting the Naval Force for Global War on Terrorism and Future Missions

The Marine Corps and Navy are being called upon today to conduct surge operations, conduct Iraq unit rotations, provide additional forces to Afghanistan, and prepare for other challenges. The Department has not only addressed these commitments, but is contributing low density, high demand forces (e.g., Explosive Ordnance Disposal (EOD) units) to support the other Services and coalition efforts. Of our deployed EOD teams, over 50 percent operate in support of other services. Additionally, over the course of 2007, the Navy provided 12,985 Active component augmentees and 9,527 mobilized reservists in support of OEF and OIF globally, and filled approximately 8,000 individual augmentee and 4,500 "in-lieu-of" requirements. The Navy has increased several low density, high demand specialties and units, such as Construction Battalions and EOD teams. In October 2007, the Navy commissioned its newest Construction Battalion and Construction Regiment, bringing them to a total of nine Active Duty battalions and three Active Duty regiments. Further, in order to relieve stress on marines and their families, and to address future contingencies, the Marine Corps is growing the force, exceeding its 2007 target of 184,000 marines; the Marine Corps is on track to meet the goal of 202,000 by fiscal year 2011.

Reshaping of the force is an important and evolutionary process. To do this, the Department is focused on three fronts: recruiting the right people, retaining the right people, and achieving targeted attrition. Recruiting objectives are focused on increasing the quality of the Total Force and seeking qualified sailors to include special emphasis on filling the ranks of SEAL, NSW, Navy Special Operations, Special Warfare Combatant-Craft Crewmen, EOD, Divers, Hospital Corpsmen, and Women in Non-traditional Ratings (Master-at-Arms and Seabees). Recruiters are also fo-

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via, Lithuania, the United Kingdom, and NATO; AMAN 07 with Pakistan, Great Britain, China, France, Italy, Malaysia, Turkey, and Bangladesh; UNITAS off of South America's Pacific coast with Chile, Colombia, and Peru; and MALABAR with forces from India.

cused on creating a smooth flow of recruits into boot camp by maintaining and mentoring a healthy pool of young men and women in the Delayed Entry Program.

The Department has also implemented initiatives to increase visibility and incentives for medical recruitment. While we have seen improvement in some medical programs, such as in the Nurse Corps with direct accessions, numerous challenges remain in recruiting and retaining medical personnel. Retention challenges exist in critical specialties that require 3–7 years of training beyond medical school. In the Dental Corps, we face challenges in retaining junior officers between 4–7 years, and we also are experiencing high attrition rates for junior officer ranks in the Nurse Corps. To combat the recruiting challenges and continue supporting the increased demand for the OIF/OEF, we implemented increased accession bonuses for the Nurse Corps and Dental Corps; funded a critical skills accession bonus for medical and dental school Health Professions Scholarship Program (HPSP) participants; increased the stipend for HPSP students, as well as Financial Assistance Program participants; expanded the critical skills wartime specialty pay for Reserve component medical designators; recently implemented a Critical Wartime Skills Accession bonus for Medical and Dental Corps; and implemented a Critical Skills Retention bonus for clinical psychologists.

We note that the National Defense Authorization Act (NDAA) for Fiscal Year 2008 restricts military-to-civilian conversions for the medical community through September 30, 2012. Due to the date of enactment of this legislation, it is not reflected in the fiscal year 2009 President's budget request, but the plan is now being readdressed. Resolution will require careful planning, and we are working closely with the Office of the Secretary of Defense on this matter.

Incentive programs were a key component of our enlisted recruiting success in 2007. The enlistment bonus continues to be our most popular and effective incentive for shaping our accessions. The authority to pay a bonus up to $40,000 made a significant contribution to our Navy Special Warfare and Navy Special Operations recruiting efforts. Likewise, our Reserve component success would not have been possible without the availability of enlistment bonuses. Extended incentive authorities towards some of our more specialized skill fields, including nuclear and aviation, will help to recruit and retain these critical skill sets, while renewal of accession bonuses will help to expand the force to newly mandated levels. The continued support of Congress in the creation of flexible compensation authorities affords the Department the tools that will help shape the force for the 21st century.

The Grow the Force mandate by the President is a long-term plan to restore the broad range of capabilities necessary to meet future challenges and mitigate global risk to national security of the United States. The Marine Corps will grow the force by 27,000 (from 175,000 to 202,000) marines over 5 years. This additional capacity and capability will enable full spectrum military operations in support of allies and partners as well as against potential enemies. In 2007, the Marine Corps added two infantry battalions, capacity to the combat engineer battalions and air naval gunfire liaison companies, and planned the training and infrastructure pieces necessary to build a balanced warfighting capability. The Marine Corps has achieved success in recruiting and maintaining quality standards. This is a remarkable achievement for an All-Volunteer Force during a sustained war. The Marine Corps anticipates continued success in meeting recruiting and retention goals to achieve this planned force level. This end strength increase addresses more than current operations in Iraq and Afghanistan. It ensures that the Marine Corps will be able to deal with the challenges of the Long War and will reduce combat stress on marines and their families by moving towards a 1:2 deployment to dwell ratio. Currently many marines are on a 1:1 or less deployment to dwell ratio.

Navy and Marine Corps Reserves continue to be vital to successfully fighting the global war on terrorism and in accomplishing routine military operations. The Marine Corps and Navy activated, respectively, 5,505 and 5,007 reservists to fulfill critical billets in OIF and other gaps in headquarters and operational units. At the close of fiscal year 2007, the Navy and Marine Corps Reserves end strength was 69,933 and 38,557 respectively.

Readiness

The Department's budget reflects a commitment to properly price and fund readiness to meet the demands of the Combatant Commands. For fiscal year 2009, the Fleet Response Plan (FRP) is funded to achieve "6+1"—the ability to support deployment of six carrier strike groups within 30 days and one additional group within 90 days. Additionally, the fiscal year 2009 budget funds 45 underway steaming days per quarter for deployed forces and 22 underway days per quarter for nondeployed forces. For the Marine Corps, equipment readiness accounts are focused on supporting the operational and equipment readiness of units engaged in operations in

OIF. The Marine Corps has made tradeoffs in this area by cross-leveling equipment from units not in the fight, and while the force made great strides in its overall readiness to conduct counterinsurgency operations, this has been achieved at the expense of other traditional training, such as amphibious assault and jungle warfare.

Carrier Waiver

The Navy is committed to maintaining an aircraft carrier force of 11. However, during the 33-month period between the planned 2012 decommissioning of U.S.S. *Enterprise* and the 2015 delivery of the U.S.S. *Gerald R. Ford,* legislative relief is requested to temporarily reduce the carrier force to 10. Extending *Enterprise* to 2015 would involve significant technical risk, challenge our manpower and industrial bases, and require significant resource expenditure; with only minor gain for the warfighter in carrier operational availability and significant opportunity costs in force structure and readiness. The Navy is adjusting carrier maintenance schedules to meet the FRP and ensure a responsive carrier force for the Nation during this proposed ten carrier period.

Law of the Sea Convention

It is critically important to the United States and our friends and allies that the seas of the world remain safe and open for all nations. Accordingly, the DON supports U.S. accession to the Law of the Sea Convention. The Treaty codifies important principles of customary international law, such as Freedom of Navigation and rights of passage. Joining the Convention, with the declarations and understandings reflected in Senate Report 110–9 (Senate Foreign Relations Committee), will assist the United States to exercise its leadership role in the future development of open oceans law and policy. As a non-party, the United States does not have full access to the Convention's formal processes (through which over 150 nations participate in influencing future law of the sea developments). By providing legal certainty and stability for the world's largest maneuver space, the Convention furthers a core goal of our National Security Strategy to promote the rule of law around the world.

Suppression of Unlawful Acts

The Department supports expeditious U.S. ratification of the 2005 Protocol of the Convention for the Suppression of Unlawful Acts (SUA) against the Safety of Maritime Navigation and the 2005 Protocol to the 1988 Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms Located on the Continental Shelf ("SUA Amendments"), adopted by the International Maritime Organization on October 14, 2005, and signed by the United States on February 17, 2006. The SUA Amendments significantly strengthen the legal regime to criminalize terrorist acts and combat weapons of mass destruction proliferation in the maritime domain making them an important component in the international campaign to prevent and punish such acts.

Encroachment

A critical readiness issue is our ability to be prepared to meet the full spectrum of operations that may arise globally. This requires that we have the ability to properly train our sons and daughters in a manner that effectively prepares them for the threats they may encounter. In order for naval forces to be able to meet our operational commitments we need installations and ranges, the ability to continue to use them for their intended purposes, and the ability to augment them when necessary to respond to changing national defense requirements and circumstances.

We appreciate the action taken by Congress to recognize the importance of protecting naval installations from encroachment pressures by enacting section 2863 of the John Warner National Defense Authorization Act for Fiscal Year 2007 that establishes prohibitions against making certain military airfields or facilities, including Marine Corps Air Station Miramar, available for use by civil aircraft. We seek your continued support to move forward with plans for the Outlying Landing Field (OLF) that is critically needed to support training requirements for Carrier Air Wing aircraft based at Naval Air Station Oceana and Naval Station Norfolk. The OLF will directly support the Department's ability to meet its national defense commitments under the FRP and provide naval aviators critical training in conditions most comparable to the at-sea operating environment they will face. In response to public comments regarding the previous site alternatives, the Navy has terminated the draft Supplemental Environmental Impact Statement (EIS) and will initiate a new EIS that examines five new site alternatives, three in Virginia and two in North Carolina, based upon new information provided by officials in those states. I ask for your continued support as we work with Congress and the States of Virginia and North Carolina to preserve and improve the installation and range capa-

bilities needed to properly train our young men and women before we send them into harms way.

Marine Mammals and Active Sonar

The most critical readiness issue relates to the Navy's ability to train using active sonar while minimizing the effect on marine mammals. One of the most challenging threats that our naval forces face is modern, quiet diesel-electric submarines. These submarines employ state-of-the-art silencing technologies and other advances, such as special hull treatments, that make them almost undetectable with passive sonar and also reduce their vulnerability to detection with active sonar. A diesel-electric submarine so equipped can covertly operate in coastal and open ocean areas, blocking Navy access to combat zones and increasing United States vessels' vulnerability to torpedo and anti-ship missile attacks. Currently, over 40 countries operate more than 300 diesel-electric submarines worldwide, including potential adversaries in the Asia-Pacific and Middle East areas. Naval strike groups are continuously deployed to these high-threat areas. Training with the use of mid-frequency active (MFA) sonar is a vital component of pre-deployment training. The tactical use of MFA sonar is the best means of detecting potentially hostile, quiet, diesel-electric submarines. The inability to train effectively with active sonar literally puts the lives of thousands of Americans at risk.

In January 2008, a Federal district court issued an injunction precluding the Navy's ability to train effectively with MFA in critical exercises scheduled to occur in the Southern California Operating Area through January 2009, creating an unacceptable risk that strike groups may not be certified for deployment in support of world-wide operational and combat activities. Because the Composite Unit Training Exercises and the Joint Task Force Exercises off Southern California are critical to the ability to deploy strike groups ready for combat, the President concluded that continuing to train with MFA in these exercises is in the paramount interest of the United States and granted a temporary exemption from the requirements of the Coastal Zone Management Act for use of MFA sonar in these exercises through January 2009. Additionally, due to the emergency circumstances created by an injunction that would prevent the Navy from reliably training and certifying strike groups ready for deployment, the Council on Environmental Quality (CEQ) authorized, and the Navy accepted, alternative arrangements for compliance with the National Environmental Policy Act. Despite these developments, the trial court refused to set aside the injunction. As a result the Navy has appealed the court's refusal to give effect to the President's and CEQ's actions by dissolving the injunction and correcting the court's failure to properly tailor the injunction in the first place to allow the Navy to train effectively. The appeal is pending before the Ninth Circuit for expedited review.

The Department continues to be a good steward of the environment, while providing the necessary training that is essential to national security and ensures the safety of our people. The Department is engaged in a comprehensive effort to ensure compliance with the National Environmental Policy Act, Marine Mammal Protection Act, Endangered Species Act, Coastal Zone Management Act, National Marine Sanctuaries Act, and Executive Order 12114. Twelve EISs are in development with associated Records of Decision (ROD) scheduled for issuance by the end of calendar year 2009. The Navy implements 29 protective measures developed in conjunction with the National Marine Fisheries Service, the Federal regulator responsible for oversight and implementation of the Marine Mammal Protection Act. These measures afford significant protection to marine mammals while maintaining training fidelity. The Navy has steadily increased funding for marine mammal research from $12 million in fiscal year 2006 to $18 million in fiscal year 2008 and fiscal year 2009. The Navy's financial commitment constitutes more that half of the world-wide funding for research on the effects of anthropogenic sound on marine mammals. Over the past several years, tremendous progress has been made in expanding the scientific base of knowledge, especially concerning the species identified as the most sensitive to MFA sonar, deep diving beaked whales. The Navy, working with the National Marine Fisheries Service, is engaged in a 3-year controlled exposure study of sound on whales at the Navy's Atlantic Undersea Test and Evaluation Center in the Bahamas. This study, along with other research, development, test and evaluation efforts, will provide further information needed to understand and effectively mitigate the effects of active sonar on marine mammals.

III. TAKE CARE OF OUR PEOPLE

In 2007 the Department implemented a Human Capital Strategy that focuses on our most valuable asset, the Department's people. In the strategy, the Department addresses the changes in warfare, workforce, technologies, and processes and lays

out the strategic objective to produce and employ the right people with the right skills to support or accomplish 21st century naval missions. The development and retention of quality people is vital to our continued success. The DON is committed to sustaining quality of service and quality of life programs, including training, compensation, promotion opportunities, health care, housing, and reasonable operational and personnel tempo. The cost of manpower is the single greatest component in the fiscal year 2009 budget. The fiscal year 2009 budget requests $41.6 billion for military personnel and includes a 3.4 percent military personnel pay raise. This investment is critical to ensuring a naval force with the highest levels of ability and character.

Comprehensive Care

As Secretary of Defense Gates has stated, "Apart from the war itself, we have no higher priority (than to take care of our Wounded, Ill, and Injured)." Over the sustained combat operations in the global war on terrorism, the Department has endured the loss of over 830 marines and 75 sailors killed in action, and over 8,500 marines and 600 sailors wounded in action. These marines and sailors and their survivors deserve the highest priority care, respect and treatment for their sacrifices. We must ensure our wounded warriors and families receive the appropriate care, training and financial support they need. Failing them will undermine the trust and confidence of the American people. Consequently, the DON initiated a Comprehensive Casualty Care effort in March 2007 to ensure visibility of the full range of needs of servicemembers and their family members and the coordination and expedient delivery of clinical and nonclinical services throughout the continuum of care. Among the initiatives pursued under this effort was a Lean Six Sigma mapping of the casualty care process to identify areas of patient transitions, gaps in service, and unmet needs across key functional service areas to include: Medical, Pay, and Personnel, Family Support, Case Management, Information Technology, and the Disability Evaluation System. The following sections provide some specific examples of the Department's actions and plans for improving care for our people.

Combat Casualty Care

Navy Medicine provides combat casualty care to Navy and Marine Corps units, on Expeditionary Medical Facilities, aboard casualty receiving/treatment ships and hospital ships, and in military hospitals. Recent advances in force protection, battlefield medicine, combat/operational stress control, and medical evaluation have led to improved survival rates for wounded (approximately 97 percent) and enhanced combat effectiveness. In September 2007 Naval Medical Center San Diego stood-up a Comprehensive Combat Casualty Care Center providing inpatient and outpatient services to all levels of combat casualties, including rehabilitative, mental health and prosthetic care. The unit is the military's first and only center for amputee care on the west coast. This year the Marine Corps is reorganizing Medical Battalions and fielding the Family of Field Medical Equipment, modernizing 34 different medical systems such as the Traumatic Brain Injury (TBI) scanner and the Airframe First Aid Kit.

Wounded Warrior and Safe Harbor

In fiscal year 2007, the Marine Corps expanded its existing programs by establishing the Wounded Warrior Regiment with a Wounded Warrior Battalion on each coast to provide better continuity of care for wounded warriors. Specifically, these organizations provide wounded warriors a location to recuperate and transition in proximity to family and parent units. The Navy has a number of programs ensuring care for all wounded, ill, and injured sailors and their families. Those severely wounded, ill, and injured sailors and their families receive non-medical case management and advocacy from the Navy's Safe Harbor Program. Safe Harbor provides assistance in dealing with personal challenges from the time of injury through return to duty or transition to civilian life.

Post-Traumatic Stress Disorder

Specific improvements for post-traumatic stress disorder include both preventive and post-deployment care. The Marine Corps is employing Operational Stress Control and Readiness teams to provide early intervention, outreach, and prevention at the unit level in close proximity to operational missions, reducing stigma associated with conventional mental health care. The Navy is enhancing the Operational Stress Control Program and is completing phase two of the in-theater Behavioral Health Needs Assessment Survey to identify mental health needs, guide development of appropriate prevention and treatment programs, and ensure adequate in-theater mental health support. To date in fiscal year 2008, Navy Medicine expanded the Deployment Health Clinic (DHC) concept to a total of 17 centers. These DHCs

logged over 30,000 visits encompassing the entire range of post-deployment health care symptoms. These clinics are designed to be easily accessible, non-stigmatizing portals for effective assessment and treatment of deployment-related mental health issues. Three additional DHCs are planned for 2008. Specialized training is also being provided to the Chaplain Corps and non-mental health medical personnel to include mind, body, and spiritual practices. Augmenting the ability to deliver the highest quality of psychological health care available, Navy Medicine committed $7 million to stand-up a Naval Center for the Study of Combat Stress that will support all of the varied and diverse mental health needs.

Traumatic Brain Injury

The Department is engaged in activities to address TBI and remains committed to the further expansion of TBI research and availability of services for our service members. Navy Medical Research Command uses new techniques to identify transmissibility of blast wave energy into the brain, focusing on the nexus between the blast wave energy transmission and the resulting brain pathology. Navy researchers serve on the Health Affairs Senior Executive Advisory Committee on TBI sensor development and coordinate closely with the U.S. Army Program Executive Office in the development of helmet-mounted monitors. The National Naval Medical Center's Traumatic Stress and Brain Injury Program serves blast-exposed or head-injured casualties aero-medically evacuated out of theater. Over 1,082 blast-exposed service members have been evaluated for psychological health and TBI. In May 2007, Naval Medical Center San Diego stood up a Traumatic Stress and Brain Injury Program, and in September 2007, Camp Lejeune stood up a similar program.

Physical and Medical Evaluation Boards

The Department refined the physical and medical evaluation board process to ensure timely, comprehensive and transparent actions balancing the rights of the individual and the needs of the service. Actions include upgrading the Council of Review Board website to provide transition services and links to government agencies with post-service benefits. Additional upgrades are underway to provide a portal for members to monitor case processing. The Department is also participating in the joint DOD–VA Disability Evaluation Pilot in the National Capital Region that is designed to further streamline the process and ensure a smooth transition to civilian life for service members leaving active duty.

Family Readiness

The Department remains committed to the readiness and resilience of Navy and Marine Corps families, including the spouses, children, parents, and other extended family members committed to caring for sailors and marines. To that end, the Department operationalized family support programs to better empower sailors and marines to effectively meet the challenges of today's military lifestyle. The Marine Corps is redesigning and enhancing family readiness programs that most directly prepare marines and their families, including: Unit Family Readiness Program, Marine Corps Family Team Building Program, Exceptional Family Member Program, School Liaison Program, and Children, Youth, and Teen Program. As a companion effort, the Marine Corps will address quality of life deficiencies at remote and isolated installations, expand communication connections between separated marines and their families, and make needed improvements to quality of life facilities and equipment throughout the Marine Corps. The Navy increased emphasis on prevention, education, and counseling to Navy families undergoing frequent and often short notice deployments. It has created school liaison positions to work with school districts and Navy families to ensure teachers and other school officials understand the pressures and issues facing military children. The Navy provides brief, solution-focused clinical counseling services to more family members, as well as increasing home visitation services to new parents who have been identified as requiring parenting support. To better reach Individual Augmentee families who do not live near a military installation but who have access to a computer, the Navy has begun virtual Individual Augmentee Family Discussion Groups to ensure outreach information, referral and ongoing support.

The Department has developed an aggressive child care expansion plan, adding over 4,000 new child care spaces within the next 18 months. This expansion includes construction of new Child Development Centers (including facilities open 24/7), commercial contracts, and expanding military certified home care. Combined, these initiatives will reduce the waiting time for child care from 6–18 months to less than 3 months. To assist parents and children with the challenges of frequent deployments, an additional 100,000 hours of respite child care will be provided for families of deployed servicemembers. In efforts to combat youth obesity, the Navy

has implemented a new world-wide youth fitness initiative called "FitFactor" to increase youth interest and awareness in the importance of healthy choices in life.

National Security Personnel System

The DON has successfully converted 30,000 employees into National Security Personnel System (NSPS), with an additional 30,000 scheduled to convert by 30 October 2008. The DON is already seeing a return on investment: an unprecedented training effort focused on performance management, greater communication between employees and supervisors, people talking about results and mission alignment, and increased flexibility in rewarding exceptional performance. While mindful of new legislative restraints, maintaining key human resource elements of NSPS, including pay-for-performance, is vital to the system's success and the Department's ability to respond to ever-changing national security threats.

Safety

Fundamental to taking care of sailors, marines, and DON civilian employees is establishing a culture and environment where safety is an intrinsic component of all decisionmaking, both on- and off-duty. Safety and risk management are integrated into on- and off-duty evolutions to maximize mission readiness and to establish DON as a world class safety organization where no mishap is accepted as the cost of doing business.

The Secretary of Defense established a goal to achieve a 75 percent reduction in baseline fiscal year 2002 mishap rates across DOD by the end of fiscal year 2008. In fiscal year 2007 the DON recorded our lowest number of serious operational mishaps and the lowest rate of serious aviation mishaps in our history.

One particular challenge that we continue to face is loss of sailors and marines to fatal accidents on our Nation's highways—111 in fiscal year 2007. While our rates are actually better than U.S. national statistics, and fiscal year 2007 was one of our best years ever, we find these losses untenable—we can and must do better. In particular, the growing popularity of sport bikes, or high-powered racing motorcycles, represents our biggest challenge. We are restructuring our motorcycle training, and in partnership with the Motorcycle Safety Foundation, we have developed a new hands-on Sport Bike Rider Safety Course. We are also implementing methods and technology to more rapidly assess our personnel to accurately identify those individuals at high risk for private motor vehicle mishaps. They will be targeted for intervention in an effort to further reduce mishaps and our DON risk profile.

IV. PREPARE FOR FUTURE CHALLENGES

Building a Balanced Fleet

Today's Navy and Marine Corps must confront threats in the maritime domain ranging from near-peer competitors, to non-state and transnational actors, to rogue nations and pirates. To meet the challenge the fiscal year 2009 budget provides for a balanced fleet of ships, aircraft and expeditionary capabilities with the fighting power and versatility to carry out blue, green, and brown water missions on a global basis.

To ensure affordability and timely delivery of capabilities will require improvements in the acquisition process—ensuring stable requirements and clarity in design criteria, better program management expertise, and new measures to incentivize contractors to complete programs on cost and within schedule, while delivering a quality product for military use. Military use also includes other factors such as habitability conditions that support quality of life, reduced variability of part types, and supportable logistics and sustainment. In addition, independent cost, schedule, and risk assessments are conducted and used to establish the foundation of program plans.

The Department has launched an acquisition improvement initiative, planning for which has included the Secretary, Chief of Naval Operations (CNO) and Commandant of the Marine Corps (CMC), and which will enforce discipline across the Department without altering existing Office of the Secretary of Defense and Joint Chiefs of Staff-level processes. Actions comprising the acquisition improvement initiative include the following:

Acquisition Governance

Led by CNO/CMC, the requirements phase comprises three "requirements gates:" (1) Approval of Initial Capabilities Document; (2) Approval of Analysis of Alternatives; and (3) Approval of Capabilities Development Document and Concept of Operations. During this phase the focus is on what we buy and the process ensures completeness and unanimity of requirements, agreed upon by top leadership early in the acquisition process.

The acquisition phase, led by the Component Acquisition Executive, consists of three "acquisition gates:" (1) Approval of the System Design Specification; (2) Approval to release the System Development and Demonstration Request for Proposals; and (3) A Sufficiency Review of the entire program. During this phase the focus is on "how we buy," emphasizing clear system design specifications, leveraging commonality within parts and systems, and the use of open architecture. During this phase CNO and CMC remain in support of the acquisition force to ensure stability in the requirements.

Each "gate review" includes a comprehensive assessment using detailed metrics to determine the health of the program and ensures that the program is ready to proceed through the next phase of the acquisition process. The key benefits are: (1) better integration of requirements and acquisition decision processes; (2) improvement of governance and insight into the development, establishment, and execution of acquisition programs; and (3) formalization of a framework to engage senior naval leadership throughout the review process.

Acquisition Workforce

To reinvigorate the acquisition workforce the Department has aggressively pursued investment in several key areas. Using a model of our total workforce, we've identified certain imbalances and redundancies which Systems Commands and Program Executive Officers will initiate corrective action for in fiscal year 2008. Further, the Department will create a common business model across Systems Commands to allow maximum flexibility of workforce utilization while sharpening the skill sets of our acquisition professionals. Further, we are creating common templates for acquisition program leadership that will ensure adequate staffing of programs throughout their life cycle. Notably we have adjusted the programmatic leadership structure of the DDG–1000 and Littoral Combat ships to benefit from these common templates.

Finally, to bolster our acquisition leadership, we have selected a Vice Admiral to serve as Principal Deputy Assistant Secretary for Research Development and Acquisition.

Fiscal Year 2009 Acquisition Programs

Shipbuilding

The fiscal year 2009 shipbuilding budget provides for seven new ships: one *Virginia*-Class (SSN–774) nuclear-powered attack submarine, one DDG–1000 Destroyer, two Littoral Combat Ships (LCS), two Dry Cargo Ammunition (T–AKE) ships, and one Joint High Speed Vehicle (JHSV). The Navy also will procure an additional JHSV for the Army in fiscal year 2009. The budget also includes the next increment of funding for CVN–78; research and development funds for CG(X), the future cruiser; the first increment of funding for the Refueling Complex Overhaul for the U.S.S. *Theodore Roosevelt* (CVN–71); funding for an engineered refueling overhaul for an SSBN; and continued modernization for guided missile cruisers, guided missile destroyers, submarines, and aircraft carriers.

Naval Aviation

The DON requires a robust aviation capacity including attack, utility, and lift capabilities. The Department is in the midst of an extensive, long-term consolidation and recapitalization of aircraft in the naval inventory to achieve a more efficient and effective warfighting force. The fiscal year 2009 budget requests funding for 206 aircraft. The fiscal year 2009 budget supports the acquisition of the F–35 Joint Strike Fighter, the EA–18G Growler, the MV–22B, the KC–130J, the E–2D; the MH–60, the UH–1Y and AH–1Z helicopters; and the continued development of the P–8A Multi-Mission Maritime Aircraft, the CH–53K and VH–71 programs.

The Department will continue to recapitalize our aging inventory with upgrades or new variants of existing aircraft where suitable and cost effective. For example, the Navy helicopter community is replacing six different aircraft with the MH–60R and MH–60S, while the Marine Corps is buying the UH–1Y, AH–1Z, and CH–53K to replace older variants of those aircraft.

Command, Control, Communications, Computers

Effective command, control, communications, computers (C^4) capabilities are key to ensuring that our forces have accurate situational understanding to enable decision superiority. The Navy and Marine Corps have planned several programs to deliver agile and interoperable network-centric capabilities to ensure success for naval, joint, and coalition forces, including naval contributions to the National Security Space. The Department is planning the replacement for the Navy-Marine Corps Intranet with the Next Generation Enterprise Network. The Marine Corps is devel-

oping the Command and Control Harmonization Strategy. Capitalizing on emerging capabilities such as the Tactical Communications Modernization Program and the Very Small Aperture Terminal, the Marine Corps intends to deliver an end-to-end integrated, cross-functional capability across the force.

Intelligence, Surveillance and Reconnaissance

The Navy and Marine Corps are in the process of reviewing current intelligence, surveillance, and reconnaissance (ISR) capabilities and formulating a long-term ISR strategy. This strategy, when completed, will ensure the Department's current and future ISR capabilities are used to the fullest extent possible and will maximize the use of other services' and national capabilities to enhance the Department's variety of missions. The Marine Corps' use of Department of Army's unmanned aircraft system, Shadow, is an example of leveraging another service's capability. Shadow meets the Marine Corps requirements for a transportable ISR asset capable of providing tactical commanders with day and night, battlefield and maritime reconnaissance. The Navy, with unique maritime domain ISR requirements, is integrating manned and unmanned capabilities with the Broad Area Maritime Surveillance (BAMS) Unmanned Aircraft System (UAS) and the P–8A program. The BAMS UAS will provide a persistent, multi-sensor, maritime ISR capability with worldwide access. Additionally, the Department of Navy is working closely with the Office of the Under Secretary of the Defense for Intelligence to ensure the current Distributed Common Ground System—Navy and Marine Corp family of systems meet DOD standards, share technology and minimize duplication.

Maritime Domain Awareness

The responsibility for Global Maritime Security lies with many departments, agencies, and organizations across the spectrum of our government, international partners, and industry. Each of these stakeholders bring a part of the solution, and taking the lead in establishing a global capability from those parts is one of the single most important new steps of the DON. Protection of the global maritime domain is fundamental to our national security, and requires an integrated approach across the naval forces, with our Federal maritime partners, with certain State and local authorities, and indeed with the entire global maritime community. We have embarked on the organizational behavior changes necessary to bring those disparate stakeholders together, and are investing in creation of an enduring operational capability for the Nation.

Infrastructure Investment

Facilities

The fiscal year 2009 budget requests $3.2 billion for military construction projects at Active and Reserve Navy and Marine Corps bases, a substantial increase over the enacted $2.3 billion in fiscal year 2008. Much of the funding growth is to build training and housing facilities to support the Marine Corps growth in end strength over the next 5 years. Both Navy and Marine Corps will sustain existing facilities at 90 percent of the DOD model requirement.

Base Realignment and Closure

The fiscal year 2009 budget requests $871.5 million to continue implementation of the 2005 Base Realignment and Closure (BRAC) Commission recommendations. This request invests in construction (including planning and design) and operational movements at key closure and realignment locations. Fiscal year 2009 plans may require some adjustment to ensure consistency with the approved fiscal year 2008 budget.

Walter Reed National Medical Center Bethesda

BRAC action 169 called for closure of Walter Reed Army Medical Center, realignment of tertiary and complex care missions to National Naval Medical Center Bethesda, and establishment of Walter Reed National Military Medical Center Bethesda. The DOD approved an expanded scope and acceleration of the original program. The Naval Facilities Engineering Command is managing the EIS for Bethesda and a ROD is scheduled for May 2008.

Family and Bachelor Housing

Privatization for housing in the continental United States is on its way towards completion. The privatization of unaccompanied housing is proceeding smoothly at our first pilot project in San Diego. The construction of new apartments is well underway with completion of the first building scheduled for December 2008. Moreover, the project won an industry customer service award in its first year of operation in recognition of the dramatic improvement in resident satisfaction in existing

housing that was privatized. We have broken ground on our second pilot project in Hampton Roads in our effort to bring the benefits of bachelor housing privatization to sailors on the east coast. This year's budget reflects the continuation of the Marine Corps' quality-of-life initiative to construct additional housing to address the substantial, longstanding shortfall of adequate housing for single marines. The objective is to provide quality bachelor housing for all sergeants and below for our 'pre-grow the force' end strength by fiscal year 2012 and to support 202,000 marines by fiscal year 2014. Our fiscal year 2009 budget request also includes a military construction project to replace bachelor housing at Naval Station San Clemente, completing elimination of inadequate bachelor housing in the Department.

Wounded Warrior Housing

The DON completed inspections of all housing for wounded, ill, and injured to ensure quality and accessible living quarters. Annual inspections will ensure continued oversight by Department of Navy leadership. In addition, Wounded Warrior Barracks are under construction at Camp Lejeune and Camp Pendleton. Both barracks will provide 100 two-person American with Disabilities Act-compliant rooms allowing for surge capability.

Marine Corps Relocation to Guam

The fiscal year 2009 budget continues detailed studies, plans, and environmental analyses for the U.S./Government of Japan Defense Policy Review Initiative to relocate about 8,000 marines and their dependents from Okinawa, Japan to Guam by 2014. The facilities, housing, logistics and environmental requirements are being developed from the ground up to support mission requirements as well as business-case prudence. The measured investment in fiscal year 2009 is crucial to the 5-year $10.27 billion ($4.18 billion from the U.S. and $6.09 billion from the Government of Japan) construction program scheduled to commence in fiscal year 2010.

Naval Station Mayport

The Navy is preparing an EIS that examines several alternatives for best utilizing the facilities and capabilities of Naval Station Mayport after the retirement of the U.S.S. *John F. Kennedy* (CV 67). The options being evaluated include:

- Cruiser/Destroyer homeporting
- Amphibious Assault Ship homeporting
- Nuclear-Powered Aircraft Carrier (CVN) capable
- CVN homeporting
- Amphibious Ready Group homeporting

Preparation of the Mayport EIS is on schedule. The draft EIS is scheduled for release in March 2008, with the final EIS expected in December 2008 and the ROD in January 2009.

Environmental Stewardship

Energy Initiatives

Energy efficiency is key to reducing life-cycle costs and increasing the sustainability of installations and facilities. The Department has led the way in supporting the Energy Policy Act of 2005 (EPAct05) by adopting the Leadership in Energy and Environmental Design (LEED) Silver standard as a primary consideration for all DON military construction projects. Using the LEED Silver standard, new energy-efficient projects have been completed on several installations, including Recruit Training Center Great Lakes and Naval Amphibious Base Little Creek. DON also has a comprehensive energy program responding to the requirements of EPAct05 and Presidential Executive Order 13423, evidenced by an 8.85 percent reduction in fiscal year 2007 energy consumption and an extensive renewable energy program.

Minimizing the overall environmental effects

The recently-announced Low-Impact Development (LID) policy is an example of how the Department is emphasizing reduction of impact to the environment. The goal of the policy is "no net increase" in the amount of nutrients, sediment, and storm water escaping into the watersheds surrounding facilities and installations. The use of cost-effective LID Best Management Practices such as rainwater collection systems in construction and renovation projects is central to achieving this goal.

Alternative Fuels

The Department has been a leader in the use of alternative fuels. The Navy and Marine Corps both reduced petroleum consumption in their vehicle fleets by more than 25 percent from 1999 to 2006, and together used almost 2 million gallons of biodiesel in 2006. Further gains in alternative fuel implementation will be sup-

ported by the Department's new Petroleum Reduction and Alternative Fuel Vehicle Strategy, which challenges the Navy and Marine Corps to build on already substantial progress to meet and exceed the established Federal goals contained in Executive Order 13423 and the Energy Independence and Security Act of 2007. We are also expanding our use of alternative fuels in our tactical fleet, to include ships, aircraft, and ground vehicles. In fiscal year 2009 we will lay the groundwork for a testing and certification program for alternative fuel use. The Navy is also actively pursuing energy conservation initiatives, through energy conserving alterations in propulsion plants and conservation practices in operations.

V. MANAGEMENT PROCESS IMPROVEMENT

Complementary action to our acquisition improvement initiatives is our commitment to enhance process improvement across the DON to increase efficiency and effectiveness and responsible use of resources. The Enterprise Resource Planning (ERP) program, planned for implementation throughout the Department, began initial implementation at Naval Air Systems Command in October 2007. It is an integrated business management system that modernizes and standardizes business operations and provides management visibility across the enterprise. The Department continues to champion the use of Lean Six Sigma as the primary toolset as a means toward increasing readiness and utilizing resources efficiently. Over 4,420 leaders have completed Lean Six Sigma training, and there are over 2,000 projects underway. The Department's Financial Improvement Program leverages ERP and strengthens control of financial reporting. The Marine Corps expects to be the first military service to achieve audit readiness.

A major process improvement initiative to ensure that the Department applies fundamental business precepts to its management is the Secretary of the Navy's Monthly Review (SMR). The SMR is a senior leadership forum, involving CNO, CMC, and Assistant Secretaries, designed to afford greater transparency across the Department and set into motion actions that garner maximum effectiveness and efficiency for the Department. The SMR reviews a portfolio of the bulk of Department activities and programs involving manpower, readiness, acquisition, infrastructure, etc. Using Lean Six Sigma tools and other business tools, this forum reviews the most urgent issues and discusses and implements appropriate solutions. Ultimately, this monthly interaction serves as a means to synchronize the Department's actions to comprehensively address complex problems, accomplish strategic objectives, and better position for challenges in the future.

The Department will incorporate the Chief Management Officer (CMO) into the Secretariat in fiscal year 2008. The CMO will have responsibility for improving Department business operations to carry out objectives. These initiatives are all steps to make process improvement a way of thinking in carrying out daily business throughout the organization.

VI. CONCLUSION

Thank you for this opportunity to report to you on the DON. I provide the fiscal year 2009 budget to you and ask for your support for this plan that will enable the Department to prevail in global war on terrorism, take care of our people and prepare for future challenges. The uniformed men and women of the DON, and our civilian workforce, depend on our collective support and leadership. I appreciate the opportunity to set forth the President's fiscal year 2009 budget and look forward to working with you in furtherance of our maritime capabilities and our national security.

Chairman LEVIN. Thank you so much, Secretary.

Admiral Roughead, you're next.

STATEMENT OF ADM GARY ROUGHEAD, USN, CHIEF OF NAVAL OPERATIONS

Admiral ROUGHEAD. Thank you, Mr. Chairman. Chairman Levin, Senator Warner, and distinguished members of the committee: On behalf of our 600,000 sailors, Navy civilians, and families, thank you for your support and the opportunity to appear before you today. Together with Secretary Winter and General Conway, I'm privileged to be part of this leadership team, committed to our Nation's safety, security, and prosperity.

Today your Navy stands ready with the agility, the flexibility, and the competence to do what no other Navy in the world can do. Last week we successfully temporarily converted our sea-based Ballistic Missile Defense (BMD) capability to engage a failing satellite. Sea-based BMD is here, it is real, and it works.

But that is only part of what your Navy delivers to the Nation. We recently deployed the first converted strategic submarine for sea-air-land (SEAL) delivery. 2,800 sailors set sail to patrol in the Mediterranean and Middle East, and the three ships of our Africa Partnership Station conducted four port calls in West Africa.

What you saw last week was just a small part of what your Navy does in executing the maritime strategy, a strategy that is more than just a glossy brochure. Four carriers last year anchored our presence in the Arabain Gulf. SSBNs patrolled as silent deterrence. Three carrier strike groups massed in an array of joint power, exercising sea control in the western Pacific in Exercise Valiant Shield. F/A–18 Hornets increased projected power ashore in Operation Enduring Freedom when the Air Force F–15s were grounded. Ships patrolled the Horn of Africa, enhancing maritime security against piracy. U.S.N.S. *Comfort* and U.S.S. *Pelelly* provided proactive humanitarian assistance to tens of thousands in South America and Southeast Asia. The U.S.S. *Keasage* Expeditionary Strike Group (ESG) rushed to provide disaster relief to Bangladesh in the aftermath of a cyclone.

We are out and about, doing essential missions for the Nation. But as you so well know, our operations come at a cost to our people, our current readiness, and the future Fleet, those are my three areas of focus. Our people, our sailors, our marines, our Navy civilians, and their families know they have your support. We must continue to invest in their futures and in the young men and women of America who will follow in their wake. As a Nation at war, our utmost responsibility is to our wounded warriors. I am proud of and committed to the Safe Harbor program, which has dedicated staffs and teams individually tracking and meeting the needs of those heroic sailors and their families.

In the context of this generational war, however, investing in the health of our force must go further. The health care we provide, especially for traumatic brain injuries (TBIs) and post-traumatic stress disorder (PTSD), as well as the President's support for child care, hiring preferences for spouses, and family education benefits, will bring welcome relief to the military families and assist us in a very challenging recruiting and retention environment.

Likewise, increasing the throughput of the U.S. Naval Academy is an important investment in our future leadership, especially as Marine Corps end strength grows.

But supporting our future force cannot be done without readiness to fight today. To this end, quality shore installations, responsive depot-level maintenance centers, and unfettered ability to train responsibly are necessities. Where area access and short support are denied, the Commandant and I have been moving forward with a sea basing alternative. These elements are essential to support our Fleet Response Plan, which has enabled us to meet requirements, and will sustain us through a requested temporary carrier force level adjustment.

Of my three focus areas, building tomorrow's Navy to be a balanced, appropriately sized force is the most immediate imperative and challenge. Fiscal realities, operational strain on our ships and aircraft, and necessary decommissionings are contributing to the risk we assume. Achieving the 313-ship floor at current funding levels will require us to improve processes, collaborate with industry, and make difficult decisions in the near term.

I am pleased that the first two DDG–1000 contracts have been awarded. The technology embedded in that ship will advance our surface combatants of the future. I remain strongly committed to funding those programs that provide critical capabilities to our forces. There is no substitute for the LCS in closing a littoral capability gap. Current F/A–18 Hornets are needed to assuage a 2016 strike fighter shortfall. Surface combatant superiority will be maintained through DDG–51 modernization. Multi-mission maritime aircraft will recapitalize our maritime patrol antisubmarine warfare capabilities, and space BMD will ensure future theater and national defense and enable access.

These critical programs for our future Fleet require appropriate disciplined investment now. The 2009 budget and its associated force structure plans will meet our current challenges with a moderate degree of risk. Clearly we have many challenges, of which building tomorrow's Fleet is the greatest. But with these challenges, it is our opportunity to have a Fleet which will defend the Nation and assure our prosperity for generations to come.

On behalf of our sailors, Navy civilians, and our families, thank you again for the opportunity to appear before you today, and thank you for your support for what we do today and what we will do tomorrow.

[The prepared statement of Admiral Roughead follows:]

PREPARED STATEMENT BY ADM GARY ROUGHEAD, USN

INTRODUCTION

Chairman Levin, Senator McCain, and members of the committee, it is an honor to appear before you today representing the nearly 600,000 men and women, sailors and civilians of our Navy. In 2007, the Navy answered all bells. Surge and rotational expeditionary forces performed brilliantly and we responded to global contingencies and requirements. The fiscal year 2009 budget and its associated force structure plans represent the capabilities needed to meet current challenges with a moderate degree of risk. I appreciate your continued support as our Navy defends our Nation and our vital national interests.

In 2007, the Navy, Marine Corps, and Coast Guard released the Cooperative Strategy for 21st Century Seapower. The strategy represents unprecedented collaboration among the three Services. It also incorporates input from American citizens obtained through a series of "Conversations with the Country" that included the maritime Services, business and academic leaders, and the general public.

The maritime strategy is aligned with the President's National Strategy for Maritime Security and the objectives articulated in the National Security Strategy, the National Defense Strategy, and the National Military Strategy. It recognizes that the maritime domain is vital to national security and prosperity. Nearly three-quarters of the Earth's surface is water; 80 percent of the world's population lives on or near coastlines; and 90 percent of the world's trade, including two-thirds of the world's petroleum, moves on the oceans to market. The oceans connect us to populations around the world and our Navy's presence and active engagement is vital to our collective security.

In addition to the Navy's engagement in Iraq and Afghanistan, international military, political, and economic events beyond those borders have direct and indirect implications for the Navy. Examples include China's rapid build up of a blue water navy and their development of cyber and space warfighting capabilities. Russia's

first Mediterranean deployment in 15 years and increased defense spending demonstrate their desire to emerge as a global naval power. North Korea's long-range ballistic missile program and their missile proliferation history reinforce the need for a credible, forward-deployed ballistic missile defense capability. Militaries in Central and South American seek aircraft and submarines to back their regional and international objectives. Iran's confrontational activities at sea this past January, when the U.S.S. *Port Royal,* U.S.S. *Hopper,* and U.S.S. *Ingraham* encountered five small Iranian boats operating provocatively in the Strait of Hormuz, heightened tensions. Conflict is likely to continue into the future and the Navy's global commitments are likely to increase. As U.S. ground forces reset, reconstitute, and revitalize, the Navy will remain on station to respond to threats and crises.

The new maritime strategy recognizes the many existing and potential challenges to national security and prosperity. To address these challenges, the strategy articulates six core capabilities our maritime Services provide: forward presence, deterrence, sea control, power projection, maritime security, and humanitarian assistance and disaster response (HA/DR). The first four capabilities are paramount because they enable the defense of our Nation and its interests. Forward presence, deterrence, sea control, and power projection must remain the cornerstones of what makes our Navy a dominant global force.

The Navy will continue to enhance cooperation with existing and emerging partners and build bridges of trust among the international community. Proactive global involvement is a strategic imperative for the Navy and our Nation, since trust cannot be surged in times of crisis.

Execution of the maritime strategy is already underway in current operations. As we plan and resource for the future, the maritime strategy will guide our efforts. The execution of our current readiness and force structure plans faces many challenges, but affordability is the most pressing. I refuse to cede our technological advantage to competitors; however current readiness, manpower, and escalating procurement costs make pacing the threat exceptionally difficult. We will continue to improve processes, work with industry, and maximize cost saving initiatives. Stable procurement plans must be affordable and realistic to deliver the balanced future Fleet. While I am satisfied that the force structure plans deliver required capabilities, the balance among capability, affordability, and executability in these plans is not optimal. This imbalance has the potential to increase significantly warfighting, personnel, and force structure risk in the future.

Our operations, people, and equipment continue to serve our Nation well, but it comes at a significant cost. It is my duty as CNO to ensure our Navy is always ready to answer our Nation's call anytime, anywhere, now and in the future. This duty shapes my priorities and will influence the decisions and recommendations I will make regarding the future of our Navy.

PRIORITIES FOR FISCAL YEAR 2009

My vision for the Navy is that we remain the preeminent maritime power, providing our country a naval expeditionary force committed to global security and prosperity. We will defend our homeland and our Nation's vital interests around the world. We will prevent war, dominate any threat, and decisively defeat any adversary. The Navy will remain a powerful component of joint warfare by exploiting cutting edge technology and cooperating closely with the other Services, the interagency community, allies, and international partners. We will remain a superbly trained and led team of diverse sailors and civilians, who are grounded in our warfighting ethos, core values, and commitment to mission readiness and accomplishment.

To achieve this vision, the Navy must address existing and emerging challenges and create new opportunities. My priorities are to:

- Build tomorrow's Navy
- Remain ready to fight today
- Develop and support our sailors and Navy civilians.

I will demand that we accurately articulate requirements and remain disciplined in our processes. Achieving the right balance within and across these focus areas will provide dominant seapower for our Nation, today and tomorrow.

Building Tomorrow's Navy

Our Fleet must have the right balance of capability and the capacity. Three hundred thirteen ships represent the minimum force necessary to provide the global reach, persistent presence, and strategic, operational, and tactical effects. Our fiscal year 2009 budget requests 7 new ships: 2 LCS, 1 DDG–1000, 1 SSN, 2 T–AKE, and 1 JHSV, and 47 new ships over the Future Years Defense Program (FYDP) (fiscal

years 2009–2013). I support a stable shipbuilding plan that provides an affordable, balanced force and preserves our Nation's industrial base. I intend to develop further our Navy's relationship with industry to reinforce our commitment to a stable shipbuilding plan.

As we pursue operational capability at reduced cost, we take into account several industrial factors. Level loading of ship and aircraft procurements help sustain appropriate employment levels, retain skills, and promote a healthy U.S. shipbuilding industrial base. Common hull forms, common components, and repeat builds of ships and aircraft that permit longer production runs also reduce construction costs. Our Navy's shipbuilding plans incorporate open architecture for hardware and software systems and they increase the use of system modularity. These initiatives reduce the cost of maintenance and system upgrades, and keep the Navy's Fleet in service longer.

I seek your support for the following initiatives and programs:

Aircraft Carrier Force Structure

The Navy is committed fully to maintaining an aircraft carrier force of 11. During the 33-month period between the planned 2012 decommissioning of U.S.S. *Enterprise* and the 2015 delivery of U.S.S. *Gerald Ford*, however, legislative relief is requested to temporarily reduce the carrier force to 10. Extending *Enterprise* to 2015 involves significant technical risk, challenges manpower and industrial bases, and requires expenditures in excess of $2 billion. Extending *Enterprise* would result in only a minor gain in carrier operational availability and adversely impact carrier maintenance periods and operational availability in future years. We are adjusting carrier maintenance schedules to support the Fleet Response Plan (FRP) and ensure a responsive carrier force for the Nation during this proposed 10-carrier period. I urge your support for this legislative proposal.

Littoral Combat Ship

Littoral Combat Ship (LCS) fills critical warfighting requirements. It offers speed, draft, and modularity that no other ship offers. U.S.S. *Freedom* (LCS–1) and U.S.S. *Independence* (LCS–2) enter service soon and their performance at sea will enable us to decide on the appropriate acquisition strategy for the class. Controlling and reducing LCS costs are key to an affordable shipbuilding plan and we have already improved management oversight, implemented stricter cost controls, and incorporated selective contract restructuring to ensure delivery on a realistic schedule. Although recent changes to the LCS program resulted in the reduction of 13 ships across the FYDP, I remain committed to procuring 55 LCS by fiscal year 2023. I appreciate your continued support for this important ship class, including our fiscal year 2009 request for $1.47 billion for procurement of two additional ships and associated modules and continued research and development (R&D).

Joint Strike Fighter

The increased operational tempo (OPTEMPO) of our legacy aircraft is consuming service life at an accelerated rate. The recent groundings of high demand P–3 aircraft highlight the need to bring the next generation of aircraft in service and retire our aging aircraft. The Joint Strike Fighter (JSF) provides expanded capability that will meet the needs of our Navy, Joint Forces, and international partners. Because of the high OPTEMPO of the current strike aircraft fleet, and despite JSF's initial operational capability (IOC) and delivery in 2015, we anticipate a shortfall of strike aircraft from 2016–2025. Further delays in JSF will exacerbate this strike fighter gap. Navy's fiscal year 2009 investment of $3.4 billion includes procurement of eight aircraft and continued R&D for aircraft and engine development.

CG(X)

The next generation Guided Missile Cruiser CG(X) will be a highly capable major surface combatant tailored for Air and Missile Defense. CG(X) will provide maritime dominance, independent command and control, and forward presence. It will operate as an integral unit of Joint and Combined Forces. The CG(X) design and development program will feature revolutionary acquisition and spiral development practices that incorporate advanced technologies and next generation engineering systems. By replacing the *Ticonderoga* (CG 47) class of ships at the end of its 35-year service life, CG(X) capitalizes on the developments made through DDG Modernization and DDG–1000. We are conducting a rigorous analysis to examine alternatives for CG(X) consistent with the National Defense Authorization Act requirement for nuclear power. Our fiscal year 2009 R&D request for $370 million will support CG(X) and associated radar development.

DDG–1000

Congressional approval of split funding for the dual lead DDG–1000 ships supports an acquisition approach that motivates cooperative completion of detail design. Collaboration between Northrop Grumman Ship Systems and Bath Iron Works during the detail design process has enabled these shipyards to produce the two lead ships simultaneously. Consequently, the DDG–1000 detail design will be more mature prior to start of construction than any previous shipbuilding program. Our budget request in fiscal year 2009 will procure the third ship of the class.

Ballistic Missile Defense

The increasing development and proliferation of ballistic missiles can threaten the homeland and our friends and allies. Ballistic missiles can also impede our military operations. Maritime ballistic missile defense (BMD) provides protection for forward-deployed joint forces and regional allies while contributing to the larger defense of the United States through the Ballistic Missile Defense System (BMDS). Maritime ballistic missile defense directly contributes to the Navy's core capability of deterrence, and enables our core capabilities of power projection and sea control. The Aegis BMD directorate of the Missile Defense Agency has developed the Navy's BMD capability which is installed on 17 ships including 3 cruisers and 14 guided missile destroyers with installations continuing in 2008. These Navy surface ships support the BMDS by cueing ground-based sensors and intercepting Short to Intermediate Range Ballistic Missiles with ship-based interceptors (SM–3 missiles). The Near-Term Sea-Based Terminal Program provides the ability to engage a limited set of Short Range Ballistic Missiles (SRBMs) with modified SM–2 Block IV missiles. The Navy will continue to work closely with the Missile Defense Agency to deliver improved capability and capacity to defend against this proliferating threat. While development and procurement funding is covered under the Missile Defense Agency budget, Navy has committed $16.5 million in fiscal year 2009 for operations and sustainment of Aegis BMD systems.

Navy Networks

Afloat and ashore networks enable warfighting command and control capability. Data, hardware, and applications must be arranged in a way that enables rapid upgrades to accommodate exponential increases in demand. Incorporation of open architecture and common computing environment in our networks will require us to redesign network architecture to free us from proprietary control. Open architecture will drive us to commonality and standardization, introduce efficiencies, promote better data protection, and network security. It will also allow our future war fighters to fight collaboratively and more effectively.

The first step in achieving this new network architecture is putting it to sea. The Consolidated Afloat Networks and Enterprise Services (CANES) system achieves an open, agile, flexible and affordable network architecture that will move us forward. CANES embraces cross-domain solutions that enable enhanced movement of data. It is a revolutionary change in our information technology infrastructure and it is absolutely vital for us to excel in 21st century warfare. $21.6 million is aligned to CANES in the fiscal year 2009 budget request, all of which is redirected from existing budget lines.

Research and Development

Science and technology (S&T) give the Navy warfighting advantage. Last year the Secretary of the Navy, the Commandant of the Marine Corps, and my predecessor completed and published a combined Naval S&T strategy that ensures our investments accomplish the vision and goals of the Navy and Marine Corps. Selecting research for future naval force capabilities must be balanced with fiscal realities. The S&T strategy identifies 13 research focus areas and sets high-level objectives that guide investment decisions. S&T investments present a balance between applied science, focused on near-term challenges, and basic research that advances the frontiers of science. We aggressively focus on transitioning S&T into programs of record and push these programs of record out to the Fleet through our Future Naval Capabilities program at the Office of Naval Research (ONR). The fiscal year 2009 budget requests $1.8 billion for Navy's S&T programs, an increase of 6 percent over the requested fiscal year 2008 level.

Ready to Fight Today

Maintaining warfighting readiness demands a Navy that is agile, capable, and ready. As operational demands and Joint Force posture in the Middle East subside, I expect the Navy's posture, positioning, and OPTEMPO to increase, not decrease. OPTEMPO, as expressed in terms of steaming days, reflects the underway time of our conventionally powered ships. OEF/OIF and additional global commitments

have caused a significant difference between budgeted and actual steaming days. The Navy has funded this difference with war supplemental funding. Trends indicate that anticipated operational requirements will continue to exceed peacetime levels in fiscal year 2009. Additionally, increased OPTEMPO drives accelerated force structure replacement and higher maintenance and manpower costs that must be funded.

As the Nation's Strategic Reserve, the Navy must be ready to generate persistent seapower anywhere in the world. The Navy must also establish and evolve international relationships to increase security and achieve common interests in the maritime domain.

We generate forces for the current fight and employ our Navy much differently than in years past. We simultaneously provide ready naval forces and personnel for Joint Force Commanders, sustain forward presence, fulfill commitments to allies, and respond to increasing demands in regions where we have not routinely operated, specifically in South America and Africa.

The FRP has enhanced our ability to meet COCOM requests for forces for the last 6 years. FRP provides naval forces that are well-maintained, properly manned, and appropriately trained to deploy for forward presence and surge missions. FRP increases operational availability and generates more forward presence and surge capability on short notice than was possible in the past. The unscheduled deployment of a second carrier to the Middle East in January 2007 is an example of how FRP provides the Nation with options to defend its vital interests. FRP also allows the Navy to respond to global events more robustly while maintaining a structured, deliberate process that ensures continuous availability of trained, ready Navy forces.

Balancing capacity and capability across the spectrum of warfare is essential. The challenge will be maintaining dominance in traditional roles while meeting existing and emerging threats in asymmetric and irregular warfare. My goal is to influence the entire range of military operations from large scale conflict to maritime security and HA/DR. Areas of particular interest to us are:

Anti-Submarine Warfare (ASW): Sonar-The Key ASW Enabler

Submarines remain an immediate threat and their roles and lethality are increasing. More countries are buying submarines; some are building anti-access strategies around them. Maintaining the ability to detect, locate, track, and destroy submarines is essential and our active sonar systems, particularly medium frequency active (MFA) sonar, are the key enablers.

The Navy's use of sonar is being challenged in Federal court by various lawsuits which seek to prohibit or severely limit it during vital combat certification exercises, such as those conducted in our southern California operating areas. In more than 40 years of sonar use in southern California waters, not a single injury to marine mammals has been linked to sonar. The Navy has worked closely with the National Marine Fisheries Service (NMFS) to establish effective, science-based mitigation measures. By implementing these measures NMFS does not expect adverse population level effects for any marine mammal populations during Fleet training exercises scheduled in southern California in 2008. MFA sonar provides a robust and absolutely vital capability to detect submarine threats. Limiting our ability to train and exercise with MFA sonar will degrade operational readiness and place our forces at risk.

Our measures provide an appropriate balance between good stewardship of the environment and preparing our forces for deployment and combat operations. Our sailors must be trained to the best of their abilities with all of the technological tools available to fight and win. It is vital that our Navy be allowed to train and exercise with MFA sonar.

Intelligence

Our Navy provides a vital intelligence, surveillance, and reconnaissance capability around the globe. These capabilities produce warning and awareness in support of the planning and execution of maritime and joint operations. We are expanding our intelligence capability through development of trained human intelligence (HUMINT) personnel, investment in operational intelligence at our Maritime Operation Centers, and expanded synchronization with theater, joint, and national intelligence capabilities.

Maritime Domain Awareness

Maritime security supports the free flow of commerce for all nations. Maritime Domain Awareness is knowing what is moving below, on, and above the sea. Without a high level of Maritime Domain Awareness the free flow of commerce is jeopardized. The goal of Maritime Domain Awareness is to establish a level of security

regarding vessels approaching our coastlines, while not infringing upon each nation's sovereignty or sharing inappropriate information.

In partnership with the Coast Guard we established the Office of Global Maritime Situational Awareness (GMSA). GMSA works with the Office of Global Maritime Intelligence Integration in developing the national maritime picture. The first spiral of Maritime Domain Awareness capability arrives in the Central Command and Pacific Command in August 2008 with later spirals in the Atlantic and Caribbean.

Seabasing

Seabasing represents a critical warfighting capability. It will assure access to areas where U.S. military forces are denied basing or support facilities. In the near term, our amphibious and prepositioned ships (including MPF(F)) are the key ships in the seabase. They provide the required lift for the Marine Corps across the range of military operations. These ships and marines, and the defensive and strike capabilities of our surface combatants and aircraft, provide operational maneuver and assured access for the force while significantly reducing our footprint ashore.

The Navy is exploring innovative operational concepts combining seabasing with adaptive force packaging that will further support national security policy and the combatant commanders' objectives worldwide. Our 30-Year Shipbuilding Plan provides for seabasing that covers the spectrum of warfare from Joint Forcible Entry to persistent and cooperative Theater Security Cooperation.

Future Joint Sea Basing requirements are still being defined but will be significantly greater than today's Navy and Marine Corps warfighting capabilities. The next generation long-range, heavy lift aircraft, joint logistics support system, intra-theater lift and sea connectors will provide these future capabilities.

Shore Installations

Our shore installations are extensions of our warfighting capabilities and among our most complex systems. Our installations must be ready to deliver scalable, agile, and adaptive capabilities to meet the requirements of our fleet, sailors, and families. We must reverse our historical trend of underinvestment in our shore establishment. I will leverage and expand upon the successes of our Navy Ashore Vision 2030 and enhance the linkage between our installations, our warfighters, mission accomplishment, and quality of service.

In the past, we accepted significant risk in our shore establishment to adequately fund Fleet readiness. As a result, the condition, capability, and current and future readiness of our shore installations degraded to an unacceptable level by industry standards. I directed the implementation of a systematic and consistent approach to assess the material condition of our shore establishments and develop a comprehensive investment strategy to arrest and reverse the decline of our shore establishment.

We will take advantage of every opportunity to leverage the joint capabilities we share with other Services and the capabilities of the supporting communities where we work and live. The power of this leverage is highlighted in our new Public-Private Venture Bachelor Quarters at San Diego and Norfolk. With the authorities granted by Congress and very progressive private partners, we provide our sailors the best housing I have seen during my naval career. These quarters will have a dramatic impact on sailors' decisions to reenlist.

We owe our sailors, their families, and our civilian workforce, who selflessly serve our Nation, world-class facilities and services to enhance their productivity and effectiveness and to motivate them to remain in the Navy. The decline in the shore infrastructure must be reversed by a prudent review of current capacity and a forward leaning investment strategy that defines our shore footprint for the foreseeable future. The shore establishment is a critical system for the Navy and provides the foundation for our training, manning, and equipping. It is imperative we invest and sustain our shore establishment at the right level to ensure a ready, mobile, and capable Navy.

Depot Level Maintenance

The increased OPTEMPO of our ships and aircraft in combat operations elevates the importance of performing timely depot level maintenance. Depot level maintenance ensures continued readiness and the safety of our men and women operating our ships and aircraft. Adequate funding for depot level maintenance ensures we do not incur unnecessary risk by extending our ships and aircraft well past their periodicity of maintenance. In addition to the challenges of maintaining our ships and aircraft, the capacity of the industrial base remains challenging. Consistent, long-term agreements for the efficient use of shipyards are necessary to keep our ships and aircraft in the highest states of readiness.

United Nations Convention on the Law of the Sea

The Law of the Sea Convention codifies navigation and overflight rights and high seas freedoms that are essential for the global mobility of our Armed Forces. It directly supports our National Security Strategy. I believe strongly that the Convention furthers our national security interests. Our maritime security efforts necessitate that we become a party to the Law of the Sea Convention, the bedrock legal instrument in the maritime domain, to which 154 nations are party. Our current non-party status constrains our efforts to develop enduring maritime partnerships. It inhibits our efforts to expand the Proliferation Security Initiative and elevates the level of risk for our sailors as they undertake operations to preserve navigation rights and freedoms, particularly in areas such as the Strait of Hormuz and Arabian Gulf, and the East and South China Seas. Accession to the Law of the Sea Convention is a priority for our Navy.

Developing and Supporting Our Sailors and Navy Civilians

Our talented and dedicated sailors and Navy civilians are absolutely essential to our maritime dominance. Attracting, recruiting, and retaining in a competitive workplace is increasingly more expensive. We must devote adequate resources and shape our policies to ensure our people are personally and professionally fulfilled in their service to our Nation. We have identified a steady-state force level of 322,000 Active component/68,000 Reserve component end strength as the optimum target for our projected force structure. It is critical that future funding sustains this level.

Recruiting, developing, and retaining diverse and highly capable men and women are imperatives. The Navy must address the changing national demographic to remain competitive in today's employment market. Only 3 out of 10 high school graduates meet the minimum criteria for military service. The propensity to serve is declining among youth and more often influencers of these youth, such as parents and teachers, are advising against military service.

"Millennials" are the generation of youth currently entering the workplace and they comprise 43 percent of our Navy. Born into a globalized world saturated with information and technology, Millennials are more accomplished for their age than previous generations. They are a technology-savvy and cyber-connected group who may find the military's hierarchical command and control structure contradictory to the flat social networks they are used to navigating. The different paradigm under which this generation views the world and the workplace has implications for how the Navy attracts, recruits, and retains top talent. Additionally, to better meet the needs of the U.S. Marine Corps, we must increase the through-put at the U.S. Naval Academy. I urge your support of our legislative proposal to increase the number of Midshipmen at the Naval Academy.

The Strategy for Our People ensures we have the best and brightest on our team. The strategy outlines six goals for achieving a total Navy force of sailors and civilians that is the right size and possesses the right skills to best meet the needs of the Navy. These goals are: capability-driven manpower, a competency-based workforce, effective total force, diversity, being competitive in the marketplace, and being agile, effective, and cost-efficient. Many of the efforts currently underway in support of the strategy are discussed in further detail below.

Recruiting Initiatives

The Navy Recruiting Command is relentless in its pursuit of attracting the best young men and women in America to serve in our Navy. Recruiting priorities are currently focused on attracting personnel for the Naval Special Warfare/Naval Special Operations, nuclear power, medical, and chaplain communities. Recruiting Command is constantly searching for new ways to recruit America's talent. For example, the Medical Leads Assistance Program employs Navy officers as ambassadors for generating interest in Navy Medicine. In the NSW and Naval Special Operations communities, we provide mentors for recruits before enlistment and during training with the two-fold goal of improving recruiting results and ensuring applicant success at Recruit Training Center and Basic Underwater Demolition/SEAL training.

To recruit nuclear-trained officers and chaplains, we encourage our personnel to share their story with the American public. Through visits to college campuses and career fairs, nuclear-trained officers share their experiences of operating nuclear reactors on board carriers and submarines. These visits have improved short-term Nuclear Propulsion Officer Candidate recruiting and our officers will continue to cultivate personal relationships with faculty and university representatives to ensure long-term program health. Through the Reserve Officer Goals Enhance Recruitment program, Reserve chaplains use their network of ministerial relationships to share

their experiences as Navy chaplains and provide information on how to become Active or Reserve chaplain candidates.

Over the past 5 years, Navy Reserve Junior Officer recruitment has declined. To encourage young officers to stay Navy, we authorized a mobilization deferment policy for officers who affiliate with the Navy Reserve within the first year after leaving active duty. Combined with a $10,000 affiliation bonus, we have had some success in improving the recruitment of Reserve officers, but this market remains a challenge. We established a Reserve Retention and Recruiting Working Group to identify near-term and long-term solutions that will achieve sustainable success.

Development Initiatives

Our people deserve personally and professionally fulfilling careers that provide continuous opportunities for development. We offer multiple programs and we partner with outside organizations so that sailors and Navy civilians can pursue job-relevant training, continuing education, and personal enrichment. One such program is a pilot called "Accelerate to Excellence." This program provides enlisted recruits in specific ratings the opportunity to earn an Associate's Degree at a community college while undergoing specialized training after boot camp.

The Navy also provides developmental opportunities for officers and enlisted personnel through Professional Military Education (PME). PME is designed to prepare leaders for challenges at the tactical, operational, and strategic levels of war. The PME continuum integrates advanced education, Navy-specific PME, Joint PME (JPME) and leadership development in a holistic manner. The competencies, professional knowledge, and critical thinking skills sailors obtain from PME prepare them for leadership and the effective execution of naval missions. PME graduates are 21st century leaders who possess the capacity to think through uncertainty; develop innovative concepts, capabilities, and strategies; fully exploit advanced technologies, systems, and platforms; understand cultural/regional issues; and conduct operations as part of the Joint force.

Enrollment in JPME courses is up: JPME Phase I in-residence enrollment is up 5 percent; JPME Phase I non-residence enrollment is up 15 percent; JPME Phase II enrollment is up 50 percent. Congressional support to allow Phase II JPME to be taught in a non-residency status would enable sailors to pursue professional development while continuing their current assignments.

In addition to JPME courses, the Navy supports Joint training through the Navy Continuous Training Environment (NCTE). NCTE is a distributed and simulated Joint and coalition training environment that replicates real-life operations. NCTE integrates into the Joint National Training Capability (JNTC) training architecture and satisfies COCOM requirements at the operational and tactical level.

Retention Initiatives

As the Navy approaches a steady-state force level of 322,000 Active component/68,000 Reserve component end strength, attracting and retaining sailors with the right skills is critical. In fiscal year 2008, the goal is to shift our focus beyond numbers to ensure we have the right skill sets in the right billets at the right time. This approach increases opportunities for advancement and promotion by assigning personnel to positions that utilize and enhance their talents, and emphasizes continued professional growth and development in stages that align to career milestones.

The Navy is also addressing retention through Active component to Reserve component transition. This program is changing the existing paradigm under which a sailor leaves the Navy at the end of their obligated service and is instead promoting service in the Reserve component as an alternative to complete detachment. The Perform to Serve (PTS) program screens Zone A sailors, who are at the end of a 4- to 6-year enlistment for reenlistment within their rating or for rating conversion. The manpower, personnel, training, and education enterprise is adding Reserve component affiliation to sailors' PTS options at the end of Zone A enlistment. Additionally, Reserve component affiliation will become increasingly seamless as we shift responsibility from Navy Recruiting Command to Navy Personnel Command.

Taking Care of Families

When a sailor or civilian joins the Navy team our commitment extends to their family. Mission success depends upon the individual readiness of our people and on the preparedness of their families. Supporting Navy families is critical to mission success.

Keeping families ready and prepared alleviates some of the stress associated with deployments. Our continued commitment to programs and resources that maximize family readiness remains high. We continue to improve and expand child care programs and centers. Crisis management and response procedures coupled with en-

hanced ombudsman programs demonstrate our commitment to give deployed sailors confidence that their families are in good hands.

In 2007, Navy programs cared for 45,780 children ages 6 months to 12 years and served over 70,000 youth, ages 13 to 18, in 124 child development centers, 103 youth centers, and 3,115 on and off-base licensed child development homes. In response to the needs of Navy families, we have launched an aggressive child care expansion plan that adds 4,000 child care spaces within the next 18 months and reduces waiting lists in most places below the current 6-month average.

At the end of fiscal year 2007, we successfully privatized 95 percent of the continental U.S. (CONUS) and Hawaii family housing. We aggressively monitor the ratification of Navy housing residents and our Public Private Venture efforts are clearly resulting in continuous improvement in the housing and services provided to our sailors and their families. The ability of the private partner to renovate and replace family housing units at a much quicker pace than military construction (MILCON) has positively impacted the quality of Navy housing.

Taking care of our families includes proactively reducing financial stresses placed on sailors and families. We are focused on family counseling in response to increased OPTEMPO as a result of OEF/OIF. We provided one-on-one job search coaching services to 21,730 Navy family members and made 10,830 military spouse employment ready referrals to employers. Fleet and Family Support Center (FFSC) financial educators provided more than 186,000 sailors and family members seminars/workshops focusing on financial fitness, increased our financial counseling services to military spouses by more than 50 percent, and launched a robust campaign to encourage wealth building and debt reduction.

Health Care

We have some of the best medical professionals in the world serving in the Navy. Health care options the Navy offers its people are valuable recruitment and retention incentives. Still, health care costs are rising faster than inflation. Operations in OEF and OIF increased the demand for medical services in combat and casualty care. Part of this demand is straight forward: our wounded need traditional medical care and rehabilitation services. The other part of this demand is more complex and addresses the increased occurrences of mental health disorders resulting from combat operations. Medical professionals are rapidly learning more about assessing and treating the effects of mental health issues associated with war such as post-traumatic stress disorder (PTSD) and traumatic brain injury. We are implementing these lessons to more effectively treat these sailors.

Wounded Warrior/Safe Harbor Program

Care for combat wounded does not end at the Military Treatment Facility (MTF). The Navy has established the Safe Harbor Program to ensure seamless transition for the seriously wounded from arrival at a CONUS MTF to subsequent rehabilitation and recovery through DOD or the Department of Veterans Affairs (VA). Since its inception, 162 sailors including 143 Active and 19 Reserve members have joined the program and are being actively tracked and monitored, including 126 personnel severely injured in OEF/OIF. Senior medical staffs personally visit and assist seriously injured sailors and their families to ensure their needs are being met.

CONCLUSION

We are truly a ready, agile, and global Navy. To ensure that we maintain our naval dominance, we must achieve the optimal balance of building the Navy of tomorrow as we remain engaged and ready to fight today while fully supporting our people.

I will continue to work closely with the Secretary of the Navy, the Commandant of the Marine Corps, Congress, and industry to build the levels of trust and collaboration necessary to resource, acquire, and effectively manage a Fleet of the right size and balance for our Nation.

Despite the challenges, I am very optimistic about our future and the many opportunities ahead. The dedication of our sailors and Navy civilians is inspiring. They are truly making a difference and it is an honor to serve alongside them. I thank you for your continued support and commitment to our Navy and for all you do to make the United States Navy a force for good today and in the future.

ANNEX I

2007 – Year in Review

Operations

In 2007, the US Navy deployed the USS ENTERPRISE, DWIGHT D. EISENHOWER, JOHN C. STENNIS, RONALD REAGAN, and NIMITZ Carrier Strike Groups (CSGs) as well as the USS IWO JIMA, BOXER, BATAAN, BONHOMME RICHARD, and KEARSARGE Expeditionary Strike Groups (ESGs) with their embarked Marine Expeditionary Units (MEUs). In January 2007, when the President called for the surge of two carriers to the Central Command (CENTCOM) area of responsibility, we responded. Within weeks we positioned two CSGs in the North Arabian Sea and deployed a third CSG to fulfill our Western Pacific commitments while our forward deployed carrier in Japan completed a maintenance availability. Throughout 2007, our globally postured seapower kept the homeland and our citizens secure from direct attack and advanced our interests around the world.

Our expeditionary forces gave our leaders options for responding not only to emerging threats but to natural disasters as well. Our forward-deployed posture enabled the Navy and Marine Corps to rapidly respond and provide aid following three natural disasters last year. USNS GYSGT FRED W. STOCKHAM provided relief to the victims of the tsunami that struck the Solomon Islands in April 2007. In September 2007, USS WASP and USS SAMUEL B. ROBERTS participated in Central American relief efforts following Hurricane Felix. USS KERSARGE/22nd MEU and USS TARAWA/11th MEU responded to the cyclone that devastated Bangladesh in November 2007.

In 2007 we contributed to the Joint Force with expert planning and execution across the spectrum of operations. When the Air Force grounded its F-15 aircraft, Navy F/A-18 aircraft from USS ENTERPRISE assumed Air Force missions in Afghanistan. This flexibility and continuity allowed our NATO forces and the International Security Assistance Force to continue their missions without degradation in air cover.

Our Navy also contributed high-demand, highly-qualified expeditionary units to OEF and OIF through accelerated deployments of SEABEES, Explosive Ordinance Disposal teams, and SEALs. The Naval Expeditionary Combat Command (NECC), established in 2006, has already deployed RIVRON ONE (Mar 07) and RIVRON TWO (Oct 07) in support of OIF. Our riverine capability is growing; RIVRON THREE has been organized, trained and equipped, and will deploy in the spring of 2008. NECC's mission enables our Navy to better balance its force across the blue, green, and brown-water environments, ensuring effective Navy expeditionary warfighting, closing capability gaps, and aligning seams in global maritime security operations. Combatant Commander (COCOM) demand for NECC capabilities remains high. New and evolving expeditionary capabilities are becoming operational and supporting ongoing operations.

Last year the Navy deployed Coast Guard Law Enforcement Detachments (LEDETs) on board our ships and together we disrupted illegal trafficking of more than 188,907 pounds of cocaine. This accounted for more than 53 percent of the total cocaine removed by the Coast

Guard in FY 2007 (a record year at 355,755 total pounds). These LEDETs also detained 68 suspected smugglers, seized five vessels, and sunk 13 vessels engaged in illicit traffic.

Our Navy and Coast Guard also worked together in CENTCOM maritime security operations. In the Northern Arabian Gulf we are protecting Iraqi oil platforms, maintaining Iraqi territorial sea integrity, assisting in local policing of the offshore waters, and training Iraqi naval forces. We are working together in OIF, conducting Maritime Interception Operations, high-value asset escorts, and coastal security patrols with coalition and Iraqi naval forces. LEDETs deployed aboard Navy ships have trained hundreds of Iraqi navy and marine personnel in security and law enforcement, boarding procedures, self-defense, small boat tactics, and small boat maintenance. The Navy's African Partnership Station (APS) ship, USS FORT MCHENRY, has coordinated training sessions with the Coast Guard and has embarked Coast Guard Auxiliary members as interpreters for country visits.

In 2007, USNS COMFORT and USS PELELIU conducted two proactive humanitarian assistance missions in South America and the Western Pacific, respectively. The results were extraordinary. Navy personnel embarked on COMFORT and PELELIU, together with Joint, NGO, and foreign medical officers, visited 20 countries; treated more than 130,000 medical patients, 29,000 dental patients, and 20,000 animals; conducted more than 1,400 surgeries; completed more than 60 engineering endeavors; and spent over 3,000 man-days in community relations projects. These missions of support, compassion, and commitment are enduring and they are codified in our maritime strategy.

We continue to meet COCOM Theater Security Cooperation (TSC) objectives with well-trained, combat ready forces. We are developing the concept of Global Fleet Stations (GFS), which will allow the Navy to coordinate and employ adaptive force packages within a regional area of interest. The pilot GFS, carried out by the High Speed Vessel SWIFT and closely coordinated with the State Department, conducted bilateral engagement activities in seven Latin American nations. This effort enhanced cooperative partnerships with regional maritime services and improved operational readiness for the participating partner nations. We conducted bi-lateral and multi-lateral exercises with navies in the Gulf of Guinea, the Mediterranean Sea, the Arabian Gulf, and waters in Latin America, and the Atlantic, Pacific, and Indian Oceans. The most notable exercises include MALABAR 07-2 with Indian, Japanese, Australian, and Singaporean navies; FRUKUS with French, Russian, and British navies; and PHOENIX EXPRESS with European and North African navies. Meanwhile, Exercise VALIANT SHIELD 2007 brought together three CSGs, six submarines, and many Navy and Joint capabilities to validate our effectiveness in multi-dimensional, full-spectrum, joint warfare. We remain the most dominant and influential Navy, globally and across all maritime missions.

Our engagement with other nations last year included cooperation through our foreign military sales (FMS) program. FMS is an important aspect of our security cooperation program which improves interoperability, military-to-military relations, and global security. The Navy's FMS program builds partner nation maritime security capabilities through transfers of ships, weapon systems, communication equipment, and associated training programs. The sale of USS TRENTON to India, USS HERON and USS PELICAN to Greece, and USS CARDINAL and USS RAVEN to Egypt are recent examples of our FMS program. Other countries remain

interested in our mine sweepers, our frigates, and newer technologies coming online in the near future. We pursue these opportunities but never at the expense of our own needs.

Manpower

The men and women of the United States Navy are the core of every successful operation we conduct. I am impressed and inspired by our Sailors' ability to perform exceptionally well under all circumstances. Our Sailors are engaged globally: in special operations and combat support in Iraq; in flying combat sorties in support of OEF and OIF; in providing security protection for oil platforms; in conducting civil affairs missions; in participating in TSC activities in the Horn of Africa; and in ships and submarines deployed worldwide. Additionally, over 17,000 individual augmentees (IAs) were trained and deployed to support OEF and OIF missions.

Last year we met recruiting and retention goals and exceeded our active enlisted accession goal for the ninth consecutive year. We achieved 100 percent of our reserve enlisted accession goal. We met 97.9 percent of our active officer goal, with shortfalls residing primarily in medical and chaplain accessions. New and enhanced special and incentive pay authorities enacted in both the FY 2006 and FY 2007 National Defense Authorization Acts helped our Navy attain its goals in key mission areas and improve performance in others. Our Navy continues to aggressively recruit the best talent our nation has to offer. This is a demanding task considering an increasingly challenging recruiting environment.

Our AC and RC remain aligned through Active Reserve Integration (ARI). As demonstrated through force generation, deployment and redeployment, it is clear that RC forces meet two significant needs of our Navy. First, reservists deliver capability and capacity in support of major combat operations, and second, reservists provide operational augmentation to meet routine military missions. To use the full potential of our RC effectively, we continue to capitalize on RC involvement in operational support missions. This builds on ARI successes to date and will lead to the institutionalization of our operational Navy Reserve. We continue to monitor AC strength reductions and evaluate the impact of our force shaping programs with respect to the RC.

Our Navy continues to pursue diversity. We are in the final phase of a three-phase diversity campaign. In Phase III, we hold senior Navy leadership personally accountable for ensuring that we build the most diverse organization possible. We also instituted a mentoring regimen focused on developing and retaining top talent from all demographics.

Equipment

Our Navy's mission in projecting power and presence overseas depends upon a modern, technologically advanced Fleet. The quality, condition, and capabilities of our ships and aircraft are critical.

In 2007, we christened six ships: the aircraft carrier GEORGE H. W. BUSH, the guided missile destroyers STERETT and TRUXTUN, the dry cargo/ammunition ships ALAN

SHEPARD and RICHARD E. BYRD, and the fast attack submarine NORTH CAROLINA. We also commissioned four ships: the guided missile destroyers KIDD and GRIDLEY, the amphibious transport dock NEW ORLEANS, and the fast attack submarine HAWAII.

Despite these accomplishments, decommissionings resulted in a net gain of only two ships in 2007. We reluctantly, but prudently, cancelled construction of the third and fourth LCS due to challenges in controlling cost and schedule. The rate at which we are growing our Fleet will challenge our ability to fulfill the core capabilities of the maritime strategy. I am committed to taking the steps necessary to build the future Fleet and re-establish the vital trust needed among the Department, Congress, and industry to get our Navy above a 313-ship floor.

Building the future Fleet is also about aircraft. In 2007, we rolled out the first E-2D Advanced Hawkeye. Despite several successes in aircraft delivery, the high demand for air assets in OEF and OIF expended a significant portion of the limited service life remaining on our EA-6B electronic attack aircraft, MH-60 multi-mission helicopters, F/A-18 C/D strike-fighter aircraft, and P-3 maritime patrol aircraft. The accelerated depletion of service life could translate into aircraft shortfalls if the expended aircraft are not replaced.

ANNEX II

Programs and Initiatives to Achieve Navy Priorities

Surface Warfare

LCS

Designed to be fast and agile, LCS will be a networked surface combatant with capabilities optimized to assure naval and Joint force access into contested littoral regions. No other ship can deliver what LCS offers in terms of flexibility. LCS will operate with focused-mission packages that deploy manned and unmanned vehicles to execute a variety of missions, including littoral anti-submarine warfare (ASW), surface warfare (SUW) and mine countermeasures (MCM). LCS will employ a Blue-Gold multi-crewing concept for the early ships. The crews will be at a "trained to qualify" level before reporting to the ship, reducing qualification time compared to other ships.

The LCS program has experienced significant cost overruns for the lead ships in the class. After a series of increases in contractor-estimated costs of completion, the Navy and industry initiated a thorough analysis of the program. The Navy revalidated the warfighting requirement and developed a restructured program plan for LCS that improves management oversight, implements more strict cost controls, incorporates selective contract restructuring, and ensures delivery within a realistic schedule.

Construction progress on LCS #1 and LCS #2 is on track to support delivery of these ships in 2008. By exercising active oversight and strict cost controls in the early years, the Navy will ensure delivery of LCS to the Fleet over the long term. Our FY 2009 request for $1.47 billion will continue R&D and construction of LCS and associated modules.

DDG 1000

DDG 1000 introduces valuable technological advances that will provide essential risk reduction. This multi-mission surface combatant will provide independent forward presence and deterrence and it will operate as an integral part of joint and combined expeditionary forces. DDG 1000 will capitalize on reduced signatures and enhanced survivability to maintain persistent presence in the littorals. Our FY 2009 request for DDG 1000 is for $3.0 billion in shipbuilding and research funds.

CG(X)

CG(X) will be a highly capable major surface combatant tailored for joint air and missile defense and joint air control operations. CG(X) will provide airspace dominance and protection to Joint forces operating in the Seabase. CG(X) will replace the CG-47 Aegis class and improve the Fleet's air and missile defense capabilities against advancing threats, particularly ballistic missiles. IOC will be in 2019. $370 million in research and development for FY 2009 supports CG(X) development to include radar development. The Navy is conducting a rigorous analysis

to examine alternatives for CG(X), understanding that the National Defense Authorization Act requirement for nuclear power applies to CG(X).

Aegis Ballistic Missile Defense (BMD)

Aegis BMD is the seabase component of the Missile Defense Agency's (MDA) Ballistic Missile Defense System (BMDS). It enables surface combatants to support ground-based sensors and provides a capability to intercept short and medium-range ballistic missiles with ship-based interceptors (SM-3 missiles). The Gap Filler Sea-Based Terminal Program provides the ability to engage a limited set of short range ballistic missiles with modified SM-2 Block IV missiles from Aegis BMD capable ships. While development and procurement funding is covered under the MDA budget, the Navy has committed $16.5 million in FY 2009 for operations and sustainment of Aegis BMD systems.

Since 2002, Navy and MDA have executed twelve successful intercepts in fourteen flight tests (11 Exo-atmospheric SM-3 engagements and one Endo-atmospheric SM-2 Block IV engagement). Operational ships have capability today with Aegis BMD program and components installed on 17 ships, including three cruisers (engagement capable) and 14 DDGs (nine engagement capable and five Long Range Surveillance and Track (LRS&T) capable). Additional installations are planned for 2008 to provide a total of 18 engagement-capable ships. In addition to these hardkill capabilities, the Navy is focused on delivering a robust capability against ballistic missiles across the enemy kill chain to include softkill and counters to Intelligence, Surveillance, and Reconnaissance (ISR), detection, cueing, and tracking prior to the launch of anti-ship ballistic missiles. The development of future capability will be informed through robust modeling and simulation to evaluate trade-offs among capabilities across the kill chain as well as the BMD capacity required to prevail in various geographic areas of concern.

Aegis Cruiser Modernization

AEGIS cruiser modernization is vital to achieving the 313 ship force structure. A large portion of total surface force modernization (including industrial base stability) is resident in this program, which includes both Combat System and Hull, Mechanical, and Engineering (HM&E) upgrades. $426.5 million in FY 2009 supports this program.

DDG 51 Modernization

The DDG 51 modernization program is a comprehensive 62 ship program that will upgrade hull, mechanical, electrical, and combat systems. These upgrades support reductions in manpower and operating costs, achieve 35+ year service life, and allow the class to pace the projected threat well into the 21st century. Our FY 2009 budget request includes $325.7 million for this effort.

Surface Ship Torpedo Defense (SSTD)

Torpedo defense must keep pace with the increasing torpedo threat to our ships. The AN/SLQ-25A "Nixie" is the Navy's fielded SSTD system. We will counter the future torpedo threat with

an Anti-Torpedo Torpedo (ATT) System now in development. Increment I will deliver improved Torpedo Detection, Classification, and Localization (TDCL) and ATT salvo capability to cruisers and destroyers. Increment II will expand this capability beyond surface combatants. Increment I IOC is planned for FY 2017. We are currently assessing these plans to deliver Increment II. The FY 2009 budget provides $59.3 million to support this program.

Standard Missile-6 (SM-6)

The Navy's next-generation Extended Range, Anti-Air Warfare interceptor is the SM-6. It will be used by legacy and future ships, and with its active-seeker technology it will defeat anticipated theater air and missile threats well into the next decade. The FY 2009 budget of $345.4 million in research, development, and procurement will support an IOC in FY 2010.

Long Range Land Attack Projectile (LRLAP)

Long Range Land Attack Projectile (LRLAP) is the primary munition for the DDG 1000 Advanced Gun System (AGS). AGS and LRLAP will provide Naval Surface Fire Support (NSFS) to forces ashore during all phases of the land battle. All program flight test objectives have been met including demonstration of threshold range (63nm), in-flight guidance, gun launch survival, and repeatability. $97 million in FY 2009 supports continued development.

Harpoon Block III Missile

Harpoon Block III meets requirements for an all weather, precision, ship and air launched, anti-ship missile capability. $68 million in FY 2009 supports development of an upgrade to existing Harpoon Block IC missiles that will add data link and GPS capability to improve accuracy and target selectivity.

Extended Range Munition (ERM)

The Extended Range Munition (ERM) is a five-inch, rocket-assisted, guided projectile providing range and accuracy superior to that of conventional ammunition. The program includes modifications to existing five-inch guns and fire-control systems. The projectile uses a coupled GPS/INS guidance system and unitary warhead with a height-of-burst fuse. A 20-round reliability demonstration in September 2008 is planned prior to land-based flight and qualification testing. $39 million in FY 2009 supports this program.

Cooperative Engagement Capability (CEC)

CEC is an advanced sensor netting system enabling real-time exchange of fire-control quality data between battle force units. CEC provides the integrated, precision air defense picture required to counter the increased agility, speed, maneuverability, and advanced design of cruise missiles, manned aircraft, and (in the future) tactical ballistic missiles. $123.3 million in FY 2009 supports this program.

CEC's acquisition strategy implements open architecture based hardware with re-hosted existing software. A critical element is the P3I hardware that reduces cost, weight, cooling, and power requirements. The Integrated Architecture Behavior Model (IABM) will be implemented as a host combat system software upgrade. IABM will replace the cooperative engagement processor functionality and enable joint interoperability with common track management across the Services.

Tomahawk/Tactical Tomahawk (TACTOM)

TACTOM provides precision, all-weather, and deep-strike capability. TACTOM provides more flexibility and responsiveness at a significantly reduced life cycle cost compared to previous versions. Additionally, it includes flex-targeting, in-flight retargeting, and two-way communications. Tomahawk Block IV is in a full-rate, multi-year procurement for FY 2004-2008. The FY 2009 budget provides $357 million which will support a new sole-source firm fixed-price contract to continue TACTOM development and procurement.

Submarine Warfare

VIRGINIA Class Fast Attack Nuclear Submarine (SSN)

We must maintain an SSN force structure to meet current operational requirements and face potential future threats. The VIRGINIA class emphasizes affordability and optimizes performance for undersea superiority in littoral and open ocean missions.

The FY 2009 budget requests $3.6 billion for submarine construction, technical insertions, and cost reduction developments. Navy has worked closely with industry to reduce the cost per submarine and increase the build rate to two submarines per year starting in FY 2011. The Multi-Year Procurement (MYP) authority received in the FY 2008 NDAA supports an FY 2009-2013 MYP contract that will mitigate future force level deficiencies and achieve cost reduction goals through Economic Order Quantity savings and better distributed overhead costs.

ASW Programs

The Navy continues to pursue research and development of Distributed Netted Sensors (DNS); these are rapidly deployable, autonomous sensors that provide the cueing and detection of adversary submarines. Examples of technologies included in our FY 2009 request of $46 million are:

- Reliable Acoustic Path, Vertical Line Array (RAP VLA). A passive-only distributed system exploiting the deep water propagation phenomena. In essence, a towed array vertically suspended in the water column.

- Deep Water Active Distributed System (DWADS). An active sonar distributed system optimized for use in deep water.

- Deployable Autonomous Distributed System (DADS). A shallow water array, using both acoustic and non-acoustic sensors to detect passing submarines. DADS will test at sea in FY 2008.

- Littoral ASW Multi-static Project (LAMP). A shallow water distributed buoy system employing the advanced principles of multi-static (many receivers, one/few active sources) sonar propagation.

Further developing the Undersea Warfare Decision Support System (USW-DSS) will leverage existing data-links, networks, and sensor data from air, surface, and sub-surface platforms and integrate them into a common ASW operating picture. This networked approach will allow our forces to plan, conduct, and coordinate ASW operations in near real time. We are requesting $19.75 million in FY 2009 for USW-DSS.

To effectively attack the threat, the Navy has continued a robust weapons development investment plan that includes $127 million requested in the FY 2009 for capabilities, such as:

- High-Altitude ASW Weapons Concept (HAAWC). Since current maritime patrol aircraft must descend to low altitudes to deliver ASW weapons on target, they often lose communications with sonobuoys or distributed sensor fields. HAAWC will allow the aircraft to remain at high altitude and conduct effective attacks while simultaneously enabling the crew to maintain and exploit the full sensor field. This capability supports the P-8A Multi-mission Maritime Aircraft.

- Common Very Lightweight Torpedo (CVLWT). The Navy is developing a 6.75-inch torpedo suitable for use in surface ship and submarine anti-torpedo torpedo defense.

Platform Sensor Improvements. To counter the threat of quieter, modern diesel-electric submarines, we are continuing to work on both towed array and hull-mounted sonar systems. Our $512 million request in FY 2009 includes the following:

- TB-33 thin-line towed array upgrades to forward-deployed SSNs provide near-term improvement in submarine towed array reliability over existing TB-29 arrays. TB-33 upgrades are being accelerated to Guam-based SSNs.

- Continued development of twin-line thin-line (TLTL) and vector-sensor towed arrays (VSTA) are under development for mid to far-term capability gaps. TLTL enables longer detection ranges/contact holding times and it improves localization and classification of contacts. VSTA is an Office of Naval Research project that would provide TLTL capability on a single array while still obviating the bearing ambiguity issue inherent in traditional single line arrays.

21" Mission Reconfigurable Unmanned Underwater Vehicle System (MRUUVS)

21" MRUUVS is a submarine launched and recovered, reconfigurable UUV system that will provide robust, clandestine minefield reconnaissance and general ISR in denied or inaccessible

areas. The MRUUVS program has been restructured, moving IOC from Fiscal Year 2013 to 2016, when clandestine mine countermeasure capability from LOS ANGLES class submarines will be delivered. ISR capability and VIRGINIA class host compatibility could occur in follow-on increments approximately two years after IOC. FY 2009 funds $30.1 million to support the MRUUVS program.

Expeditionary Warfare

Maritime Prepositioning Force (MPF) (Future)

MPF(F) provides a scalable, joint-seabased capability for the closure, arrival, assembly, and employment of up to a Year-2015-sized Marine Expeditionary Brigade force. MPF(F) will support the sustainment and reconstitution of forces when required. MPF(F) is envisioned for frequent utility in Lesser Contingency Operations, and when coupled with Carrier or Expeditionary Strike Groups, MPF(F) will provide the nation a rapid response capability in anti-access environments.

The MPF(F) program was shifted one year to allow the Navy and Marine Corps to better define requirements prior to awarding the initial Mobile Landing Platform contract. The FY 2009 budget provides $42 million in research and development and $348 million in advanced procurement for MPF(F) LHA(R).

LEWIS & CLARK Dry Cargo/Ammunition Ship (T-AKE)

T-AKE will replace aging combat stores (T-AFS) and ammunition (T-AE) ships. Operating with an oiler (T-AO), they can substitute as a station ship, which would allow us to retire four fast combat support ships (AOE 1 Class). $962 million in FY 2009 funds the 11th and 12th T-AKE. The lead T-AKE ship was delivered in June 2006 and has completed operational evaluation (OPEVAL).

LPD 17

LPD 17 functionally replaces LPD 4, LSD 36, LKA 113, and LST 1179 classes of amphibious ships for embarking, transporting and landing elements of a Marine landing force in an assault by helicopters, landing craft, and amphibious vehicles. $103 million in the FY 2009 budget request supports the LPD 17 program.

Joint High Speed Vessel (JHSV)

The Joint High Speed Vessel (JHSV) program is an Army and Navy joint program to deliver a high-speed, shallow draft surface ship capable of rapid transport of medium payloads of cargo and personnel within a theater to austere ports without reliance on port infrastructure for load/offload. The FY 2009 budget provides $175 million to procure the first JHSV vessel.

Remote Minehunting System (RMS)

RMS uses a diesel-powered, high-endurance, off-board, semi-submersible vehicle to tow the Navy's most advanced mine hunting sonar, the AN/AQS-20A. The system will be launched, operated, and recovered from surface ships. RMS will provide mine reconnaissance, detection, classification, localization, and identification of moored and bottom mines. $49.86 million in FY 2009 supports this program.

Air Warfare

CVN 21

The CVN 21 program is designing the next generation aircraft carrier to replace USS ENTERPRISE (CVN 65) and NIMITZ-class aircraft carriers. The lead ship has been designated as the USS GERALD R. FORD (CVN 78). These ships will provide improved warfighting capability and increased quality of life for our Sailors at reduced acquisition and life cycle costs. $2.8 billion in shipbuilding funds for FY 2009 supports acquisition of CVN-78 scheduled for delivery in late FY 2015.

F-35 Joint Strike Fighter (JSF)

JSF program will develop and field a family of multi-mission strike fighter aircraft using mature/demonstrated 21st century technology to meet warfighter needs of the Navy, Marine Corps, Air Force, and international partners, including the United Kingdom, Italy, Netherlands, Denmark, Turkey, Norway, Australia, and Canada (with ongoing foreign military sales discussions with Israel, Singapore, and Spain). Navy's FY 2009 investment of $3.4 billion includes procurement of eight aircraft and continued research and development for aircraft and engine development.

P-8A Multi-mission Maritime Aircraft (MMA)

The P-8A will replace the P-3C Orion aircraft and will recapitalize the Maritime Patrol ASW, Anti-Surface Warfare, and armed ISR capabilities that currently reside in P-3 squadrons. The P-8A is the only aircraft with this operationally agile capability set. It will fulfill COCOM requirements for combat and theater security operations, and homeland defense. IOC is planned in FY 2013. $1.1 billion in funding is included in the FY 2009 budget.

EA-18G Growler

The EA-18G Growler will replace the EA-6B aircraft and provide carrier-based Airborne Electronic Attack (AEA). The inventory objective of 85 aircraft will support 10 operational carrier air wing squadrons and a Fleet Replacement Squadron. IOC will be in FY 2009. $1.8 billion supports development and procurement of 22 aircraft in FY 2009.

MV-22B Osprey

MV-22 Osprey is the Marine Corps medium-lift assault support aircraft that will replace legacy CH-46Es and CH-53Ds. Current operational projections hold CH-46Es in service through FY 2018, and CH-53Ds through FY 2013. The CH-46Es are playing a critical role in the War on Terror, flying more than four times their peacetime utilization rate making delivery of the MV-22 more critical. The MV-22's improved readiness, survivability, and transformational capability (twice the speed, three times the payload, and six times range of the airframes it is replacing) will vastly improve operational reach and capability of deployed forces. The aircraft is approved for Full Rate Production and entered a Congressionally-approved, Joint, five-year, multi-year procurement in FY 2008. The FY 2009 budget of $2.2 billion procures 30 aircraft. The total requirement is 360 MV-22s for the Marines, 48 MV-22s for the Navy, and 50 CV-22s for Special Operations Command.

F/A-18E/F Super Hornet

The Navy's next generation, multi-mission Strike Fighter provides a 40 percent increase in combat radius, a 50 percent increase in endurance, a 25 percent increase in weapons payload, three times more ordnance bring-back, and five times more survivability than F/A-18C models. Approximately 65 percent of the total procurement objective has been delivered (317 of 493). F/A-18E/F is in full rate production under a second five-year multi-year contract (Fiscal Years 2005-2009). $1.9 billion in FY 2009 procures 23 aircraft as part of that contract.

F/A-18A/B/C/D Hornet

The F/A-18 Hornet is naval aviation's principal strike-fighter. It serves the U.S. Navy and Marine Corps, as well as the armed forces of seven countries. This multi-mission aircraft has maintained its combat relevance through improvements and upgrades to weapons, communications, navigation, and defensive electronic countermeasure systems. Although the F/A-18A/B/C/D are out of production, the existing inventory of 667 Navy and Marine Corps aircraft will continue to comprise half of the carrier strike force until 2013. These aircraft are scheduled to remain in the inventory through 2022. $322 million in FY 2009 supports improvements to the F/A-18 A/B/C/D variants.

E-2D Advanced Hawkeye

The E-2D Advanced Hawkeye (AHE) program will modernize the current E-2C weapons system by replacing its radar and other aircraft system components to improve nearly every facet of tactical air operations. The modernized weapons system will maintain open ocean capability while adding transformational littoral surveillance and Theater Air and Missile Defense capabilities against emerging air threats in the high clutter, electro-magnetic interference, and jamming environments. AHE is one of four pillars of the Naval Integrated Fire Control-Counter Air capability. The FY 2009 budget of $1.1 billion procures three aircraft and funds continued research and development.

MH-60R/S Multi-Mission Helicopter

The MH-60R multi-mission helicopter program will replace the surface combatant-based SH-60B and carrier-based SH-60F with a newly manufactured airframe and enhanced mission systems. The MH-60R provides forward-deployed capabilities, including mine sweeping, surface warfare (SUW), and ASW, to defeat area-denial strategies, which will enhance the ability of the Joint force to project and sustain power. Full Rate Production was approved in March 2006. $1.2 billion in FY 2009 procures 31 aircraft.

The MH-60S supports: Carrier and Expeditionary Strike Groups in Combat Logistics, Search and Rescue, Vertical Replenishment, Anti-Surface Warfare, Airborne Mine Countermeasures, Combat Search and Rescue, and Naval Special Warfare mission areas. Armed Helicopter capability achieved IOC in FY 2007. The Airborne Mine Countermeasures capability will achieve IOC with the AWS-20 Sonar in FY 2008. $550 million in FY 2009 procures 18 aircraft.

C-40A Clipper

The C-40A Clipper is a replacement for legacy DC-9/C-9B and C-20G aircraft. It provides flexible, time-critical, and intra-theater logistical support. It will serve as a connector between strategic airlift points of delivery to Carrier Onboard Delivery and Vertical Onboard Delivery locations. The inventory objective is 17 aircraft, and nine have been purchased. $155 million in FY 2009 procures two aircraft.

CH-53K

The CH-53K Heavy Lift Replacement (HLR) is the follow on to the Marine Corps CH-53E Heavy Lift Helicopter. The CH-53K will more than double the CH-53E lift capability under the same environmental conditions. The CH-53K's increased capabilities are essential to meeting the Marine Expeditionary Brigade of 2015 Ship-to-Objective Maneuver vision. Major systems improvements of the new helicopter include larger and more capable engines, expanded gross weight airframe, better drive train, advanced composite rotor blades, modern interoperable cockpit, external and internal cargo handling systems, and survivability enhancements. The procurement objective of 156 aircraft has increased to 200 due to Marine Corps end strength growth to 202K. FY 2009 provides $571 million for research and development.

EPX (EP-3E Replacement)

EPX will replace the EP-3E as a transformational multi-intelligence platform capable of providing strike targeting to warfighters. FY 2009 provides $75 million in research and development to recapitalize the EP-3 airborne electronic surveillance aircraft. The Navy had originally partnered with Army's Aerial Common Sensor (ACS) program on this aircraft until the contract was terminated in FY 2006. After conducting further mission analysis, the Navy recognized it required significantly higher performance than that of the Army ACS program. The Navy developed the EPX program to respond to its requirement.

Broad Area Maritime Surveillance (BAMS)

BAMS is an unmanned aircraft designed to enhance Maritime Domain Awareness. It will be forward deployed, land-based, autonomously operated, and unarmed. Along with P-8A, BAMS is integral to the Navy's airborne ISR recapitalization strategy. $480 million in research and development funding in FY 2009 continues the Navy's commitment to provide a persistent multi-sensor (radar, Electro-Optical/Infra Red, Electronic Support), maritime intelligence, surveillance, and reconnaissance capability with worldwide access.

Navy Unmanned Combat Air System (UCAS)

The Navy UCAS will develop and demonstrate low observable (LO), unmanned, air vehicle suitability to operate from aircraft carriers in support of persistent, penetrating surveillance and strike in high threat areas. $276 million in FY 2009 research and development funds advance UCAS objectives.

MQ-8B Fire Scout Vertical Takeoff UAV (VTUAV)

The Navy's Vertical Takeoff and Landing Tactical UAV (VTUAV) is designed to operate from all air capable ships, carry modular mission payloads, and operate using the Tactical Control System (TCS) and Tactical Common Data Link (TCDL). VTUAV will provide day/night real time reconnaissance, surveillance and target acquisition capabilities, communications relay, and battlefield management to support the LCS core mission areas of ASW, Mine Warfare, and SUW. In May 2007, the program successfully completed a Milestone C review and was approved for Low Rate Initial Production. IOC moved from the fourth quarter of FY 2008 to the first quarter of FY 2009 due to a combination of software development delays and the availability of LCS to complete Fire Scout OPEVAL on schedule. $65 million in development and procurement funding in FY 2009 supports engineering manufacturing development, operational testing and achievement of IOC.

Joint Standoff Weapon (JSOW)

JSOW is a low-cost, survivable, air-to-ground glide weapon designed to attack a variety of targets in day/night and adverse weather conditions at ranges up to 63 nautical miles. All variants employ a kinematically efficient, low-signature airframe with GPS/INS guidance capability. A Block III improvement effort will add anti-ship and moving target capability in FY 2009. The $172 million in FY 2009 funding supports this development and continues production to build to our inventory objectives.

Decision Superiority/Networks

Consolidated Afloat Networks Enterprise Services (CANES)

CANES is evolving from the existing Integrated Shipboard Networking System (ISNS) program of record. It consolidates and enhances the requirements for five existing afloat network programs into a single support framework for all C4I applications that currently require

dedicated infrastructure. The operational need for CANES has been well defined in existing network requirements documents and in the Global Information Grid Enterprise Services/Mission Area Initial Capability Documents. CANES will capitalize on industry best practices of common hardware, unified fielding, and "plug and play" software capability to produce fiscal savings, operational flexibility, and enhanced agility to warfighting applications. $21.6 million is aligned to CANES in the FY 2009 budget, all of which was redirected from existing budget lines.

Next Generation Enterprise Network (NGEN)

NGEN Block 1 is the follow-on to the Navy Marine Corps Intranet (NMCI) and replaces the services currently provided by NMCI. Future NGEN Blocks will upgrade services provided by NMCI and the OCONUS Navy Enterprise Network. NGEN will also integrate with shipboard and Marine Corps networks to form a globally integrated, Naval Network Environment to support network operations. NGEN will leverage the Global Information Grid (GIG) and, where possible, utilize DoD enterprise services. The FY 2009 budget provides $60 million to support the NGEN program.

Information Assurance (IA)

We are tailoring our approach to IA to concentrate our personnel and resources on protecting the Navy information battlespace. Navy Information Systems Security Program (ISSP) / Computer Network Defense (CND) are the Navy's IA programs that procure secure communications equipment for Navy ships, shore sites, aircraft, the Marine Corps, and U.S. Coast Guard. ISSP and CND will defend our Navy networks in depth. This will enhance the warfighter confidence in using the network as a weapons system. Navy Information Assurance uses a layered protection strategy, using Commercial Off-The-Shelf (COTS) and Government Off-The-Shelf (GOTS) hardware and software that collectively provides an effective network security infrastructure. Our FY 2009 Budget request includes $101 million for these IA efforts.

Mobile User Objective System (MUOS)

MUOS is the next generation Ultra High Frequency (UHF) narrowband satellite communications (SATCOM) system, replacing UHF Follow-On. MUOS supports Communications-On-The-Move (COTM) to small and less stable platforms (handhelds, aircraft, missiles, UAVs, remote sensors) in stressed environments (foliage, urban environment, high sea state). MUOS will provide the communications infrastructure to facilitate command and control of a netted, distributed force with delivery of IOC in 2010. $1.03 billion in the FY 2009 budget funds the MUOS program.

COBRA JUDY Replacement (CJR)

$101.4 million funds the acquisition of a single ship-based radar suite for world-wide technical data collection against ballistic missiles. This replaces the current COBRA JUDY / USNS OBSERVATION ISLAND, which is scheduled to be removed from service in 2012. Upon achieving IOC in 2012, the Navy will transfer the CJR to the U.S. Air Force for operation and maintenance. The CJR program has entered the production stage.

Distributed Common Ground/Surface Systems (DCGS)

DCGS-N is the Navy's Intelligence, Surveillance, Reconnaissance, and Targeting (ISR&T) system. Funded at $124 million in FY 2009, DCGS-N will receive and process multiple data streams from various ISR sources to provide time-critical aim points and intelligence products. This program will enhance the warfighter's Common Operational Picture (COP) and is being fielded afloat and ashore.

Deployable Joint Command and Control (DJC2)

DJC2 is a Secretary of Defense and Chairman of the Joint Chiefs of Staff priority transformation initiative providing Combatant Commanders (COCOM) with a standardized, deployable, and scalable Joint C2 headquarters capability tailored to support Joint Task Force (JTF) operations. DJC2 enables a COCOM to rapidly deploy and activate a JTF headquarters equipped with a common C2 package with which to plan, control, coordinate, execute, and assess operations across the spectrum of conflict and disaster relief missions. This budget request of $35 million provides for operations and sustainment for the six existing systems, as well as continued research and development.

Maritime Headquarters with a Maritime Operations Center (MHQ/MOC)

The MHQ/MOC program creates a network of Navy headquarters that are trained and accredited to command Navy and Joint forces at the operational level of war. It transforms Navy operational headquarters into fully functional and scalable Command and Control Joint Task Force-capable Headquarters. It also automates and links key Navy and Joint planning processes in a globally networked environment.

Since the initiative began in FY 2008, we have validated the MHQ/MOC concept and developed architectures, processes and tasks to support its implementation. U.S. Fleet Forces Command is establishing an accreditation process and metrics. The 5th Fleet Prototype is providing operational verification of common tasks, processes and systems. The FY 2009 budget provides $35 million to support MHQ/MOC.

Cyber Asset Reduction and Security (CARS)

The Cyber Asset Reduction and Security (CARS) initiative improves network security and optimizes resources by reducing legacy networks, applications, and systems to the minimum necessary for the Navy to conduct its business. CARS has reduced the Navy's total network inventory. From January 2006 until December 2007, the Navy has reduced its networks from 1200 to 625, a 43 percent reduction. We intend to reduce them to approximately 200 by September 2010, an 83 percent reduction. Network reduction, in conjunction with efforts for data center, web site, and portal consolidation, will reduce the Navy's physical IT servers, external circuits, and applications.

TRIDENT

TRIDENT is a maritime intelligence production capability within the Office of Naval Intelligence that provides tailored, focused, timely intelligence support to Naval Special Warfare (NSW) and Joint special operations forces operating in the maritime domain. For $9.7 million in FY 2009, TRIDENT production directly supports OEF/OIF and responds to ongoing initiatives to improve intelligence support to NSW. TRIDENT has deployed four Tactical Intelligence Support Teams (TIST) in Iraq since April 2006.

Automatic Identification System (AIS)

AIS leverages commercially available technology to provide a shipboard Very High Frequency (VHF) maritime band transponder system capable of sending and receiving ship information, including navigation, identification, and cargo data. AIS improves significantly the Navy's ability to distinguish between legitimate and suspicious merchant ships. Navy warships using AIS have dramatically increased situational awareness, safety of ship, and intelligence gathering. $16 million in FY 2009 will support continued fielding of AIS to the Fleet.

Navy Enterprise Resource Planning System (Navy ERP):

Navy ERP is an integrated business management system that modernizes and standardizes Navy business operations, provides management visibility across the enterprise, and increases effectiveness and efficiency. The program will align Navy to DoD's business enterprise architecture and provide real-time, end-to-end data to enable informed decisions. The current program of record delivers functionality in three releases: financial management and acquisition, wholesale and retail supply chain management, and intermediate-level maintenance support. The FY 2009 budget provides $145 million for the Navy ERP program.

Infrastructure/Environment

Undersea Warfare Training Range (USWTR)

The proposed USWTR is a 500-square nautical mile instrumented underwater training range in shallow littoral waters on each coast. USWTR will support undersea warfare (USW) training exercises for the Atlantic and Pacific Fleet. Undersea hydrophones will provide real time tracking and a record of participants' activities to evaluate tactics, proficiency, and undersea warfare combat readiness. The instrumented area will be connected to shore via a single trunk cable.

Pending signature of the environmental Record of Decision (ROD) for the East Coast USWTR in May 2009, the Navy will commence hardware procurement in FY 2010. The west Coast Shallow Water Range is being analyzed as part of the Environmental Impact Statement for the Southern California Range Complex and the ROD is scheduled for signature in January 2009. The shallow water ranges for both coasts will be completed in FY 2015. The Navy has requested $17.6 million in FY 2009 for the program.

Facilities Recapitalization and Sustainment

Facilities Recapitalization is comprised of modernization and restoration. Modernization counters obsolescence by renewing a facility to new standards or functions without changing the facility size. Restoration includes efforts to restore degraded facilities to working condition beyond design service life or to fix damage from natural disaster, fire, etc. While MILCON is the major contributor to the Navy's recapitalization program, O&M Restoration and Modernization (RM) remains a critical contributor to recapitalizing our existing infrastructure. The FY 2009 Restoration and Modernization funding request of $300 million provides targeted investment in critical facilities.

Facilities sustainment includes those maintenance and repair activities necessary to keep facilities in working order through their design service life. The FY 2009 funding request of $1.7 billion is a funding level that maintains our facilities and retains mission capability in the short term. While the Navy has historically taken significant risk in shore infrastructure investment, we intend to reduce this risk by aggressively validating requirements through an enterprise approach based on capacity, configuration, and condition of the infrastructure and by identifying and demolishing excess infrastructure.

Marine Mammal Research/Sound in Water Effects

The Navy is committed to proactive compliance strategies to meet legal requirements. The Navy also identifies and funds marine mammal research, especially research related to mid-frequency active sonar. The Navy has requested $18.1 million for its proactive compliance efforts in FY 2009. Filling in gaps in scientific data through continued acoustic research, enhances Navy compliance with the Marine Mammal Protection Act (MMPA), Endangered Species Act (ESA), Coastal Zone Management Act (CZMA), and National Environmental Policy Act (NEPA). This research is especially important considering the increasing pressure placed on the Navy to restrict its use of active sonar, even when it adversely impacts training and readiness. In addition to MMPA standards, the Navy firmly believes that science must both define the effects of active sonar on marine mammals and also serve as the appropriate basis for mitigation measures that ensure a proper balance between national security and protection of natural resources.

NIMITZ-Class Refueling Complex Overhaul (RCOH)

RCOH subjects NIMITZ-class aircraft carriers to comprehensive modernization upgrades, maintenance, and nuclear refueling to extend the service life of NIMITZ-class carriers to approximately 50 years. This is nearly 20 years longer than the originally planned service life. Execution of RCOH is required to maintain an 11 aircraft carrier force. A notional RCOH consists of 3.2 million man-days and a 36-month industrial period conducted at Northrop Grumman Newport News, Virginia. USS CARL VINSON (CVN 70) is on track to complete RCOH in March 2009. FY 2009 funding of $628 million primarily supports RCOH for USS THEODORE ROOSEVELT.

Utilities Privatization (UP)

The Navy and Marine Corps have 645 utilities systems that are eligible for privatization on 135 activities/installations worldwide. Five hundred seventeen (80 percent) of these systems have reached Source Selection Authority (SSA) decisions. Of the 517 systems, 410 have been determined to be exempt, 28 have been awarded for privatization and 79 are being processed for exemption or award. 128 systems are still being reviewed for an SSA decision. $1.3 million requested in our FY 2009 budget supports these ongoing initiatives.

BRAC 2005

The DoN BRAC Program Management Office (BRAC PMO) manages and oversees the DoN prior BRAC and BRAC 2005 actions and budget. The BRAC PMO oversees the efforts of Commander, Navy Installation Command (CNIC) and Commandant of the Marine Corps (CMC) realignment and closure efforts, and is responsible for completing property disposal and environmental remediation actions. The Navy is coordinating with other Services and agencies to support implementation of Joint actions.

The DoN BRAC program provides $871 million in FY 2009 to continue implementation of BRAC actions. The FY 2009 program finances construction (including planning and design), operational movements at key closure and realignment locations, and the necessary environmental studies at receiving locations to fulfill National Environmental Policy Act (NEPA) requirements.

U.S.-Japan Realignment Roadmap on Guam

On May 1, 2006, the U.S. Japan Security Consultative Committee (SCC) approved the relocation of approximately 8,000 personnel for 3rd Marine Expeditionary Force and their 9,000 dependents from Okinawa Japan to Guam by 2014 as outlined in the U.S.-Japan Realignment Roadmap. The Roadmap stipulates that Japan will pay up to $6.09B of the estimated $10.3B cost for Guam facilities. The Secretary of Defense directed the Secretary of the Navy to work with the Secretaries of the Air Force, Army, Chairman of the Joint Chiefs of Staff, and PACOM, to establish a Joint Guam Program Office (JGPO) to facilitate, manage, and execute requirements for rebasing the Marines from Okinawa to Guam. The FY 2009 budget request of $33.8 million continues planning and development for a National Environmental Policy Act (NEPA)-required Environmental Impact Statement (EIS).

Family Housing

Family housing supports readiness by providing Sailors and their families suitable, affordable, and safe housing. The Navy's housing strategy includes reliance on private sector housing, public/private ventures, and military construction. By the end of FY 2007, 95 percent of CONUS family housing had been privatized. Eighteen privatization projects have been awarded for 40,355 homes. To date, Navy has secured $4.9 billion in private sector investment from $277 million of Navy funds; a leverage ratio of 18:1. The agreements now in place will result in

the elimination of the last inadequate house by 2011. The FY 2009 budget provides $462 million to support family housing.

Global Force Posture Review

As part of the Navy's ongoing contribution to the Defense Department's initiative to transform the US global defense posture, the Navy conducted its own agility assessment of the strategic placement of its aircraft carrier force. This assessment is aligned with the Quadrennial Defense Review (QDR) decision to build a Fleet that includes 11 CSGs. It is also consistent with the movement of other Service capabilities away from an Atlantic focus. As indicated in the 2006 QDR, the principle move for the Navy will be to assure the availability of six operational nuclear-powered aircraft carriers in the Pacific theater "to support engagement, presence, and deterrence." The Navy continues to review current and alternate carrier ports to ensure the strategic Navy force disposition will promote a forward-leaning nuclear-powered carrier force that will strengthen our engagement and shaping capabilities, reassure our allies, and deter potential conflicts.

Child Development Centers

Navy Child Development and Youth Programs provide quality care for over 98,000 children through 131 Child Development Centers, 103 Youth Development Programs, 3,021 Child Development Homes, and 86 School Age Care Programs. The average waiting time for childcare is six months in non-Fleet concentration areas and up to 12 months in Fleet concentration areas. FY 2009 budget request increases the number of child care spaces by 5,270 to provide service to 80 percent of potential need. The FY 2009 funding supports the construction of new Child Development Centers, the use of interim modular classrooms, the expansion of Child Development Home program, and additional contract civilian spaces.

Manpower

Human Intelligence (HUMINT)

The Navy continues to revitalize its HUMINT capability. The Navy's goal is to field a professional cadre of HUMINT collectors and to support personnel capable of executing the full range of HUMINT source operations in support of naval and national requirements. In conjunction with the Naval Criminal Investigative Service, the Navy continues to move forward with establishing a world-wide HUMINT program capable of successfully meeting the emerging threats in the 21st century. In the past year, Navy has successfully deployed its first tactical HUMINT teams into Iraq and experienced a very high success rate in the Al-Anbar province. Meanwhile, elements of the Office of Naval Intelligence continue to facilitate the exchange of Maritime Domain Awareness information between U.S. Navy and regional security partners. These elements provide maritime-focused collection capability that can capitalize on regional opportunities to further prosecute OEF/OIF and carry out other important missions. Naval Maritime Interdiction Operations Intelligence Exploitation Teams (MIO-IET) continue to increase on-scene intelligence collection and exploitation during MIO boardings. The FY 2009 budget provides $17 million to support HUMINT and MIO-IET efforts.

AFRICOM

On December 15, 2006, the President directed the establishment of a Unified Command for Africa no later than October 1, 2008. The Secretary of Defense issued follow-on AFRICOM Implementation Guidance (AIG) outlining the necessary requirements and details to include stand up of a Sub-Unified Command under USEUCOM by October 1, 2007. The primary roles of the command are non-kinetic missions for security cooperation; humanitarian relief; stability, security, transition, and reconstruction activities (SSTR); partnership capacity; and MIL-to-MIL activities.

The Navy has filled the IOC requirement of 33 Navy billets. We also intend to fill our portion of the FOC manpower requirements for USAFRICOM in addition to approximately 100 billets for the associated Naval Component Command.

Language, Regional Expertise & Culture (LREC)

Achieving Navy's maritime strategy depends in part on our ability to communicate with and comprehend adversaries, allies, and partners. Consistent with the Defense Language Transformation Roadmap and the Navy Strategic Plan (NSP), the program incentivizes language proficiency, increases regional content in Navy Professional Military Education (NPME), and provides non-resident language instruction to all Sailors and delivers in-residence training to more officers. $51.1 million requested in FY 2009 continues existing efforts and begins new initiatives of enhanced non-resident and resident language training.

Navy Education

Professional Military Education (PME)

Our fully fielded PME continuum provides career-long educational opportunities for professional and personal development that support mission capabilities. It contributes significantly to the development of 21st century leaders who have the capacity to think through uncertainty; develop innovative concepts, capabilities, and strategies; fully exploit advanced technologies, systems, and platforms; understand cultural/regional issues; and conduct joint operations.

Navy PME (NPME), with Joint PME embedded at every level, provides a common core of knowledge for all Sailors. A primary level program was implemented via distance learning in June 2006. The initial targeted audience is junior unrestricted line officers and senior enlisted Sailors. Introductory and basic level PME courses for more junior Sailors were fielded in January 2008. Our FY 2009 request of $180.2 million allows the continuation of career-long educational opportunities for our Sailors.

Joint Professional Military Education (JPME)

JPME teaches the principles of Joint warfare and prepares leaders to conduct operations as a coherent Joint force. Our path enhances our belief in the value of jointness and systematically develops Navy leaders who are strategically minded, capable of critical thinking, and skilled in naval and Joint warfare. PME completion is linked with career progression. For example, intermediate-level PME with JPME Phase I is required for

screening unrestricted line officers for command beginning in FY 2009. In August 2006, the Naval War College implemented in-residence instruction of JPME Phase II into the senior-level course. To support Maritime Component Commanders, the Naval War College has also implemented the Maritime Staff Operations Course to strengthen maritime and joint planning and war fighting.

The Naval Reserve Officers Training Corps (NROTC)

The NROTC program comprises 59 active units at 71 host institutions of higher learning across the nation. With $178 million requested in FY 2009, the program is adequately funded to provide four and two year scholarships to qualified young men and women to help prepare them for leading increasingly technical Navy and Marine Corps organizations as commissioned officers. The program continues to be a key source of nuclear power candidates and nurses and it increases officer corps diversity. We are increasing strategic foreign language skills and expanding cultural awareness among NROTC Midshipmen as well.

The United States Naval Academy

The Naval Academy is our naval college and it prepares young men and women morally, mentally, and physically to become professional officers of competence and character in the U.S. Navy and Marine Corps. Midshipmen attend the academy for four years. They graduate with a Bachelor of Science degree from one of 21 subject areas and are commissioned as Ensigns in the Navy or Second Lieutenants in the Marine Corps. The Naval Academy offers one of the most socially diverse educational experiences in America. Midshipmen come from all fifty states, forty-eight countries, and represent a mix of races, socio-economic groups, and religions. Naval Academy graduates serve at least five years in the Navy or Marine Corps. Renowned for producing officers with solid technical and analytical foundations, the Naval Academy is expanding its capabilities in strategic languages and regional studies. The $128.6 million requested in the FY 2009 budget supports the Naval Academy mission.

The Naval Postgraduate School (NPS)

NPS is the Navy's principal source for graduate education. It provides Navy and defense-relevant, degree and non-degree, resident and nonresident, programs to enhance combat effectiveness. NPS provides essential flexibility for students to satisfy Navy and DoD emergent research needs. The flexibility also helps develop warfighters whose demanding career paths and deployment cycles can make graduate education opportunities difficult to achieve. NPS supports Navy operations through naval and maritime research and maintains an expert faculty capable of working in, or serving as, advisors to operational commands, labs, systems commands, and headquarters. The $92.3 million requested in FY 2009 sustains this unique national asset, provides lab upgrades, and increases opportunities for distance learning.

The Naval War College (NWC)

The Naval War College provides professional maritime and joint military education, advanced research, analysis, and gaming to educate future leaders. Its mission is to enhance the professional capabilities of U.S. and international students to make sound decisions in command, staff and management positions in naval, joint, and multinational environments. The College also contributes to the evolution and establishment of international relationships and building Global Maritime Partners. The faculty, staff, and students support combat readiness through developing expertise at the operational level of war. The $63 million requested in FY 2009 supports increased support of Joint Forces Maritime Component Command/Coalition Forces Maritime Component Command analysis and gaming capability, the China Maritime Studies Institute, initial investment for MHQ/MOC, support for JPME I and JPME II accreditation, funding for JPME I at the Naval Postgraduate School, and for NWC Maritime Staff Operations curriculum development.

Enlisted Retention (Selective Reenlistment Bonus)

Sailors are the Navy, and retaining the best and brightest Sailors has always been a Navy core objective and key to success. We retain the right people by offering rewarding opportunities for professional growth, development, and leadership. With reenlistment rates returning to historic levels after peaking in FY 2003, current reenlistment efforts are focused on shaping and stabilizing the force. Selective Reenlistment Bonuses (SRBs) are a key tool enabling us to offer attractive incentives to selected Sailors we want to retain. $359.6 million requested in FY 2009 will provide for over 76,000 new and anniversary payments and ensure the Navy will remain selective in FY 2009.

Sexual Assault Victim Intervention (SAVI)

SAVI has three major components: awareness and prevention education, victim advocacy and intervention services, and collection of reliable data on sexual assault. Per the FY 2005 National Defense Authorization Act requirements, the Navy SAVI Program was transitioned from a program management to case management focus. Existing installation program coordinator positions were increased and became Sexual Assault Response Coordinators (SARCs), which is a standard title and position across the Department of Defense. SARCs are accountable for coordinating victim care/support and for tracking each unrestricted sexual assault incident from initial report to final disposition. Navy also provides 24/7 response capability for sexual assaults, on or off an installation, and during deployment through the use of Victim Advocates who report to installation SARCs. The $6.2 million requested in the FY 2009 budget enables us to maintain this expanded SAVI program fleet-wide.

Family Advocacy Program (FAP)

The FAP addresses prevention, identification, reporting, evaluation, intervention, and follow-up with respect to allegations of child abuse/neglect and domestic abuse involving active duty and their family members or intimate partners. Maintaining abuse-free and adaptive family

relationships is critical to Navy mission readiness, maintenance of good order and discipline, and quality of service for our active duty members and their families.

RC Sailors, when activated or in a drill status, fall under the guidelines of DON Family Advocacy Program policy and have access to Navy programs until 18 months after deactivation. They also have access to Fleet and Family Support programs, which include new parent support and other prevention programs. FAP ensures proper balance for our Sailors' physical and mental health.

Sea Warrior Spiral 1

Sea Warrior comprises the Navy's training, education, and career management systems that provide for the growth and development of our people. The first increment, or "Spiral 1", of Sea Warrior is Interactive Detailing. This system allows Sailors to have greater insight and involvement in identifying and applying for Navy positions of interest to them professionally and personally. Spiral 1 Sea Warrior is a funded Navy program and its development follows a standard, rigorous acquisition engineering and program management processes. Additional Sea Warrior spirals will be developed in accordance with future capability needs and as clear requirements are defined.

In 2007 we fielded the first version of the Career Management System (CMS) with Interactive Detailing. This new system allows Sailors ashore to review their personal and professional information, view available jobs, and submit their detailing preferences through their career counselors. The next step is to provide the same to Sailors on ships. This portion of the system has been tested in the laboratory and is in the process of being installed and tested on selected ships.

The successful development and testing of these increments of additional functionality to the CMS system are the first steps in achieving our vision of enabling all Sailors to review available jobs and submit their own applications for their next assignment (consistent with policy and access) by June of 2009.

Health Care

Combat Casualty Care

Combat casualty care is provided by Navy medical personnel assigned to and serving with Marine Corps units in Expeditionary Medical Facilities, aboard casualty receiving/treatment ships and hospital ships, and in military and VA hospitals. A full range of health services to support the war fighter is provided in this integrated continuum of care, from the battlefield to our CONUS hospitals. We are redesigning Expeditionary Medical Facilities to become lighter, more mobile, and interoperable in a Joint environment.

Recent advances in force protection, battlefield medicine, combat/operational stress control, and medical evacuation have led to improved survival rates and enhanced combat effectiveness. Since the start of OEF/OIF the Marine Corps has fielded new combat casualty care capabilities, including: updated individual first aid kits with QuikClot and advanced tourniquets, robust

vehicle first-aid kits for convoy use, and Combat Lifesaver training. Navy Medicine leads advanced technology research for the development of new systems to provide forward resuscitative surgery, en route care, and the use of innovative technologies.

Post Traumatic Stress Disorder (PTSD)

Though there has been a slight increase in new cases since FY 2003, the prevalence of PTSD remains about one percent of the total Navy active duty population. The number of cases of PTSD in active duty Sailors was 1,046 in FY 2003, 964 in FY 2004, 1,221 in FY 2005 1,280 in FY 2006, and 1,399 thru September 12, 2007. To reflect recent advancements in prevention and treatment of stress reactions, injuries, and disorders, the Navy/Marine Corps Combat/Operational Stress Control (COSC) doctrine is under revision and becomes effective in April 2009.

Quality Medical Care

Navy Medicine provides high quality, compassionate, cost-effective care. This care is a worldwide continuum from those wounded in battle to those operationally deployed, to those in garrison support, and to those who have retired from the uniformed service. Navy Medicine is continuously assessing its medical capabilities to improve and has adjusted to ensure the right health care capabilities are deployed as far forward as possible. These improvements are based on experience, lessons learned, and on requirements mandated by the warfighter. Changes have been made in the training of the physicians, nurses, and corpsmen who first encounter injured service members and in treatment methods. Recruitment and retention of health professionals remains a major focus.

Post-Deployment Health Care

Navy Medicine has developed new delivery models for deployment-related concerns and is working with the Office of Seamless Transition to improve coordination with the VA. Navy Medicine has established 17 Deployment Health Centers (DHC) as non-stigmatizing portals of care for service members and their families in areas of Fleet and Marine concentration. These centers support operational commands in ensuring medical care for those returning from deployment.

Chairman LEVIN. Thank you so much, Admiral.
General Conway?

STATEMENT OF GEN. JAMES T. CONWAY, USMC, COMMANDANT OF THE MARINE CORPS

General CONWAY. Chairman Levin, Senator Warner, and distinguished members of the committee: I have pledged to always provide you with forthright and honest assessments of your Marine Corps and I bear that in mind today as I report to you on the posture of our Service.

In the written statement I provided you a list of priorities that would enable your Corps to best serve our Nation's security interests, both today and in the uncertain future. But in brief, our young warriors in combat are my number one priority. Those magnificent patriots have been extremely effective in disrupting insurgents and the al-Qaeda in the al-Anbar Province. In the spirit of jointness, I must note that it hasn't been just marines, rather marines, sailors, and soldiers, a composite effort over time, that has brought success to the al-Anbar.

Quiet in their duty and determined in their approach, your marines are telling us loud and clear that wherever there's a job to

be done they'll shoulder that mission with enthusiasm. They're tough and they'll do what it takes to win.

We are still supporting the surge in Iraq and have already shifted from population protection to transitioning security responsibilities to Iraqi security forces. They are actively stepping up to the task. Though it may not be our core competency, marines have addressed the Nation-building aspect of our duties with enthusiasm and determination.

As you mentioned, Mr. Chairman, in answer to the most recent call from the Secretary of Defense, we are also deploying more than 3,400 marines to Afghanistan. Your marines will assist the joint force in either gaining or maintaining momentum there. We fall in on our expeditionary ethos of living hard and fighting well as part of the air-ground team.

I've just returned from a visit to Iraq and Afghanistan and, ladies and gentlemen, I'm pleased to report to you that your marines are demonstrating amazing resiliency in the face of multiple deployments to dangerous lands. In spite of a one-to-one deployment-to-dwell regimen that has virtually no chance of getting better until fall, the factors that we track monthly to determine health of the force, that include desertion and UA rates, suicide, divorce, child or spousal abuse, and not in the least, reenlistment rates, are all as good or better than they were in 2001.

We do have a significant issue with our families. Simply put, they are proud of their contributions to this war, but they're tired. We owe it to those families to put our family service programs onto a wartime footing. For too long our programs have been borne on the backs of our volunteers—perhaps acceptable during peacetime, but untenable during a protracted conflict. Congress has been exceptionally supportive in enabling us to make good on the promise to do more.

Of course, we look beyond today and our obligation to the Nation, and we have learned lessons in trying to build the force as we fight. In response to a clear need, we are growing the Corps to 202,000 marines. We do this without lowering our standards and we are ahead of our goals. During the last fiscal year, we needed to bring aboard 5,000 additional recruits. We actually grew 7,000 additional marines, 96.2 percent of them high school graduates.

But more than just manpower, the growth requires training, infrastructure, and equipment to meet the needs of our Nation. You've helped us meet those requirements with steady support and encouragement, and for that we thank you.

Though our capacity is currently stretched, the Marine Corps retains the mission to provide a multi-capable force for our Nation, a two-fisted fighter, if you will, able to destroy enemy formations with our air-ground team in a major contingency, but equally able to fall back on our hard-earned irregular warfare skills honed over decades of conflict.

By far the most complex of our congressionally mandated missions, amphibious operations, requires deliberate training and long-term resourcing to achieve a high level of proficiency. The operational expertise, the special equipment sets, and the amphibious lift are not capabilities that we can rapidly create in the face of a threat.

Finally, on behalf of your marines, I extend great appreciation for your support thus far, and I thank you in advance for your efforts on behalf of our brave service men and women in harm's way. I assure you that the Marine Corps appreciates the increasing competition for the Nation's discretionary resources and will continue to provide a tangible return for every dollar spent.

Mr. Chairman, thank you very much for the opportunity to speak.

[The prepared statement of General Conway follows:]

PREPARED STATEMENT BY GEN. JAMES T. CONWAY, USMC

EXECUTIVE SUMMARY

Chairman Levin, Senator McCain, and distinguished members of the committee; I have pledged to always provide you forthright and honest assessments of your Corps. I bear that in mind today as I report to you on the posture of your Corps.

Your Marine Corps is fully engaged in what we believe is a generational struggle against fanatical extremists; the challenges we face are of global scale and scope. This Long War is multi-faceted and will not be won in one battle, in one country, or by one method. Your marines are a tough breed and will do what it takes to win—not only in these opening battles of Iraq and Afghanistan, but also in the subsequent conflicts which we endeavor to prepare for today.

In the face of great hardship, your marines have made a positive and selfless decision to stay resolved. More than 332,000 marines have either enlisted or re-enlisted since September 11, 2001; more than 208,000 have deployed to Iraq or Afghanistan—a telling number for a force of less than 200,000 marines. Make no mistake, they joined or decided to re-enlist knowing they would go into harm's way.

They have answered the Nation's call and are fully engaged in this fight—serving with distinction as the professionals they are. It falls on us, then, to fully support them—we owe them the full resources required to complete the tasks ahead. Now more than ever, they need the sustained support of the American people and Congress to provide them the help they need to fight today's conflict, prepare for tomorrow's, and fulfill our commitment to our marine families.

Without question, marines in combat are our number one priority. Taken as a whole, combat operations are indeed stressing our forces and families. That said, the Marine Corps will not fail her country when called. In fact, in answer to the most recent call to provide ready forces to serve our Nation, the Marine Corps is deploying more than 3,200 marines to Afghanistan in addition to supporting ongoing surge operations in Iraq and other force requirements worldwide.

It is with these great men and women in mind that the Marine Corps has shaped its priorities—which are enduring and serve not only the conflict of today, but also the inevitable crises that will arise in our Nation's future. Through this budget request, we seek to:

Right-Size the Marine Corps for today's conflict and tomorrow's uncertainty

To fulfill our obligations to the Nation, the Marine Corps will grow its personnel end strength to 202,000 Active component marines by the end of fiscal year 2011. This increase will enable your Corps to train to the full spectrum of military operations and improve the ability of the Marine Corps to address future challenges of an uncertain environment. Our growth will enable us to recover our ability to respond in accordance with timelines outlined in combatant commander war plans—thereby, reducing operational risk. More than just manpower, this growth will require training, infrastructure, and equipment to meet the needs of our Nation.

Reset the force and prepare for the next contingency

To meet the demands of this war, we must reset the force so that we can simultaneously fight, train, and sustain our Corps. The Long War is taking a considerable toll on our equipment, and we continue to make tough choices on how best to apply the resources we are provided. Congress has responded rapidly and generously to our requests for equipment and increased protection for our marines and sailors. We are committed to fulfilling our responsibility to manage these resources prudently as we modernize our force.

Modernize for tomorrow to be "the most ready when the Nation is least ready"

Congressionally-mandated to be "the most ready when the Nation is least ready," your multi-capable Corps is committed to fulfilling this responsibility. We remain

focused and steadfast in our responsibility to be the Nation's premiere expeditionary Force-in-Readiness. To do so, we continue to adapt our organization and equipment to provide our country the best Marine Corps in the world.

Provide our Nation a naval force that is fully prepared for employment as a Marine Air Ground Task Force across the spectrum of conflict

The newly published Maritime Strategy reaffirms our naval character and reemphasized our enduring relationship with the Navy and, now, Coast Guard. Current operations limit our ability to aggressively commit forces to strategy implementation at this time. However, as we increase our end strength to 202,000 marines and as security conditions continue to improve in Iraq, the Marine Corps will transition our forces to other battles in the Long War. The most complex mission in the Maritime Strategy is the congressionally-mandated mission of amphibious forcible entry. Such an operation requires a high level of proficiency and long-term resourcing and is not a capability that we can create on short notice.

Take care of our marines and their families

Our most precious asset is the individual marine. Our marines and families have been steadfast and faithful in their service to our country, and we have an equally enduring obligation to them. As such, we are committed to putting our family programs on a wartime footing—our marines and families deserve no less.

Posture the Marine Corps for the future beyond the horizon

The United States faces a complex mix of states who sponsor terrorism, regional and rising peer competitors, failing states that undermine regional stability, and a variety of violent non-state actors—all serving to destabilize legitimate governments and undermine security and stability of the greater global community. We see this global security context as a persistent condition for the foreseeable future.

The Marine Corps continues to create a multi-capable force for our Nation—not only for the current operations in Iraq and Afghanistan, but also for subsequent campaigns of the Long War. We are committed to ensuring we remain where our country needs us, when she needs us, and to prevail over whatever challenges we face.

On behalf of your marines, I extend great appreciation for your support thus far and thank you in advance for your ongoing efforts to support our brave service men and women in harm's way. I promise you that the Corps understands the value of each dollar provided and will continue to provide maximum return for every dollar spent.

I. MARINES AND SAILORS IN COMBAT ARE OUR NUMBER ONE PRIORITY

Marines in the operating forces have been pushed hard by the tempo and frequency of operational deployments; yet, their morale has never been higher—because they believe they are making a difference. Thanks to Congress, your marines know that the people of the United States and their Government are behind them. Your support has been exceptional—from the rapid fielding of life-saving equipment to the increase of Marine Corps end strength. With your continued support, your marines will continue to make progress in their mission.

USMC Commitments in the Long War

Over the past year, your marines deployed to all corners of the globe in support of our Nation. With more than 24,000 marines deployed throughout the U.S. Central Command's Area of Responsibility, Operations Iraqi Freedom (OIF) and Enduring Freedom (OEF) remain our largest commitment. The Marine Corps continues to support surge operations in Iraq in the form of two additional infantry battalions and the enabling forces that accompany them. As part of the Marine Air Ground Task Force in Iraq, these forces have proven extremely effective in the disruption of insurgent activities in the Al Anbar province.

As part of these forces, Marine Corps provides more than 250 personnel to OEF-Afghanistan. Approximately 100 of these marines are members of a Marine Special Operations Company that routinely engages in combat operations with partnered Afghan and U.S. Special Forces units. The remaining Marine complement to Afghanistan forms the nucleus of seven Embedded Training Teams (ETTs); these detachments provide strong mentorship to Afghan National Army units in the continuing fight against the Taliban.

Taken as a whole, these recurring commitments of Marine forces in support of combat operations is indeed a stressing challenge on our forces and families. That said, the Marine Corps is fully cognizant of the regional and global effects of progress in Iraq, Afghanistan, and the Middle East. In fact, in answer to the most

recent call to provide ready forces to serve our Nation, the Marine Corps is deploying a Marine Expeditionary Unit (MEU)-sized Marine Air Ground Task Force and an additional Battalion to conduct combat operations in Afghanistan. These 3,200 marines are in addition to surge operations in Iraq and other force requirements worldwide.

The Marine Corps also deployed forces to participate in over sixty Theater Security Cooperation events, which ranged from small Mobile Training Teams in Central America to MEU exercises in Africa, the Middle East, and the Pacific. The Marine Corps also took part in civil-military and humanitarian assistance operations such as New Horizons events in Nicaragua, land mine removal training in Azerbaijan, and disaster relief in Bangladesh after a devastating cyclone.

II. RIGHT-SIZE THE MARINE CORPS FOR TODAY'S CONFLICT AND TOMORROW'S UNCERTAINTY

To meet the demands of the Long War, as well as the unforeseen crises that will inevitably arise, our Corps must be sufficiently manned, well-trained, and properly equipped. Like the Cold War, the Long War is a long-term struggle that will not be measured by the number of near-term deployments or rotations; it is this long-term view that informs our priorities and plan for growth.

To fulfill our obligations to the Nation, the Marine Corps will grow its personnel end strength to 202,000 Active component marines. This increase will enable your Corps to train to the full spectrum of military operations and improve the ability of the Marine Corps to address future challenges of an uncertain environment. Our growth will enable us to recover our ability to respond in accordance with timelines outlined in combatant commander war plans—thereby, reducing operational risk.

Current wartime deployment rates dictate an almost singular focus to prepare units for their next rotation and counterinsurgency operations. This focus and the deployment rate of many units threaten to erode the skills needed for Marine Corps missions such as combined-arms maneuver, mountain warfare, and amphibious operations. Our deployment cycles must not only support training for irregular warfare, but also provide sufficient time for recovery and maintenance as well as training for other contingency missions. By increasing dwell time for our units, we can accomplish the more comprehensive training needed for the sophisticated skill sets that have enabled Marine Air Ground Task Forces to consistently achieve success in all types of operations.

Just as importantly, this growth will relieve strain on those superb Americans who have volunteered to fight the Nation's battles. We must ensure that our personnel policies, organizational construct, and training enable our marines to operate at the "sustained rate of fire." This means that we must have sufficient dwell time, equipment for training, and resources for our marines and their families to sustain their efforts over time. Our recently begun growth to 202,000 marines will significantly enhance our ability to operate at the "sustained rate of fire."

Our goal, during the Long War, is to achieve a 1:2 deployment-to-dwell ratio for all of our Active Forces; for every 7 months a marine is deployed, he or she will be back at home station for 14 months. Right now, many of our forces are at a 1:1 deployment-to-dwell ratio or less—which cannot be sustained in the long-term. We also aim to implement a 1:5 deployment to dwell ratio for our Reserve Forces and, eventually, achieve a peacetime deployment-to-dwell ratio goal is 1:3 for our Active Forces.

As we grow, we will develop all the elements of our Marine Air Ground Task Force in a balanced manner to meet the diverse challenges of an uncertain future. This growth includes:

- An increase in our end strength to 202,000 marines;
- Adequate expansions of our infrastructure to provide for our marines, their families, and their equipment; and
- The right mix of equipment for the current and future fight.

This additional end strength will result in three Marine Expeditionary Forces—balanced in capacity and capability. The development of Marine Corps force structure has been the result of a thorough and ongoing process that supports the combatant commanders and accomplishes our Title 10 responsibilities. The process addresses all pillars of combat development (Doctrine, Organization, Training, Materiel, Leadership and Education, Personnel, and Facilities) and identifies our required capabilities and the issues associated with fielding them. The most recent assessment revealed a requirement to front-load structure for recruiters and trainers to support our personnel growth and a phased introduction of units balanced across the Marine Air Ground Task Force.

In fiscal year 2007, we stood up two infantry battalions: 1st Battalion, 9th Marines and 2nd Battalion, 9th Marines. We also added capacity to our combat engineer battalions and air naval gunfire liaison companies. Our plan will gradually improve the deployment-to-dwell ratio of some of our other habitually high operational tempo units—such as military police, unmanned aerial vehicle, helicopter, air command and control, combat service support, and explosive ordnance disposal units.

Growing the Marine Corps as we simultaneously fight the Long War is a challenge, but we are committed to being the best stewards of the Nation's resources and working with Congress to achieve these important goals.

Growing to 202,000 Marines

The Marine Corps surpassed its fiscal year 2007 authorized end strength goal of 184,000 and is on track to meet the goal of 189,000 marines for fiscal year 2008 as well as our target end strength of 202,000 marines by fiscal year 2011.

Recruiting

A vital factor in sustaining our force and meeting end strength goals is continuing to recruit qualified young men and women with the right character, commitment, and drive to become marines. With over 70 percent of our end strength increase comprised of marines on their first enlistment, our recruiting efforts are a critical part of our overall growth.

While exceeding Department of Defense quality standards, we continue to recruit the best of America into our ranks. In fiscal year 2007, the Marine Corps achieved over 100 percent of the Active component accession goal necessary to grow the force as well as 100 percent of our Reserve recruiting goals. We reached this goal without compromising the high quality standards the American people expect of their marines.

We forecast that both Active and Reserve recruiting will remain challenging in fiscal year 2008, particularly given the increased accession missions needed to meet our end strength growth. We will need the continued indispensable support of Congress to sustain our existing programs and other incentives essential to achieving our recruiting mission.

Retention

Retention is the other important part of building and sustaining the Marine Corps. As a strong indicator of our force's morale, the Marine Corps has achieved unprecedented numbers of reenlistments in both the First Term and Career Force. The expanded reenlistment goal, in which we sought to reenlist over 3,700 additional marines, resulted in the reenlistment of 31 percent of our eligible First Term force and 70 percent of our eligible Career Force—compared to the 22 percent first term and 65 percent career force reenlistments in fiscal year 2006. This achievement was key to reaching the first milestone in our end strength increase—184,000 marines by the end of fiscal year 2007—without sacrificing our high quality standards. In fact, a recent Center for Naval Analyses study concluded that the quality of our first term force who reenlist has improved steadily since fiscal year 2000.

For fiscal year 2008, our retention goals are even more aggressive, but we fully expect to meet them. Our continuing success will be largely attributable to several important enduring themes. First, marines are motivated to "stay marine" because they are doing what they signed up to do—fighting for and protecting our Nation. Second, they understand our culture is one that rewards proven performance; our Selective Reenlistment Bonuses are designed to retain top quality marines with the most relevant skill sets.

There is no doubt that your marines' leadership and technical skills have rendered them extremely marketable to lucrative civilian employment opportunities. To retain the most qualified marines, we must maintain Selective Reenlistment Bonus (SRB) funding. In fiscal year 2007, the Marine Corps spent approximately $460 million in SRB and Assignment Incentive Pay (AIP) to help achieve our end strength goal. With a reenlistment mission of 17,631 in fiscal year 2008—compared to an historical average of 12,000—the Marine Corps expects to spend approximately $500 million in reenlistment incentives during fiscal year 2008.

This aggressive SRB plan will allow us to retain the right grade and skill sets for our growing force—particularly among key military occupational specialties. The continued support of Congress will ensure we have the necessary combat-trained marines for the Long War and other contingency operations.

Reserve Component End Strength

Our fights thus far in Iraq and Afghanistan have been a Total Force effort—our Reserve Forces continue to perform with grit and determination. Our goal is to obtain a 1:5 deployment-to-dwell ratio within our Reserve component. As our Active

Force increases in size, our reliance on our Reserve Forces should decrease—helping us achieve the desired deployment-to-dwell ratio. We believe our current authorized end strength of 39,600 Selected Marine Corps Reserves is appropriate. As with every organization within the Marine Corps, we continue to review the make-up and structure of our Reserve in order to ensure the right capabilities reside within the Marine Forces Reserve units and our Individual Mobilization Augmentee program.

Military-to-Civilian Conversions

Military-to-civilian conversions replace marines in nonmilitary-specific billets with qualified civilians, enabling the Corps to return those marines to the operating forces. Since 2004, the Marine Corps has returned 3,096 marines to the operating force through military-to-civilian conversions. We will continue to pursue sensible conversions as this will aid in our deployment-to-dwell ratio goals for the force.

Growing to 202,000: Infrastructure

Military construction is one of our keys to success in increasing the Marine Corps to 202,000 marines by 2011. We have determined the optimal permanent locations for these new units and have generated estimates for the types and sizes of facilities needed to support these forces. Because our end strength will increase before final construction is complete, we are providing interim support facilities that will include lease, rental, and purchase of temporary facilities. Our plan will ensure adequate facilities are available to support the phase-in and Final Operating Capability of a 202,000 Marine Corps while meeting our environmental stewardship responsibilities.

Military Construction—Bachelor Enlisted Quarters Initiative.

Housing for our single marines continues to be our top military construction focus. Barracks are a significant quality of life element in taking care of our single marines. We have put ourselves in extremis with regards to new barracks as we have degraded their priority for decades in lieu of operational requirements. We are now committed to providing adequate billeting for all of our existing unmarried junior enlisted marines and noncommissioned officers by 2012—and for our increased end strength by 2014. To do that, we doubled the amount of our bachelor housing funding request from fiscal year 2007 to 2008; we will more than triple the 2008 amount in fiscal year 2009. We are also committed to funding replacement of barracks' furnishings on a 7-year cycle and prioritizing barracks repair projects to preempt a backlog of repairs.

Public Private Venture (PPV) Housing

Our efforts to improve housing for marines and their families continue. The housing privatization authorities are integral to our efforts to accommodate both current housing requirements and those resulting from our planned force increases. Thanks to congressional support, the Marine Corps had business agreements in place at the end of fiscal year 2007 to eliminate all of our inadequate family housing. However, we need to continue our PPV efforts to address the current insufficient number of adequate housing units as well as the deficit being created by the increase in end strength to 202,000 marines.

Training Capacity

Marine Corps Training and Education Command is increasing its training capacity and reinvigorating our pre-deployment training program to provide support to all elements of the Marine Air Ground Task Force (MAGTF) across the full spectrum of potential missions. In accordance with the Secretary of Defense's Security Cooperation guidance, we are developing and coordinating training and education programs to build the capacity of allied and partner nations. We are also developing the capability to conduct large-scale MAGTF exercises within a joint, coalition, and interagency context to maintain proficiency in core warfighting functions such as combined arms maneuver, amphibious operations, and maritime prepositioning operations. Finally, we are ensuring our training and education programs and training ranges accommodate the 27,000 Marine Corps end strength increase.

Growing to 202,00: Equipment

Our assessment of the materiel requirements for our growth has been significantly enhanced through cooperation between the Marine Corps and industry partners. Through this effort, the units we created in fiscal year 2007 were provided the equipment necessary to enter their pre-deployment training cycle. By prioritizing marines in combat and redistribution of some of our strategic stocks, these new units were able to meet training and deployment requirements for combat. With Congress' continued support, the numerous equipment contracts required to support

our growth were met during fiscal year 2007 and will be met through fiscal year 2008 and beyond.

III. RESETTING THE FORCE AND PREPARING FOR THE NEXT CONTINGENCY

To meet the demands of this war, we must reset the force so that we can simultaneously fight, train, and sustain our Corps. The Long War is taking a considerable toll on our equipment, and we continue to make tough choices on how best to apply the resources we are provided—either to replace our rapidly aging equipment with similar platforms or to modernize with next generation equipment. Additionally, we have routinely drawn additional equipment from strategic stocks, which need to be replenished in order for us to remain responsive to emerging threats. Congress has responded rapidly and generously to our requests for equipment and increased protection for our marines and sailors. We are committed to fulfilling our responsibility to manage these resources prudently as we modernize our force.

Costs of Resetting the Force

Reset funds replenish the equipment necessary to keep the Marine Corps responsive to emerging threats. Costs categorized as "reset" meet one of the following criteria: maintenance and supply activities to restore and enhance combat capability to unit and prepositioned equipment; replace or repair equipment destroyed, damaged, stressed, or worn out beyond economic repair; and enhance capabilities, where applicable, with the most up-to-date technology.

Our current reset estimate is $15.6 billion. To date, Congress has appropriated a total of $10.9 billion for Marine Corps global war on terrorism reset costs. As the nature of the Long War evolves, "reset the force" cost estimates evolve as well. We not only need to "Reset" the force to support current readiness, but we also need to "Reconstitute and Revitalize" the force in preparation for future challenges. We are coordinating with other Services and the Joint Staff to refine estimates, and we are aggressively executing funding to ensure the marines in the fight have the proper equipment in a timely manner.

Equipment Readiness

While the vast majority of our equipment has passed the test of sustained combat operations, it has been subjected to more than a lifetime's worth of wear stemming from increased vehicle mileage and operating hours as well as harsh environmental conditions—resulting in an escalated maintenance effort. This maintenance requirement is a consequence of not only operational tempo and operating environments, but also the sheer amount of equipment employed in operations. Approximately 26 percent of all Marine Corps ground equipment is currently engaged overseas. Most of this equipment is not rotating out of theater at the conclusion of each force rotation; it remains in combat, used on a near-continuous basis at a pace that far exceeds normal peacetime usage.

For example, in Operation Iraqi Freedom, crews are driving Light Armored Vehicles in excess of 8,700 miles per year—3.5 times more than the programmed annual usage rates of 2,480 miles per year. Our tactical vehicle fleet is experiencing some of the most dramatic effects of excessive wear, operating at five to six times the programmed rates. Many weapon systems have been modified during this conflict; some of these modifications have led to further wear and tear due to additional weight—for example, armor plating has been added for protection against improvised explosive devices. These factors, coupled with the operational requirement to keep equipment in theater without significant depot repair, has tremendously decreased the projected lifespan of this equipment. As a result, we can expect higher than anticipated reset costs and more replacements than repair of equipment. The depot level maintenance requirements for the equipment that is repairable will continue beyond the conclusion of hostilities in Iraq and Afghanistan.

Our priority for equipment is to support marines serving in harm's way. Therefore, we have drawn additional equipment from the Maritime Prepositioning Ships and prepositioned stores in Norway; we have also retained equipment in theater from units that are rotating back to the United States. The operational results of these efforts have been outstanding—the average mission capable rates of our deployed forces' ground equipment remain above 90 percent—but there is a price.

The cost of this success is a decrease in non-deployed unit readiness as well as an increase in the maintenance required per hour of operating time. Equipment across the Marine Corps is continuously cross-leveled to ensure that units preparing to deploy have sufficient equipment to conduct our rigorous pre-deployment training programs. Because the stateside priority of equipment distribution and readiness is to units preparing to deploy, there has been a trade-off in unit training for other types of contingencies. The timely delivery of replacement equipment is crucial to

sustaining the high readiness rates for the marines in theater, as well as improving the rates for the forces here at home. While additional equipment has been purchased, long lead times and production rates mean that, although funded, much of this equipment is still many months from delivery.

Aviation Equipment and Readiness

The operationally demanding and harsh environments of Iraq, Afghanistan, and the Horn of Africa have highlighted the limitations of our aging fleet of aircraft. In order to support our marines, sister Services, and coalition partners successfully, our aircraft have been flying at two to three times their designed utilization rates.

Despite this unprecedented use, our maintenance and support personnel have sustained a 79 percent aviation mission-capable rate for deployed marine aircraft over the past 12 months. Maintaining the readiness of our aviation assets while preparing our aircrew for their next deployment is and will continue to be an enormous effort and constant challenge for our marines. To maintain sufficient numbers of aircraft in deployed squadrons, our nondeployed squadrons have taken significant cuts in available aircraft and parts as they prepare for deployment—resulting in a 30 percent decrease in the number of nondeployed units reporting "deployment capable" over the last 5 years. Reset funding has partially alleviated this strain, but continued funding is needed as we are simply running short of aircraft on our flight lines due to age, attrition, and wartime losses.

Reset programs have helped us mitigate degradation of our aircraft materiel readiness through aircraft modifications, proactive inspections, and additional maintenance actions. These efforts have successfully bolstered aircraft reliability, sustainability, and survivability; nevertheless, additional requirements for depot level maintenance on airframes, engines, weapons, and support equipment will continue well beyond the conclusion of hostilities.

Prepositioning Programs

Comprised of three Maritime Prepositioning Ships Squadrons (MPSRON) and other Strategic Reserves, the Marine Corps' prepositioning programs are a critical part of our ability to respond to current and future contingency operations and mitigate risk for the Nation. Targeted withdrawal of equipment from our strategic stocks has been a key element in supporting combat operations, growth of the Marine Corps, and other operational priorities; these withdrawals provided necessary equipment from the existing inventory while industry catches up to our new requirements in the long-term. Generous support from Congress has enabled the long-term solution, and as a result, shortfalls within our strategic programs will be reset as equipment becomes available from the manufacturer.

Maritime Prepositioning Ships Squadrons

Our MPSRONs will be reset with the most capable equipment possible, and we have begun loading them with capabilities that support lower spectrum operations while still maintaining the ability to generate Marine Expeditionary Brigades capable of conducting major combat operations. Since 2007's report, all three squadrons have completed the Maritime Prepositioning Force (MPF) Maintenance Cycle-8 (MMC–8). MPSRONs 1 and 3 were reconstituted to 91 percent and 100 percent respectively. The near-term reduction of MPSRON–1 was required to outfit new units standing up in fiscal year 2007 and fiscal year 2008 as part of our end strength increase. MPSRON–1 will complete MPF Maintenance Cycle-9 (MMC–9) in June 2008, and we anticipate it will be loaded with roughly 80 percent of its full equipment set as a result of our requirement to support end strength increase to 202,000 marines. MPSRON–2 was loaded to 54 percent of its equipment requirements; much of MPSRON–2's equipment remains committed to Operation Iraqi Freedom. With projected deliveries from industry, our intent is to fully reset and modernize MPSRON–2 and MPSRON–3 when they return for maintenance beginning in May 2008 and April 2009 respectively.

We are actively working with the Navy and Transportation Command to incorporate newer, more flexible ship platforms from the existing Military Sealift Command fleet into our aging legacy Maritime Prepositioning Force program. As we reset MPF, these changes are necessary to ensure we incorporate hard fought lessons from recent combat operations. Two decades of equipment growth and recent armor initiatives have strained the capability and capacity of our present fleet—that was designed to lift a naval force developed in the early 1980s.

We plan to incorporate three of Military Sealift Command's 19 large, medium-speed, roll-on/roll-off ships (LMSR) as replacements for 5 of our older leased platforms. The LMSR significantly expands MPF flexibility and will allow us to reset and optimize MPF to meet current and emerging requirements.

Marine Corps Prepositioning Program-Norway

The Marine Corps Prepositioning Program—Norway (MCPP–N) was also used in support of current operations, growth of the Marine Corps, and resetting other Marine Corps shortfalls with a higher operational priority. The Marine Corps continues to reset MCPP–N in concert with our operational priorities while also exploring other locations for geographic prepositioning that will enable combat and theater security cooperation operations for forward deployed naval forces.

Depot Maintenance

The Marine Corps has aggressively worked to stabilize the conditions that affect our depot maintenance. These conditions include: the uncertainty of the timing of reset, asset availability, timing of funding, equipment condition, and evolving skill requirements. One area we focus on is the in-theater identification of equipment and scope of work to be performed; this effort enables better planning for parts, manpower resources, funding requirements, and depot capacity. Triage assessments made in theater and relayed back to the sources of repair have helped to ensure efficient repair preparation time. These efforts reduce the repair cycle time, returning the mission capable equipment to the warfighter as soon as possible—improving materiel readiness.

Depot capacity is elastic; productivity is not constrained by money or capacity; the limiting factor is asset (carcass) availability. We increase capacity to support surge requirements through a variety of means—overtime, additional shifts, and additional personnel. Performing work on over 260 product lines, our depot workforce currently has multiple trade skills ranging from laborers to engineers. Much of the equipment in theater today includes items not previously repaired by any depot facility—organic or non-organic. As a result, the existing work force may require additional training. New personnel and continued supplementation through contractor support may also be required. We continue to leverage state and local institutions, such as the technical colleges and universities, which can provide valuable assistance in training our workforce in skills such as welding, environmental science, and engineering.

Future challenges to meeting the increasing workload requirements include leveraging depot capacity, lessening the impact on our labor force, and ensuring parts are available. Continuing to partner with other Services and industry, we will enhance execution of reset using organic and non-organic sources of repair. We will continue to work with Congress to anticipate the evolving depot maintenance funding requirements.

Equipment Retrograde Operations from Central Command Area of Operations

During 2006, in a continued effort to support the Commander, United States Marine Forces, Central Command, Marine Corps Logistics Command took the lead as the Service Executive Agent for the retrograde of equipment in theater determined to be excess. In addition to receiving, preparing, and shipping excess equipment within theater, Marine Corps Logistics Command (Forward) coordinates strategic lift requirements and manages the redistribution of principle end items in accordance with the Commandant of the Marine Corps' sourcing priorities. Since June 2006, over 15,731 principle end items have been processed at the retrograde lot in Al Taqaddum and approximately 11,799 items have been shipped back to Blount Island Command for disposition. Once disposition is received, assets are sent to Marine Corps Logistics Command for induction into the Master Work schedule, placed In-Stores, used to fill requisitions, or sent to the Defense Reutilization Marketing Office if deemed uneconomical to repair. The repair and return of items to In-Stores will enable us to better address the many demands for equipment. This, in turn, will keep us moving forward towards our goal of continued readiness improvement.

Operation Iraqi Freedom has led to a conceptual change in the way we provide operational-level logistics to the warfighter. Due to changing operational and mission requirements, Marine Corps Logistics Command is implementing capabilities extending beyond traditional boundaries, creating a more mobile and agile organization. The Marine Corps Logistics Command (Forward) was established to satisfy operational logistics requirements using competitive, comprehensive, and integrated solutions obtained from "the best" strategic Department of Defense and commercial providers. While continuing to execute its strategic-level responsibilities, Marine Corps Logistics Command has transformed from a garrison-centric organization to one capable of deploying operational-level logistics solutions to augment the sustainment requirements of Marine Forces in combat.

IV. MODERNIZE FOR TOMORROW TO BE "THE MOST READY WHEN THE NATION IS LEAST READY"

We know we have tough choices ahead of us to meet equipment demands across the Corps. As we reset, we are making prudent assessments on when it is more effective to replace aging and worn out equipment with similar equipment or to buy new equipment. We remain focused and steadfast on our responsibility to be the Nation's premiere expeditionary Force-in-Readiness.

Experimentation

Our Marine Corps Warfighting Laboratory conducts experiments to support operating force requirements and combat development. We continually seek to improve the capabilities of the operating forces by focusing on the needs of our lower-level ground combat and ground combat support units engaged in current and potential near-term contingencies. Some examples of current projects include:

"Combat Hunter," a project aimed at enhancing observation and hunting skills of individual marines operating in a combat environment;

- Company Level Intelligence Cell experiment, designed to provide us with a "best practices" model and to standardize infantry battalion intelligence processes;
- Squad Fires experiment, enhancing close air support to squad-level units;
- Combat Conditioning project, examining advances in physical fitness training to best prepare marines for the demands of combat; and
- Lighten the Load initiative, an effort to decrease the amount of weight carried by marines in the field.

Enhancing Individual Survivability

The Marine Corps continues to pursue technological advancements in personal protective equipment—our marines in combat deserve nothing less. Fully recognizing the limiting factors associated with weight, fatigue, and movement restriction, we are providing marines the latest in personal protective equipment—such as the Modular Tactical Vest, QuadGard, Lightweight Helmet, and Flame Resistant Organizational Gear.

Body Armor

Combat operations in Iraq and Afghanistan have highlighted the need to evolve our personal protective vest system. In February 2007, we began transitioning to a newly-designed Modular Tactical Vest (MTV). This vest is close to the same weight as its predecessor, the Outer Tactical Vest, but it integrates more easily with our other personal protection systems. It provides greater comfort through incorporation of state-of-the-art load carriage techniques, which better distributes a combat load over the torso and onto the hips of the marine. The MTV also incorporates our combat-proven Enhanced Small Arms Protective Inserts (E–SAPI) and Side SAPI plates. These plates are provided to every marine in the Central Command theater of operations. The E–SAPI provides the best protection available against a wide variety of small arms threats—to include protection against 7.62mm ammunition. The initial acquisition objective for the MTV was 60,000 systems, with deliveries completed in October 2007. We are procuring additional MTVs during this fiscal year to ensure our marines continue to deploy with the best body armor system available.

QuadGard

The QuadGard system is designed to provide ballistic protection for a marine's arms and legs when serving as a turret gunner on convoy duty. This system, which integrates with other personal ballistic protection equipment, such as the MTV ESAPI and Lightweight Helmet (LWH), provides additional protection against ballistic threats—particularly improvised explosive device fragmentation.

Lightweight Helmet

We are committed to providing the best head protection available to our warfighters. The LWH weighs less than its predecessor and provides a high level of protection against fragmentation threats and 9mm bullets. We now require use of a pad system inside the helmet as multiple independent studies and tests demonstrated that it provides greater protection against non-ballistic blunt trauma than the sling suspension system. We are retrofitting more than 150,000 helmets with the pad system and have already fielded enough helmet pads for every deployed marine. Since January 2007, all LWHs produced by the manufacturer are delivered with the approved pad system installed. In October 2007, we began fielding the Nape Protection Pad (NAPP), which provides additional ballistic protection to the occipital region of the head—where critical nervous system components, such as the

cerebellum, brain stem, occipital lobe, and spinal cord are located. The NAPP is attached to the back of the LWH or the Modular Integrated Communications Helmet (MICH), which is worn by our reconnaissance marines. Final delivery of the initial 69,300 NAPPs is scheduled for April 2008. That said, we continue to challenge industry to build a lightweight helmet that will stop the 7.62 mm round fired from an AK–47.

Flame Resistant Organizational Gear

In February 2007, we began fielding Flame Resistant Organizational Gear (FROG) to all deployed and deploying marines. This lifesaving ensemble of flame resistant clothing items—gloves, balaclava, long-sleeved under shirt, combat shirt, and combat trouser—is designed to mitigate potential injuries to our marines from flame exposure. These clothing items provide protection that is comparable to that of the NOMEX combat vehicle crewman suit/flight suit, while adding durability, comfort, and functionality. We have recently begun fielding flame resistant fleece pullovers to our marines for use in cooler conditions, and we are developing flame resistant varieties of cool/cold weather outer garments and expect to begin fielding these to marines in late fiscal year 2008. With the mix of body armor, undergarments, and outerwear, operational commanders can determine what equipment their marines will employ based on mission requirements and environmental conditions. Through ongoing development and partnerships with other Services, we continue to seek the best available flame resistant protection for our marines.

Sustained funding for the development and procurement of individual protective equipment has had a direct impact on our ability to reduce or mitigate combat injuries. Continued congressional support is needed to ensure that our marines and sailors receive the best equipment available in the coming years.

Counterimprovised Explosive Devices

Responding to urgent warfighter needs, we are providing the most capable force protection systems available. We are upgrading our Counter Remote-controlled IED Electronic Warfare Chameleon systems to meet rapidly evolving threats while remaining engaged with the Joint Program Board to develop a joint solution. We are enhancing our ability to combat the effects of weapons of mass destruction as well as protecting our marines worldwide by fielding 18 consequence management sets using the best available commercial off-the-shelf technologies. These sets complement the capabilities of our Family of Incident Response Systems and the Chemical Biological Incident Response Force. Our Family of Explosive Ordnance Disposal Equipment has undergone significant modernization through enhancement of technician tool kits and greater counter IED robotics capability and availability.

Marine Aviation Plan

Resetting Marine Aviation means getting more capable and reliable aircraft into the operational deployment cycle sooner—not merely repairing and replacing damaged or destroyed aircraft. Daily, your marines rely on these aircraft to execute a wide array of missions including casualty evacuation for our wounded and timely close air support for troops in contact with the enemy. Legacy aircraft production lines are no longer active—exacerbating the impact of combat losses and increasing the urgency for the Marine Aviation Plan to remain fully funded and on schedule.

The 2007 Marine Aviation Plan (AvPlan) provides the way ahead for Marine Aviation over the next 10 years as it transitions 39 of 71 squadrons from 13 legacy aircraft to 6 new aircraft; it incorporates individual program changes and synchronizes support of our end strength growth to 202,000 marines.

Joint Strike Fighter

F–35B Lightning II development is on track with the first flight of BF–1 Short Take-Off/Vertical Landing (STOVL) variant scheduled for 2008. The F–35B STOVL variant is a fifth generation aircraft that will provide a quantum leap in capability, basing flexibility, and mission execution across the full spectrum of warfare. The JSF will act as an integrated combat system in support of ground forces and will be the centerpiece of Marine Aviation. The manufacture of the first nineteen test aircraft is well underway, with assembly times better than planned and exceptional quality demonstrated in fabrication and assembly. The first Conventional Take-Off/Landing (CTOL) aircraft flew in December 2006 and accumulated 19 flights prior to a planned technical refresh. The JSF acquisition strategy, including software development, reflects a block approach. The Marine Corps remains committed to an all-STOVL tactical aircraft force—which will enable future MAGTFs to best fulfill its expeditionary warfighting responsibilities in support of the Nation and combatant commanders.

MV–22 Osprey

The MV–22 brings revolutionary assault support capability to our forces in harm's way; they deserve the best assault support aircraft in the world—without question, the MV–22 is that aircraft. The MV–22 is replacing the CH–46E aircraft. The CH46E is over 40 years old, with limited lift and mission capabilities to support the MAGTF. In September 2005, the V–22 Defense Acquisition Board approved Full Rate Production. Twenty-nine Block A and 24 Block B aircraft have been delivered and are based at Marine Corps Air Station New River, NC; Patuxent River, MD; and Al Asad Air Base, Iraq.

Much like the F–35, the MV–22 program uses a block strategy in its procurement. Block A aircraft are training aircraft, Block B are operational aircraft, and Block C aircraft are operational aircraft with mission enhancements that will be procured in fiscal year 2010 and delivered in fiscal year 2012. One V–22 Fleet Replacement Training Squadron, one test squadron, and three tactical VMM squadrons have stood up. MV–22 Initial Operational Capability was declared on 1 June 2007 with a planned transition of two CH–46E squadrons per year thereafter.

VMM–263 is deployed to Al Asad Air Base, Iraq, and the significant capabilities of the Osprey have already been proven in combat. A brief examination of the daily tasking of the MV–22 squadron in Iraq tells a compelling story: a flight of MV–22s are doing in 6 hours what would have taken 12 hours in CH–46s. In addition, the aircraft easily ranges the entire area of operations and flies a majority of the time at altitudes beyond the range of our enemy's weapons. The Marine Corps asked for an aircraft that could take us farther, faster, and safer; and Congress answered.

KC–130J

KC–130Js have been continuously deployed in support of Operation Iraqi Freedom since February 2005—providing state-of-the-art, multi-mission, tactical aerial refueling, and fixed-wing assault support. The KC–130J is the workhorse of the MAGTF; its theater logistical support reduces the requirement for resupply via ground, limiting the exposure of our convoys to IEDs and other attacks.

The introduction of the aerial refuelable MV–22 combined with the forced retirement of the legacy KC–130F/R aircraft due to corrosion, fatigue life, and parts obsolescence requires an accelerated procurement of the KC–130J. In addition, the Marine Corps will replace its 28 Reserve component KC–130T aircraft with KC–130Js, simplifying the force to 1 type/model/series. The Marine Corps is contracted to procure a total of 46 aircraft by the end of fiscal year 2013; 29 new aircraft have been delivered and 4 KC–130J aircraft requested in the fiscal year 2008 budget.

H–1 Upgrade

The H–1 Upgrade Program (UH–1Y/AH–1Z) resolves existing operational UH–1N power margin and AH–1W aircrew workload issues—while significantly enhancing the tactical capability, operational effectiveness, and sustainability of our attack and utility helicopter fleet. The Corps' Vietnam-era UH–1N Hueys are reaching the end of their useful life. Due to airframe and engine fatigue, Hueys routinely take off at their maximum gross weight with no margin for error. Rapidly fielding the UH–1Y remains a Marine Corps aviation priority, with the first deployment of UH–1Ys to Operation Iraqi Freedom scheduled for the spring 2009.

Due to significant operational demands and aircraft attrition in the existing attack and utility helicopter fleet, the Marine Corps adopted a "build new" strategy for the UH–1Y in fiscal year 2006. Similarly, the Marine Corps began investing in Non-Recurring Engineering (NRE) in fiscal year 2007 for the production of a limited number of AH–1Z "build new" aircraft; these AH–1Zs will augment those existing AH–1Ws that will be remanufactured. This combined "build new" and remanufacture strategy will enable the Marine Corps to rapidly increase the number of AH–1s available, support the Marine Corps' growth to 202,000 marines, and alleviate inventory shortfalls caused by aircraft attrition. Ten production aircraft have been delivered. Operation and Evaluation (OPEVAL) Phase II commenced in February 2008, and as expected, showcased the strengths of the upgraded aircraft. Full rate production of the H–1 Upgrade (and the contract award of Lot 5 aircraft) is scheduled to take place during the fourth quarter fiscal year 2008.

CH–53K

In operation since 1981, the CH–53E is becoming increasingly expensive to operate and faces reliability and obsolescence issues. Its replacement, the CH–53K, will be capable of externally transporting 27,000 lbs to a range of 110 nautical miles, more than doubling the current CH–53E lift capability. Maintainability and reliability enhancements of the CH–53K will significantly decrease recurring operating costs and will radically improve aircraft efficiency and operational effectiveness over

the current CH–53E. The program passed Milestone B (System Development and Demonstration (SDD) initiation) in December 2005. The SDD Contract was awarded to Sikorsky Aircraft Corporation in April 2006. Initial Operational Capability (IOC) is scheduled for fiscal year 2015, and is defined as a detachment of four aircraft, ready to deploy.

Unmanned Aerial Systems

The Marine Corps is taking aggressive action to modernize and improve organic UAS capabilities. The Marine Corps' UAS are organized into three echelons, appropriate to the level of commander they support. Tier III UAS serve at the Marine Expeditionary Force (MEF) level. Tier II UAS support Regimental Combat Team and Marine Expeditionary Unit operations, and Tier I UAS support battalion and below operations. At the Tier III level, we have simultaneously transitioned Unmanned Aerial Vehicle Squadrons (VMU) to the RQ–7B Shadow; started reorganizing the squadrons' force structure to support detachment-based flexibility (operating three systems versus one for each squadron); and initiated the stand up of a third Active component VMU squadron.

With the significant support of the Army, the Marine Corps has completed the transition to the RQ–7B Shadow in less than 9 months. The transition to the Shadow provides a mature and modern—yet basic and readily available—Tier III platform upon which to baseline Marine VMU reorganization. A detachment-based concept of operations for the VMU will give Marine Expeditionary Force commanders flexibility to task-organize based on mission requirements. The addition of a third VMU squadron is critical to sustaining current operations by decreasing our current operational deployment-todwell ratio—currently at 1:1—to a sustainable 1:2 ratio. This rapid transition and reorganization, begun in January 2007, will be complete by the fourth quarter fiscal year 2009, significantly improving organic Marine Corps UAS capability while increasing joint interoperability and commonality.

The Marine Corps is using an ISR Services contract to provide Scan Eagle systems to Multinational Forces-West, Iraq to fill the Tier II void until future fielding of the Tier II/Small Tactical UAS (STUAS), a combined Marine Corps and Navy program beginning in fiscal year 2008 with planned fielding in 2011. At the Tier I level, the Marine Corps is transitioning from the Dragon Eye to the joint Raven-B program, also common with the U.S. Army.

When fully fielded, the Corps' Unmanned Aerial Systems will be networked through a robust and interoperable command and control system that provides commanders an enhanced capability applicable across the spectrum of military operations.

Ground Mobility

The Army and Marine Corps are leading the Services in developing tactical wheeled vehicle requirements for the joint force. Our efforts will provide the joint force an appropriate balance of survivability, mobility, payload, networking, transportability, and sustainability. The Army/Marine Corps Board has proven a valuable forum for coordination of development and fielding strategies; production of armoring kits and uparmored HMMWVs; and response to requests for Mine Resistant Ambush Protected (MRAP) vehicles. The Ground Mobility Suite includes:

Expeditionary Fighting Vehicle

The Marine Corps provides the Nation's joint forces with a unique and flexible forcible entry capability from the sea. The Expeditionary Fighting Vehicle (EFV) is specifically suited to maneuver operations conducted from the sea and sustained operations in the world's littoral regions. Its inherent capabilities provide utility across the spectrum of conflict. As the Corps' largest ground combat system acquisition program, the EFV is the sole sea-based, surface-oriented vehicle that enables projection of combat power from a seabase to an objective. It will replace the aging Assault Amphibious Vehicle—in service since 1972. Complementary to our modernized fleet of tactical vehicles, the EFV's amphibious mobility, day and night lethality, enhanced force protection capabilities, and robust communications will substantially improve joint force capabilities. Its over-the-horizon capability will enable amphibious ships to increase their standoff distance from the shore—protecting them from enemy anti-access weapons.

The Marine Corps recently conducted a demanding operational assessment of the EFV. It successfully demonstrated the most critical performance requirements, but the design complexities are still providing challenges to system reliability. To that end, we conducted a comprehensive requirements review to ensure delivery of the required capability while reducing complexity where possible. For example, the human stresses encountered during operations in some high sea states required us to reevaluate the operational necessity of exposing marines to those conditions.

Based upon this assessment, along with subsequent engineering design review, we will tailor final requirements and system design to support forcible entry concepts while ensuring the EFV is a safe, reliable, and effective combat vehicle.

Joint Light Tactical Vehicle

The Army/Marine Corps Board has been the focal point for development of joint requirements for a Joint Light Tactical Vehicle (JLTV)—which will provide protected, sustained, networked, and expeditionary mobility in the light tactical vehicle weight class. Throughout 2007, Army and Marine Corps combat and materiel developers coordinated with the Joint Staff, defining requirements and acquisition planning for the replacement for the uparmored HMMWV. In December, the Defense Acquisition Board approved JLTV entry into the acquisition process at Milestone A, designating the Army as lead Service and initiating competitive prototyping during the technology development phase. Prototypes will be evaluated to demonstrate industry's ability to balance survivability, mobility, payload, network enabling, transportability, and sustainability. The program is on track for a Milestone B in early 2010.

Marine Personnel Carrier

The Marine Personnel Carrier (MPC) is an expeditionary armored personnel carrier—ideal for irregular warfare—yet effective across the full range of military operations. Increasing armor-protected mobility for infantry battalion task forces, the MPC program balances vehicle performance, protection, and payload attributes. Through 2007, we completed both joint staffing of an Initial Capabilities Document and, a draft concept of employment. Additionally, the Analysis of Alternatives final report was published in December 2007. The program is on track for a Milestone B decision in the second quarter of fiscal year 2010 and an Initial Operational Capability in the 2015 timeframe.

Internally Transported Vehicle

The Internally Transported Vehicle (ITV) is a family of vehicles that will provide deployed Marine Air Ground Task Forces with ground vehicles that are transportable inside the MV–22 and CV–22 tilt-rotor aircraft, as well as CH–53 and MH–47 aircraft. There are three variants of the ITV, the Light Strike, the Prime Mover-Weapon, and the Prime Mover-Trailer. Both prime mover variants are components of the Expeditionary Fire Support System designed to support the M327 120mm mortar. In conjunction with testing of our Expeditionary Fire Support System, we conducted an operational assessment of the ITV Light Strike variant during which it met all key performance parameters. We expect to begin fielding this variant the Light Strike Variant of the ITV in June 2008.

Vehicle Armoring

Our goal is to provide the best level of available protection to 100 percent of in-theater vehicles that go "outside the wire." Our tactical wheeled vehicle strategy pursues this goal through the coordination of product improvement, technology insertion, and new procurement in partnership with industry. The Marine Corps, working with the other Services, is fielding armored vehicles such as: the MRAP vehicle, the Medium Tactical Vehicle Replacement Armor System, the Logistics Vehicle System (LVS) Marine Armor Kit, and the Uparmored HMMWV.

Medium Tactical Vehicle Replacement (MTVR) Armor System (MAS)

MAS provides an integrated, armor enclosed, climate-controlled cab compartment and an armored troop carrier for our MTVR variants. These vehicles are also being upgraded with an improved blast protection package consisting of blast attenuating seats, five-point restraint harnesses, and improved belly and fender-well blast deflectors. Basic MAS has been installed in all of the Marine Corps' MTVRs in the Central Command's theater of operation. Additionally, we are installing blast upgrade, fuel tank fire protection kits, and 300 AMP alternators; target completion for in-theater vehicles is fourth quarter fiscal year 2008.

Logistics Vehicle System Marine Armor Kit II

The LVS Marine Armor Kit (MAK) II provides blast, improvised explosive device, and small arms protection. It has a completely redesigned cab assembly that consists of a new frame with armor attachment points and integrated 360-degree protection. The new cab will also have an air conditioning system that cools from 134 degrees Fahrenheit to 89 degrees Fahrenheit in 20 minutes. Additional protection includes overhead and underbody armor using high, hard steel, rolled homogenous armor, and 2.75″ ballistic windows. The suspension system has been upgraded to

accommodate the extra weight of the vehicle. We estimate the LVS MAK II armoring effort will complete fielding by February 2009.

M1114 Highly-Mobile Multi-Wheeled Vehicle (HMMWV)-Upgrade—Fragmentation Kit 2 and Kit 5

Fragmentation Kit 2 enhances ballistic protection in the front driver and assistant driver wheel-well of HMMWVs. Fragmentation Kit 5 reduces injuries from improvised explosive devices as well as armor debris and fragmentation. Installation of both fragmentation kits was completed in fiscal year 2007. We are continuing to evaluate the U.S. Army's objective kit development and work with the Army and Office of Naval Research to assess new protection-level capabilities and share information. The Marine Corps has adopted a strategy of a 60 percent fully uparmored HMMWV fleet. All new Expanded Capacity Vehicles will have the Integrated Armor Package. Of those, 60 percent will be fully uparmored to include the appropriate "B" kit and Fragmentation kits during production. The Marine Corps will continue to work with the Army to pursue the development of true bolt-on/bolt-off "B" kits and fragmentation kits to apply as needed to post-production vehicles.

Mine Resistant Ambush Protected Vehicles

MRAP vehicles have a V-shaped armored hull and protect against the three primary kill mechanisms of mines and improvised explosive devices (IED)—fragmentation, blast overpressure, and acceleration. These vehicles provide the best currently-available protection against IEDs. Experience in theater shows that a marine is four to five times less likely to be killed or injured in a MRAP vehicle than in an uparmored HMMWV—which is why Secretary Gates made the MRAP program the number one acquisition priority for the Defense Department. MRAP vehicles come in three categories: Category I designed for use in urban environments and carries by up to six personnel; Category II for convoy escort, troop transport, and ambulance evacuation, which transports up to ten personnel; and Category III for route clearance/explosive ordnance disposal vehicles.

The total Department of Defense requirement for MRAP vehicles is 15,374—of which 3,700 are allocated for the Marine Corps. However, the Marine Corps requirement has been revalidated to 2,225, pending Joint Requirements Oversight Council approval. The Navy is the Executive Agent for the program and the Commander, Marine Corps Systems Command is the Joint Program Executive Officer. As an example of our adaptation to evolving threats, the Joint MRAP Vehicle Program Office has recently selected qualified producers of a new MRAP II vehicle for the Marine Corps and other forces. Vehicles procured through this second solicitation will meet enhanced survivability and performance capability required by field commanders.

The Marine Corps is very pleased with the overwhelming support of Congress on the MRAP program, both financially and programmatically. We ask that Congress continue their support for these lifesaving vehicles and support us as we transition to the sustainment of these vehicles in future years.

Marine Air Ground Task Force Fires

In 2007, we initiated a study titled "The Major Combat Operations Analysis for Fiscal Years 2014 and 2024." This study scrutinized the current organic fire support of the MAGTF to determine the adequacy, integration, and modernization requirements for ground, aviation, and naval surface fires. The study concluded that the MAGTF/Amphibious Task Force was unable to adequately address moving and armored targets 24/7 and in all weather conditions. This deficiency is especially acute during the Joint Forcible Entry Operation phase of combat operations. The study also reinforced the critical importance of both the Joint Strike Fighter and AH1Z in minimizing the fires gap. With this information, we then developed a set of alternatives for filling these gaps—using either MAGTF reinforcing or joint fires. We also performed a supplemental historical study using Operation Iraqi Freedom data to examine MAGTF Fires in the full spectrum of warfare. These studies reconfirmed the requirement for a mix of air, naval surface, and ground-based fires as well as the development of the Triad of Ground Indirect Fires.

Our Triad of Ground Indirect Fires provides for complementary, discriminating, and nondiscriminating fires that facilitate maneuver during combat operations. The Triad requires a medium-caliber cannon artillery capability; an extended range, ground-based rocket capability; and a mortar capability with greater lethality than current models and greater tactical mobility than current artillery systems. The concept validates the capabilities provided by the M777 lightweight 155mm towed howitzer, the High Mobility Artillery Rocket System, and the Expeditionary Fire Support System, a 120mm rifled towed mortar.

M777 Lightweight Howitzer

The new M777 lightweight howitzer replaces our M198 howitzers. It can be lifted by the MV–22 Osprey and the CH–53E helicopter and is paired with the Medium Tactical Vehicle Replacement truck for improved cross-country mobility. Through design innovation, navigation, positioning aides, and digital fire control, the M777 offers significant improvements in lethality, survivability, mobility, and durability over the M198 howitzer. The Marine Corps began fielding the first of 511 new howitzers to the operating forces in April 2005 and expects to complete fielding in fiscal year 2011.

High Mobility Artillery Rocket System

High Mobility Artillery Rocket System (HIMARS) fills a critical range and volume gap in Marine Corps fire support assets by providing 24 hour, all weather, ground-based, indirect precision and volume fires throughout all phases of combat operations ashore. We will field 46 HIMARS—18 to the Active component, 18 to the Reserve component, 4 to the supporting establishment, and 6 to the War Reserve Material Readiness—Forward. When paired with Guided Multiple Launch Rocket System rockets, HIMARS will provide a highly responsive, precision fire capability to our forces. We will reach Initial Operational Capability this August and expect to be at Full Operational Capability by fiscal year 2010.

Expeditionary Fire Support System

The Expeditionary Fire Support System (EFSS), a towed 120mm mortar, will be the principal indirect fire support system for heli- and tiltrotor-borne forces executing ship to objective maneuver as part of a Marine Air Ground Task Force. When paired with an Internally Transportable Vehicle, EFSS can be transported aboard MV–22 and CH–53E aircraft. EFSS-equipped units will have immediately responsive, organic indirect fires at ranges beyond current infantry battalion mortars. Initial operational capability is planned during fiscal year 2008, and full operational capability is planned for fiscal year 2010.

Infantry Weapons

Based on combat experience and numerous studies, we are developing infantry weapons systems with the following goals: increased effectiveness, lighter weight, improved modularity, and integration with other infantry equipment. The Marine Corps and Army are co-leading joint service capabilities analysis for future developments.

Individual Weapons

The M16A4 is our current service rifle and makes up the majority of our assigned individual weapons. It is supplemented by the M4 Carbine, which is assigned to marines based on billet and mission requirements. We are participating in several Army tests which will evaluate the capabilities and limitations of our small arms inventory. In conjunction with the Army and Air Force, we will use these results to determine priorities for a future service rifle with focus on modularity, ergonomics, balance, and lethality. We also have executed a two-pronged strategy for a larger caliber pistol: supporting the Air Force's effort to analyze and develop joint capabilities documents for a new pistol and examining the Army's recent consideration of personal defense weapons.

Multi-Purpose Weapons

The Shoulder-Launched Multipurpose Assault Weapon (SMAW) is an aging, heavy weapon that is nearing the end of its service life. We are seeking ways to reduce weight, increase reliability, and improve target identification as well as develop a "fire from enclosure" capability that will enable marines to fire the weapon from within an enclosed space.

Scout Sniper Capability

We are conducting a holistic assessment of our Scout Sniper capability to identify shortfalls and develop recommended solutions—concurrently integrating the doctrine, training, weapons, equipment, and identified tasks with a marine sniper's professional development and career.

Non-lethal Weapons Technology

The complexities of the modern battlespace often place our service men and women in challenging situations where sometimes, lethal force is not the preferred response. In these environments, our warfighters need options for a graduated escalation of force. As the Executive Agent for the Department of Defense Non-Lethal Weapons Program, we see the need for long-range, directed-energy systems. Marines

and soldiers in Iraq are already using non-lethal directed energy weapons; green laser warning devices have reduced the requirement to use lethal force at checkpoints against wayward, but otherwise innocent, Iraqi civilians. We continue to pursue joint research and development of promising non-lethal weapon technologies, such as the millimeter wave Active Denial System. We thank the committee for its support of these vital capabilities for modern warfare.

Counter-Sniper Technology

We are leveraging the work of the Defense Advanced Research Projects Agency, our sister Services, the Marine Corps Intelligence Activity, and the National Ground Intelligence Center in an effort to increase our ability to counter enemy snipers. We are examining different obscurant technologies as well as various infrared detection/location sense and warn capabilities. We are experimenting with advanced equipment and improved tactics, techniques, and procedures. The ability to detect enemy optics will provide our marines warning of impending sniper or improvised explosive device attacks and the ability to avoid or engage the sniper before he can fire. Ongoing joint and interagency cooperation, coupled with industry collaboration, will shape our future experiments.

Infantry Battalion Enhancement Period Program (IBEPP)

We are fielding additional equipment to infantry battalions to better enable marines to fight and win on the distributed and non-linear battlefield. This equipment encompasses communications, optics, weapons, and vehicles, at a cost of approximately $19 million per battalion. Key elements of the IBEPP include a formal squad leader course for every rifle battalion squad leader, a tactical small unit leaders' course for prospective fire team leaders, and a "Train the Trainer" mobile training team to teach junior tactical leaders the skills required to more effectively train their own marines.

Command and Control (C2) Harmonization

The Marine Corps' Command and Control Harmonization Strategy articulates our goal of delivering an end-to-end, fully-integrated, cross-functional capability to include forward-deployed and reach-back functions. We envision seamless support to marines in garrison and in combat—taking the best of emerging capabilities to build a single solution that includes the Common Aviation Command and Control System (CAC2S), Tactical Communications Modernization (TCM) program, Very Small Aperture Terminal (VSAT), and training.

The CAC2S fuses data from sensors, weapon systems, and command and control systems into an integrated display, assisting commanders in controlling organic, joint, and coalition efforts while operating as a joint task force. Delivered in a common, modular, and scalable design, CAC2S reduces the current systems into one hardware solution. The TCM and VSAT programs fuse data on enemy forces into the Common Operating Picture and increase our ability to track friendly forces. Lastly, our C2 Harmonization Strategy increases capability to train our staffs through Marine Air Ground Task Force Integrated System Training Centers.

Information Operations

The ability to influence an adversary through information operations has been a critical capability our current operations and will be of even more importance as we continue to engage in security cooperation efforts around the globe. To better support our Information Operations (IO), we are standing up the Marine Corps Information Operations Center at Quantico, VA—our primary organization to integrate and deliver IO effects throughout the Marine Corps.

Marine Corps Intelligence, Surveillance, and Reconnaissance Enterprise

We are increasing the quality of our Intelligence, Surveillance, and Reconnaissance (ISR) capabilities through the use of an enterprise approach known as the Marine Corps ISR Enterprise (MCISR–E)—resulting in a fully-integrated architecture compliant with joint standards for data interoperability. MCISR–E will provide networked combat information and intelligence down to the squad level across the range of military operations. To ensure marines have access to these new capabilities, our MAGTF Command and Control systems feed combat operation centers with information from wide field of view persistent surveillance systems such as Angel Fire, traditional ISR systems such as our family of Unmanned Aircraft Systems (UAS), and non-traditional collection assets such as Ground Based Operational Surveillance System (GBOSS). Intelligence sections down to the company level are equipped with ISR fusion systems as well as applications such as MarineLink that enable rapid discovery, data mining, analysis, and most importantly incorporation

of Intelligence into tactical planning for operations and intelligence reporting down to squad level and up to higher headquarters.

Marine Corps Operational Logistics

Operating Force Sustainment Initiatives

We have aggressively moved forward on several forward-deployed initiatives that have improved our support to our marines in combat. Our Marine Corps Logistics Command is working with our Marine Expeditionary Forces on extending heavy intermediate maintenance support within the continental United States. Maintenance Center contact teams at Camp Lejeune and Camp Pendleton are extending the service life of equipment through corrosion control and maintenance programs that enhance predeployment readiness.

Improving Combat Readiness Through Innovation

To assure optimum use of the resources provided by Congress and the American taxpayers, we are making innovations in how we equip, sustain, house, and move our warfighters. We are aggressively applying the principles of continuous process improvement to these enabling business processes across the Corps. In just the past year, we have cut costs and repair cycle time at both aviation and ground maintenance depots, revamped and speeded up the urgent universal needs statements process, and instituted regional contracting for materiel and services that is proving more cost effective. Such improvements are expected to increase as training and experience proliferate.

Urgent Universal Needs Statement Process

The Urgent Universal Needs Statement (UUNS) process enables deployed commanders to request equipment based on their recent experience. Designed to procure equipment more expediently than if submitted in the regular budgeting process, the Marine Corps' UUNS process uses a secure, Web-based system that provides full stakeholder visibility from submission through resolution. Through continuous process improvement, we have reduced our average processing time by 58.8 days. Our goal is responsive support to commanders in the field by providing a rational, disciplined, and time-sensitive process that fulfills their validated urgent requirements in the fastest, most logical way. We continue to review the system for opportunities to increase efficiency and timeliness. For example, as a result of a February 2006 Lean Six Sigma review, several improvements were implemented including standardization, on-line tracking, and streamlined approval. Typically, UUNS are funded by reprogramming funds from approved programs or through congressional supplemental funding. They are funded with regard for current law, their effects on established programs of record, or other initiatives in the combat capability development process.

Information Technology Enablers/Global Combat Support System—Marine Corps

Global Combat Support System—Marine Corps continues to make strides toward delivering a modernized information technology system that will enhance logistics support to the warfighter. As the primary information technology enabler for the Marine Corps' Logistics Modernization efforts, the system's primary design focus is to enable the warfighter to operate while deployed and provide reach back capability from the battlefield. At the core is modern, commercial off-the-shelf enterprise resource planning software that will replace our aging legacy systems. The Global Combat Support System—Marine Corps Block 1 focuses on providing the operating forces with an integrated supply/maintenance capability and enhanced logistics-chain-management planning tools. Field User Evaluations and Initial Operational Test and Evaluations are scheduled for 1st quarter fiscal year 2009, followed by fielding of the system and Initial Operating Capability during fiscal year 2009. Future blocks will focus on enhancing capabilities in the areas of warehousing, distribution, logistics planning, decision support, depot maintenance, and integration with emerging technologies to improve asset visibility.

Secure Internet Protocol Routing Network

The Secure Internet Protocol Routing Network (SIPRNET) is our primary warfighting command and control network. The asymmetric nature of current attacks combined with future threats to our networks demand a greater reliance on the SIPRNET to ensure the security of Marine Corps warfighting and business operations. The Marine Corps is aggressively upgrading our existing SIPRNET capabilities and an expansion of our SIPRNET in the future will be necessary to meet operational demands. The resources required for this expansion will enable wider use of the SIPRNET across the Marine Corps as we transition more warfighting and business operations into a highly secure and trusted network.

Infrastructure Energy Considerations

The purchase of electricity, natural gas, petroleum fuels, and potable water to operate our facilities is a significant expense. Through proactive Facilities Energy and Water Management and Transportation Programs to reduce consumption, we are achieving substantial cost avoidance and environmental benefits including reduction of greenhouse gas emissions and other pollutants. Our program provides the direction, actions, and metrics necessary for commands to:

- Reduce rate of energy use in existing facilities;
- Improve facility energy efficiency of new construction and renovations;
- Expand use of renewable resources;
- Reduce water usage rates on our installations;
- Improve security and reliability of energy and water systems; and
- Decrease petroleum use through increased efficiency and alternative fuel use.

Marine Corps conservation efforts have been substantial, but installation energy and water requirements continue to increase as we increase our end strength and adjust to rising energy prices.

V. PROVIDE OUR NATION A NAVAL FORCE FULLY PREPARED FOR EMPLOYMENT AS A MAGTF ACROSS THE SPECTRUM OF CONFLICT

The enduring value of naval expeditionary forces in protecting our homeland, preventing crises, and winning our Nation's wars is a key theme of the recently signed maritime strategy entitled "A Cooperative Strategy for 21st Century Seapower," the Naval Operations Concept, and the Marine Corps Operating Concepts for a Changing Security Environment. These documents acknowledge the uncertainty of the strategic environment and that winning the battle for influence—and thus preventing wars—is as important as our Nation winning wars. Influenced by a variety of geographic, diplomatic, and geographic factors, our country's access to strategic basing is in decline. Our strategies address the requirement to maintain a robust forcible entry capability: the ability to maneuver from the sea, gain and maintain access anywhere in the littorals as well as transition to operations ashore and sustain the force from the seabase. They provide a template for Maritime Service capability and capacity and underscore our Marine Corps-Navy warfighting interdependence.

These concepts and strategies also incorporate hard-fought lessons from our current battles in Iraq and Afghanistan. Combat casualties have in a very real sense become a center of gravity for America—no matter what the cause or conflict. Therefore, "increased risk" and "slower response times" must always be calculated in terms of their real costs—loss of life and materiel on the battlefield and then, potentially, the loss of support of the American people.

Seapower is a distinct asymmetric advantage of the United States. For marines, that asymmetric advantage includes Joint Seabasing, which allows us to maximize forward presence and engagement while "stepping lightly" on local sensitivities, avoiding the unintended political, social, and economic disruptions that often result from a large American presence ashore. It allows us to conduct a broad range of operations in areas where access is challenged, without operational commanders being forced to immediately secure ports and airfields. Given diplomatic, geographic, and infrastructure constraints, Seabasing is absolutely critical to overcoming area denial and anti-access weapons in uncertain or openly hostile situations. The combination of capabilities that allows us to influence events ashore from over the horizon—amphibious warfare ships, innovative Maritime Prepositioning Force (Future) ships, Joint High Speed Vessels, surface connectors, MV–22s, and EFVs—play a key role in surmounting access challenges.

Seabasing is not exclusive to the Navy and Marine Corps—it will be a national capability. In fact, we view Joint Seabasing as a national strategic imperative. Just as the amphibious innovations championed by the Navy-Marine Corps team during the 1920s and 1930s were employed by all U.S. and Allied forces in every theater during World War II, we believe that the Seabasing initiatives currently underway will expand to become joint and interagency capabilities. Our control of the sea allows us to use it as a vast maneuver space—365 days a year. Seabasing allows us to project influence and expeditionary power in the face of access challenges, a distinct asymmetric advantage. These capabilities allow maritime forces to support our partners and to deter and defeat adversaries in a complex and uncertain future. Today, another generation of Naval planners continues to envision how our amphibious capabilities can evolve into more fully sea-based operations and better meet the Combatant Commanders' varied and competing requirements.

Amphibious Ship Requirements

The maritime strategy advocates credible combat power as a deterrent to future conflict. The Marine Corps supports this capability through the flexibility and combat power of the Marine Air Ground Task Force embarked on amphibious warfare ships. By far the most complex of our congressionally-mandated missions, amphibious forcible entry requires long-term resourcing and a high-level of proficiency. It is not a capability that we can create in the wake of a threat.

The characteristics of amphibious ships (their command and control suites, flight decks, well decks, air and surface connectors, medical facilities, messing and berthing capacity, and survivability) merged with the general-purpose nature of embarked marines, make them multi-mission platforms—unbeatable in operations ranging from humanitarian assistance to amphibious assault. These forces have brought hope and assistance to peoples ravaged by tsunamis, earthquakes, and cyclones—even hurricanes in our own country. They have provided a powerful combat force from the sea as evidenced by the opening days of Operation Enduring Freedom when marines provided the first conventional forces ashore in Afghanistan. An equally powerful force assaulted from amphibious ships up the Al Faw peninsula in early weeks of Operation Iraqi Freedom. In spite of the proliferation of anti-access technologies among state and non-state actors, Navy-Marine Corps amphibious capabilities have answered our Nation's "911 call" over 85 times since the end of the Cold War. Many international navies have recognized the value of amphibious warfare ships—as evidenced by the global renaissance in amphibious ship construction.

Based on strategic guidance, in the last several years we have accepted risk in our Nation's forcible entry capacity and reduced amphibious lift from 3.0 Marine Expeditionary Brigade (MEB) assault echelons to 2.0 MEB assault echelons. In the budgetary arena, the value of amphibious ships is too often assessed exclusively in terms of forcible entry—discounting their demonstrated usefulness across the range of operations and the clear imperative for marines embarked aboard amphibious ships to meet Phase 0 demands. The ability to transition between those two strategic goalposts, and to respond to every mission-tasking in between, will rely on a strong Navy-Marine Corps Team and the amphibious ships that cement our bond. The Navy and Marine Corps have worked diligently to determine the minimum number of amphibious ships necessary to satisfy the Nation's needs—and look forward to working with the committee to support the Chief of Naval Operation's shipbuilding plans.

The Marine Corps' contribution to the Nation's forcible entry requirement is a single, simultaneously-employed two Marine Expeditionary Brigade (MEB) assault capability—as part of a seabased Marine Expeditionary Force. Although not a part of the Marine Expeditionary Force Assault Echelon, a third reinforcing MEB is required and will be provided via Maritime Prepositioning Force (Future) capabilities. Each MEB assault echelon requires seventeen amphibious warfare ships—resulting in an overall ship requirement for 34 amphibious warfare ships. However, given current fiscal constraints, the Navy and Marine Corps have agreed to assume greater operational risk by limiting the assault echelon of each MEB by using only 15 ships per MEB—in other words, a Battle Force that provides 30 operationally available amphibious warfare ships. In that 30-ship Battle Force, 10 aviation-capable big deck ships (LHA/LHD/LHA(R)) and 10 LPD–17 class ships are required to accommodate the MEB's aviation combat element.

In order to meet a 30-ship availability rate—based on a Chief of Naval Operations-approved maintenance factor of 10 percent—a minimum of 11 ships of each of the current types of amphibious ships are required—for a total of 33 ships. The Navy has concurred with this requirement for 33 amphibious warfare ships, which provide the "backbone" of our maritime capability—giving us the ability to meet the demands of harsh environments across the spectrum of conflict.

Amphibious Assault Ship (Replacement) (LHA(R))

The legacy *Tarawa* class amphibious assault ships reach the end of their service life during 2011–2015. The eighth *Wasp*-class LHD (multi-purpose amphibious assault ship) is under construction and will replace one *Tarawa*-class ship during fiscal year 2008. To meet future warfighting requirements and fully capitalize on the capabilities of the MV–22 and Joint Strike Fighter, two LHA(R)-class ships with enhanced aviation capabilities will replace the remaining LHA class ships. These ships will provide enhanced hangar and maintenance spaces to support aviation maintenance and increased jet fuel storage and aviation ordnance magazines. We are investigating the feasibility of incorporating the reduced island concept and well-deck capabilities in future, general-purpose assault ship construction.

Amphibious Transport Dock (LPD)

The LPD–17 *San Antonio* class of amphibious warfare ships represents the Department of the Navy's commitment to a modern expeditionary power projection fleet that will enable our naval force to operate across the spectrum of warfare. It is imperative that 11 of these ships be built to meet the minimum of 10 necessary for the 2.0 MEB assault echelon amphibious lift requirement.

The Navy took delivery of the first LPD–17 in the summer of 2005 and operational evaluation is scheduled for spring 2008. The LPD–17 class replaces four classes of older ships—LKA, LST, LSD–36, LPD–4—and will have a 40-year expected service life. LPD–17 class ships will play a key role in supporting the ongoing Long War by forward deploying marines and their equipment to better respond to crises abroad. Its unique design will facilitate expanded force coverage and decreased reaction times of forward deployed Marine Expeditionary Units. In forcible entry operations, the LPD–17 will help maintain a robust surface assault and rapid off-load capability for the Marine Air Ground Task Force and the Nation.

The Maritime Prepositioning Force

Capable of supporting the rapid deployment of three Marine Expeditionary Brigades (MEB), the Maritime Prepositioning Force is an important element of our expeditionary warfighting capability. MPF is a proven capability and has been used as a force deployment option in selected contingencies, to close forces on accelerated timelines for major combat operation, and in combination with amphibious forces to rapidly and simultaneously react to crises in more than one theater.

The next and necessary evolution of this program is incorporation of the Maritime Prepositioning Force-Future (MPF(F)) Squadron into the existing MPF Program. MPF(F) is a key enabler for Seabasing and will build on the success of the legacy Maritime Prepositioning Force program. MPF(F) will provide support to a wide range of military operations with improved capabilities such as at-sea arrival and assembly, selective offload of specific mission sets, and long-term, sea-based sustainment. From the sea base, the squadron will be capable of prepositioning a single MEB's critical equipment and sustainment for delivery—without the need for established infrastructure ashore.

While the MPF(F) is not suitable for forcible entry operations, it is critical for the rapid build up and sustainment of additional combat forces once our entry has been achieved by our assault echelon—launched from amphibious assault ships. The MPF(F), along with two legacy MPF squadrons, will give the Marine Corps the capacity to quickly generate three MEBs in support of multiple combatant commanders. The MPF(F) squadron composition decision was made in May 2005. That squadron is designed to consist of three aviation-capable big-deck ships, three large medium-speed roll-on/roll-off ships, three T–AKE supply ships, three Mobile Landing Platforms, and two dense-packed container ships. All of these will be crewed by civilian mariners and, as stated earlier, are not designed to conduct forcible entry operations. The program is currently in the technology development phase of acquisition, with a Milestone B decision planned in fiscal year 2008.

Mobile Landing Platform

The Mobile Landing Platform (MLP) is perhaps the most flexible platform in the MPF(F) squadron. Designed to be the "pier in the ocean," the MLP is an interface platform for other surface lift ships and vessels. Instead of ships and lighters going to a terminal on shore, they could transfer vehicles and equipment to and from the MLP. The ship is being designed to interface with MPF(F) Large Medium-Speed Roll-on/Roll-off ships through sea state four and accommodate Landing Craft Air Cushion operations in sea state three at a minimum. Additionally other service platforms could leverage the ship as an interface. In concert with the Navy, the MLP capabilities development document was delivered to the Joint Requirements Oversight Counsel in January 2007.

Dry Cargo/Ammunition Ship (T–AKE)

The T–AKE is a selectively off-loadable, afloat warehouse ship, which is designed to carry dry, frozen, and chilled cargo; ammunition; and limited cargo fuel. Key holds are reconfigurable for additional flexibility. It has a day/night capable flight deck. These ships can support the dry cargo and compatible ammo requirements of joint forces and are the same ship class as the Combat Logistics Force T–AKE ships.

Large Medium-Speed Roll-on/Roll-off (LMSR) Ship

The LMSRs were designed to accommodate the Department of Defense's largest vehicles—such as the Abrams Tanks, Rough Terrain Cargo Handler, and tractor trailers; this capacity is being leveraged to support Marine Corps vehicles and equipment. These ships, modified for MPF(F), will be very large, afloat equipment

staging areas with additional capabilities including vehicle maintenance areas, berthing, ammunition breakout areas, two aviation operating spots, underway replenishment equipment, MLP interface, and a 113-ton crane capable of lifting vehicles or shipping containers. Importantly, they will also reduce strategic airlift requirements associated with our fly-in echelon.

Ship-to-Shore Mobility

Historically, Marine Corps amphibious power projection has included a deliberate buildup of combat power ashore; only after establishment of a beachhead could the Marine Air Ground Task Force begin to focus its combat power on the joint force's operational objective. Advances in mobility, fires, and sustainment capabilities will greatly enhance operations from over the horizon—by both air and surface means—with forces moving rapidly to operational objectives deep inland without stopping to seize, defend, and build up beachheads or landing zones. The ability to project power inland from a mobile sea base has utility across the spectrum of conflict—from humanitarian assistance to major combat operations. The EFV, MV–22 Osprey, and CH–53K heavy lift helicopter are critical to achieving necessary capabilities for future expeditionary operations.

High-Speed Connectors

High-speed connectors will facilitate sustained seabased operations by expediting force closure and allowing the necessary sustainment for success in the littorals. Coupled with strategic airlift and sealift assets, the Joint High Speed Vessel and Joint Maritime Assault Connector provide an intra-theater capability, which enables rapid closure of Marine forces and sustainment ashore. These platforms will link bases and stations around the world to the sea base and other advanced bases, as well as provide linkages between the sea base and forces operating ashore.

VI. TAKING CARE OF OUR MARINES AND OUR FAMILIES

Our most precious asset is the individual marine. Our marines and families have been steadfast and faithful in their service to our country, and we have an equally enduring obligation to them. As such, we are committed to putting our family programs on a wartime footing—our marines and families deserve no less.

Putting Family Readiness Programs on a Wartime Footing

Last year, we directed a rigorous assessment of our family programs and have aggressively moved forward to improve them at every level. We continue our assessments—targeting younger marines and their families to ensure that we are fully addressing their needs. We request that Congress continue to support these initiatives so that we can advance these reforms to meet the evolving requirements of our warfighters and their families.

Our Marine Corps Family Team Building Program and unit Family Readiness Programs, the centerpiece to our family support capability, was based on a peacetime model and 18-month deployment cycles. It was also largely supported on the backs of our dedicated volunteers; our volunteers have been performing magnificently while shouldering the lion's share of this program—but it is time to dedicate sufficient resources in light of the demands of our wartime operations.

We have recently initiated a sustained funding increase to implement Marine Corps family readiness reforms in fiscal year 2008. These reforms include:

- Formalizing the role and relationship of process owners to ensure accountability for family readiness;
- Expanding programs to support the extended family of a Marine (spouse, child, and parents);
- Establishing primary duty billets for Family Readiness Officers at regiment, group, battalion, and squadron levels;
- Improving the quality of life at remote and isolated installations;
- Increasing Marine Corps Family Team Building installation personnel;
- Refocusing and applying technological improvements to our communication network between commanders and families;
- Dedicating appropriate baseline funding to command level Family Readiness Programs; and
- Developing a standardized, high-quality volunteer management and recognition program.

The Marine Corps continues its proud heritage of "taking care of its own" and ensuring family programs sustain our families and our marines for the Long War.

Casualty Assistance

Your marines proudly assume the dangerous, but necessary, work of serving our Nation. Some marines have paid the ultimate price, and we continue to honor them as heroes for their immense contributions to our country. Our casualty assistance program continues to evolve to ensure the families of our fallen marines are always treated with the utmost compassion, dignity, and honor.

Our trained Casualty Assistance Calls Officers provide the families of our fallen marines assistance to facilitate their transition through the stages of grief. Last year, congressional hearings and inquiries into casualty next-of-kin notification processes revealed deficiencies in three key and interrelated casualty processes: command casualty reporting, command casualty inquiry and investigation, and next-of-kin notification. These process failures were unacceptable. Instantaneous with discovery of the process failures, we ordered an investigation by the Inspector General of the Marine Corps and directed remedial action to include issuing new guidance to commanders—reemphasizing investigation and reporting requirements and the importance of tight links between these two systems to properly serve marines and their families. We will continue to monitor our processes, making every effort to preclude any future errors and to ensure marines and families receive timely and accurate information relating to their marine's death or injury.

Wounded Warrior Regiment

In April 2007, the Wounded Warrior Regiment was activated to achieve unity of command and effort in order to develop a comprehensive and integrated approach to Wounded Warrior care. The establishment of the Regiment reflects our deep commitment to the welfare of our wounded, ill, and injured. The mission of the Regiment is to provide and facilitate assistance to wounded, ill, and injured marines, sailors attached to or in support of Marine units, and their family members, throughout all phases of recovery. The Regiment provides non-medical case management, benefit information and assistance, and transition support. We use "a single process" that supports Active Duty, Reserve, and separated personnel and is all inclusive for resources, referrals, and information.

There are two Wounded Warrior Battalions headquartered at Camp Lejeune, NC, and Camp Pendleton, CA. The Battalions include liaison teams at major military medical treatment facilities, Department of Veterans Affairs Polytrauma Rehabilitation Centers and Marine Corps Base Naval Hospitals. The Battalions work closely with our warfighting units to ensure our wounded, ill and injured are cared for and continue to maintain the proud tradition that "Marines take care of their own."

The Regiment is constantly assessing how to improve the services it provides to our wounded, ill, and injured. Major initiatives of the Regiment include a Job Transition Cell manned by marines and representatives of the Departments of Labor and Veteran Affairs. The Regiment has also established a Wounded Warrior Call Center for 24/7 support. The Call Center both receives incoming calls from marines and family members who have questions, and makes outreach calls to the almost 9,000 wounded marines who have left active service. A Charitable Organization Cell was created to facilitate linking additional wounded warrior needs with charitable organizations that can provide the needed support. Additionally, The Regiment has also strengthened its liaison presence at the Department of Veterans Affairs Central Office. These are just some of the initiatives that reflect your Corps' enduring commitment to the well-being of our marines and sailors suffering the physical and emotional effects of their sacrifices for our great Nation.

We are at the beginning of a sustained commitment to care and support our wounded, ill, and injured. As our Wounded Warrior Program matures, additional requirements will become evident. Your continued support of new legislation is essential to ensure our Wounded Warriors have the resources and opportunities for full and independent lives.

Thank you for your personal and legislative support on behalf of our wounded warriors. Your personal visits to them in the hospital wards where they recover and the bases where they live are sincerely appreciated by them and their families. Your new Wounded Warrior Hiring Initiative to employ wounded warriors in the House and Senate demonstrates your commitment and support of their future well-being. We are grateful to this Congress for the many wounded warrior initiatives in the National Defense Authorization Act for Fiscal Year 2008. This landmark legislation will significantly improve the quality of their lives and demonstrates the enduring gratitude of this Nation for their personal sacrifices. I am hopeful that future initiatives will continue to build upon your great efforts and further benefit the brave men and women, along with their families, who bear the burden of defending this great country.

Traumatic Brain Injury (TBI)

With the frequent use of improvised explosive devices (IEDs) and improved protective measures that reduce mortality rates, more marines are exposed to possible traumatic brain injuries. As with other poorly understood injuries, there is sometimes a reluctance by individual marines to seek medical attention at the time of the injury. Education is the best way to reduce this stigma, and it is to be the most effective treatment for those suffering a mild injury. TBI awareness and education is part of pre-deployment and routine training. All marines are being screened for TBI exposure during the post-deployment phase and those identified as injured receive comprehensive evaluation and treatment. A pilot program for baseline neurocognitive testing is being implemented to improve identification of TBI and maintain individual and unit readiness in the field. The Marine Corps continues to work closely with DOD's Center of Excellence for Psychological Health and Traumatic Brain Injury to continue to advance our understanding of TBI and improve the care of all marines.

Post-Traumatic Stress Disorder (PTSD)

The Marine Corps Combat Development Command, Marine Corps Training and Education Command, Naval Health Research Center, and others are studying ways to identify risk and protective factors for Post-Traumatic Stress Disorder (PTSD) and to increase our resilience to stress. By improving the awareness of both individuals and our leaders, we can provide early identification and psychological first aid for those who are stress-injured. Better screening and referral of at-risk marines are underway via pre- and post-deployment standard health assessments that specifically screen for mental health problems. The Department of Veterans Affairs has established comprehensive guidelines for managing post-traumatic stress, which are available to all Services.

The Marine Corps is grateful for the effort Congress has put into making TBI, PTSD, and other-combat-related mental illness issues a top priority. We will continue to do the same so that we can further improve our knowledge and treatment of these disorders.

Combat and Operational Stress Control (COSC)

Marine Corps commanders are fully engaged in promoting the psychological health of our marines, sailors, and family members. Our commanders bear responsibility for leading and training tough, resilient marines and sailors, and for maintaining strong, cohesive units. Unit commanders have the greatest potential for detecting stress occurrences and assessing impact on warfighters and family members. Our leaders establish an environment where it is okay to ask for help and that combat stress is as deserving of the same respect and care as any physical wound of war. With the Navy's medical community, we are expanding our program of embedding mental health professionals in operational units—the Operational Stress Control and Readiness (OSCAR) program—to directly support all elements of the Marine Air-Ground Task Force. We also continue our collaboration with sister Services, the Department of Veterans Affairs' National Center for Post-traumatic Stress Disorder, and external agencies to determine best practices to better support marines and their families.

Family Member Pervasive Developmental Disorders

The effectiveness of marines and sailors during deployment is dependent upon the adequacy of support provided to family members at home. Children of servicemembers with special needs, to include pervasive developmental disorders, have additional medical, educational, and social needs that are challenging to meet even when both parents are available. The TRICARE Enhanced Care Health Option has not been able to provide sufficient support. To address this issue, the Marine Corps is working with the Department of Defense Office of Family Policy Work Group on examining options to expand its Educational and Developmental Intervention Services (EDIS), a program that delivers Early Intervention Services to eligible infants and toddlers in domestic and overseas areas as well as through Medically Related Service programs in Department of Defense schools overseas.

Exceptional Family Member Program (Respite Care)

Parental stress can be heightened for families that are not only impacted by the current operational tempo but are also caring for a child with special needs. To focus on this need, we offer our active duty families enrolled in the Exceptional Family Member Program up to 40 hours of free respite care per month for each exceptional family member. We seek to provide a "continuum of care" for our exceptional family members. In this capacity, we are using our assignment process, working with TRICARE and the Department of the Navy Bureau of Medicine and Surgery to ex-

pand access and availability to care, and providing family support programs to ease relocations and ensure quality care transitions.

Water Contamination at Camp Lejeune

Past water contamination at Camp Lejeune has been and continues to be a very important issue for the Marine Corps. Our goal is, using good science, determine whether exposure to the contaminated water at Camp Lejeune resulted in any adverse health effects for our marines, their families, and our civilian workers.

The Marine Corps continues to support the Agency for Toxic Substances and Disease Registry (ATSDR) in their health study, which is estimated to be completed during 2009. With the help of Congress, the highly respected National Academy of Sciences is now helping us develop a way ahead on this difficult issue.

The Marine Corps continues to make progress notifying former residents and workers. We have established a call center and notification registry where the public can provide contact information so that we can keep them apprised of the completion of these health studies.

VII. BEYOND THE HORIZON—POSTURING THE MARINE CORPS FOR THE FUTURE

History has proven that we cannot narrowly define the conditions for which our military must be ready. With little warning, our Nation has repeatedly called its Corps front and center. In the southern Pacific after Pearl Harbor, in Korea after the communist invasion in 1950, in the mountains of Afghanistan after September 11, and southern Asia in the wake of the catastrophic tsunami of 2004—to name a few. These strategic surprises demonstrate the broad range of possibilities for which the Marine Corps must be prepared.

The United States faces a complex mix of states who sponsor terrorism, regional and rising peer competitors, failing states that undermine regional stability, and a variety of violent non-state actors—religious extremists, insurgents, paramilitary forces, pirates, and other criminals—all serving to destabilize legitimate governments and undermine security and stability of the greater global community. We see this global security context as a persistent condition for the foreseeable future.

Our Nation and its international partners are engaged in a global struggle for influence at the same time our access to many areas is acutely challenged—diplomatically, militarily, and geographically. In the past, the United States has maintained large forces on a significant number of permanent bases beyond our shores. Today, however, we have far fewer installations overseas. When conflict is imminent or crises occur, which may require land-based forces, we must conduct extensive diplomatic negotiations to acquire basing rights. Because of local and regional political, social, or economic pressures, even countries friendly to the United States decline to host or place conditional restrictions on basing U.S. forces. Furthermore, proliferation of anti-access technology among state and non-state actors further diminishes access opportunities.

Our national interests increasingly require us to operate in remote, developing regions of the world where infrastructure is either insufficient or rendered useless by natural disasters. The growing trend of violent, transnational extremism is especially prevalent in many of these remote areas. In addition to ethnic and religious intolerance, many developing regions are troubled with economic challenges and infectious diseases. These problems are especially severe in the densely populated urban centers common to the world's littorals, resulting in discontented populations ripe for exploitation by extremist ideologues and terrorist networks. We estimate that by the 2035 timeframe, more than 75 percent of the world's population will live within just 120 miles of the ocean; alternative energy sources will not be mature, so industrial and, increasingly, developing nations will depend on the free flow of oil and natural gas. Fresh water will be as equally important as petroleum products; during the 20th century, while the global population increased 300 percent, the demand for water increased 600 percent. Demographics and the aging of the population in industrial countries, accompanied by a youth bulge in developing countries, will literally change the face of the world as we know it. The U.S. technological advantage, economic power, and military might still exceed that of other nations, but will not be nearly as dominant.

Given these strategic conditions, the requirement for maritime forces to project U.S. power and influence has increased—and will continue to increase. With its inherent advantages as a seabased and expeditionary force, the Marine Corps can quickly reach key areas of the globe in spite of challenges to U.S. access. The Marine Corps and its naval partners will expand the application of seapower across an even wider range of operations to promote greater global security, stability, and trust—key objectives for winning the Long War. Our seabased posture will allow us to continue to conduct "Phase 0" operations with a variety of allies and partners

around the world to ease sources of discontent and deter conflict. We must increase our capacity for these operations without forfeiting our warfighting prowess in the event of a major regional conflict. As a forward-deployed force, we are able to achieve familiarity with various environments, as well as behavioral patterns of regional actors—contributing to our significant advantage in speed and flexibility.

Recently combat-tested in the Middle East and historically engaged in the Pacific, the Marine Corps will seek to further enhance its operational capabilities in the Pacific theater. Some areas like Africa offer unique challenges and opportunities for significant U.S. engagement. The shear breadth and depth of that great continent present their own challenges, but given the operational flexibility afforded by Seabasing and the extended reach of the MV–22 and KC–130J, the future bodes well for the ability of dispersed units of marines—with interagency partners—to extend our partnerships within the continent of Africa.

Security Cooperation MAGTF

The linchpin of future marine efforts to support the engagement requirements of combatant commanders to build partnership capacity will be the Security Cooperation Marine Air Ground Task Force. Similar to a Marine Expeditionary Unit but regionally-focused and task organized for security cooperation, Security Cooperation MAGTFs will provide training and assistance to partner nations—shaping the environment and deterring irregular adversaries.

The units comprising the Security Cooperation MAGTF are general purpose forces, which will maintain a foundation of excellence in combined arms and the full range of military operations. Additional training in culture, language, and foreign internal defense will further prepare these units for the unique tasks needed to train foreign militaries. Able to aggregate and disaggregate based on mission requirements, elements of the Security Cooperation MAGTFs will be capable of operating for sustained periods and will help prepare the militaries of partner nations to disrupt irregular adversaries and reduce the requirement for U.S. forces to be committed to these regions.

Defense Policy Review Initiative (DPRI)/Guam

Our recent force posture agreement reached under the auspices of the Defense Policy Review Initiative with Japan is facilitating an opportunity to more effectively employ Marine Corps forces while mitigating the effects of encroachment around United States facilities in Japan. The most significant DPRI action is completion of the Futenma Replacement Facility on Okinawa. Its completion is a prerequisite for realignment of Marine units north of Kadena Air Force Base on Okinawa, shifting KC–130s from Futenma to Iwakuni, Japan, and movement of approximately 8,000 marines and their family members from Okinawa, Japan, to Guam. The Government of Japan is prepared to bear much of the cost associated with the planned changes, but there are still significant remaining military construction and other infrastructure needs that require United States financial support. For the past 2 years, the Marine Corps has worked with numerous stakeholders to shape the eventual basing of forces onto Guam. The Department of Navy-led Joint Guam Program Office is leading the detailed facility-level planning effort to support the force buildup on Guam. The Marine Corps is working with Joint Guam Program Office, the Secretary of the Navy, and Commander, United States Pacific Command to ensure plans meet operational requirements.

Law of the Sea Convention

To be able to maneuver from the seas in a timely and reliable manner, and in concert with the U.S. Navy, we support joining the Law of the Sea Convention. Joining the Convention will best preserve the navigation and overflight rights that we need to reliably maneuver and project power from the sea.

The Future of Training and Education

With Marine forces so heavily engaged in counterinsurgency operations, we will have to take extraordinary steps to retain the ability to serve as the Nation's shock troops in major combat operations. Continued congressional support of our training and education programs will enable us to remain faithful to our enduring mission: To be where the country needs us, when she needs us, and to prevail over whatever challenges we face.

The Long War requires a multi-dimensional force that is well trained and educated for employment in all forms of warfare. Historically, our Corps has produced respected leaders who have demonstrated intellectual agility in warfighting. Our current deployment tempo increasingly places our Professional Military Education (PME) programs at risk. No level of risk is acceptable if it threatens the steady flow

of thinkers, planners, and aggressive commanders who can execute effectively across the entire spectrum of operations.

Marine Corps University (MCU)

We have made substantial improvements in our Officer and Enlisted Professional Military Education (PME) programs and have significant improvements planned for the future. Marine Corps War College was the first senior Service college to be certified as Joint PME II and will soon undergo accreditation as part of the process for joint education accreditation by the Joint Staff. The Command and Staff resident and non-resident programs are scheduled for Joint PME I reaccreditation in September 2008. We have integrated irregular warfare instruction throughout all levels of PME; at the same time, balance between irregular and conventional warfare has been maintained so as not to lose sight of our essential core competencies, including amphibious operations. Additionally, MCU has led the way for integration of culture and language by continually refining their curricula to provide proper balance among PME, culture, and language.

Last year we conducted a comprehensive assessment of the health of PME. The assessment examined six areas: students, curriculum, educational programs, staff, infrastructure, and policy. We are working diligently to improve our information technology and infrastructure by developing a facility master plan to accommodate needed growth. We must develop an aggressive plan and commit resources for additional faculty, facilities, and resources. The assessment was informative—we have world-class students, curricula, and faculty as evidenced by marines' performance on today's battlefields. With continued Congressional support, we can build our information technology and facility structure to match.

Marine Corps Center for Lessons Learned

Our Marine Corps Center for Lessons Learned applies lessons from operational experiences as well as those of the Joint Staff, other Services, and Joint Forces Command to guide efforts for "fine tuning" and transforming our force. This rapid, continuous process ensures the latest enemy and friendly tactics, techniques, and procedures are used in training and are part of the decisionmaking for institutional changes. In 2007, as result of these lessons learned, the Marine Corps implemented changes in predeployment training in such areas as detention operations; transition teams; interagency coordination of stability, support, transition, and reconstruction operations; irregular warfare; and the role of forensics in counterinsurgency operations.

Center for Irregular Warfare

In 2007, we established the Center for Irregular Warfare as the primary Marine Corps agency for identifying, coordinating, and implementing irregular warfare capability initiatives. The Center reaches out through the Center for Advanced Operational Culture Learning (CAOCL) and Security Cooperation Education and Training Center (SCETC) to other military and civilian agencies. Last year, the CAOCL expanded beyond pre-deployment unit training by offering operational culture, regional studies, and limited language courses for officer professional military education programs. Thus far, approximately 2,100 new lieutenants have been assigned regions for career long-term study through the regional learning concept, which will be expanded this year to include sergeants, staff sergeants, and captains. Both officer and enlisted marines will receive operational culture education throughout their careers. We plan to have Language Learning Resource Centers at the eight largest Marine Corps bases and stations to provide local, on-call, operational language training. Congressional support, to include recent supplemental funding, has been invaluable.

Since early 2006, our SCETC formalized our military advisor training process and trained over thirty transition teams fiscal year 2007. In fiscal year 2008, the SCETC is scheduled to train over 100 teams (over 2,000 marine advisors) as well as stand up a Marine Corps Training Advisory Group to manage the global sourcing of future transition and security cooperation teams.

Foreign Area Officers

The Marine Corps has begun an expansion of its Foreign Area Officer (FAO) program in response to the wide-spread demand for language and cultural expertise for worldwide service with the Defense Attaché System and combined, joint, and Service headquarters. As a result, the training of Marine FAOs will more than double in the near term. In addition to our traditional emphasis on Arabic, Russian, and Chinese, FAOs selected this year will learn more than a dozen different foreign languages, including Pashto, Hindi, Thai, French, and Indonesian.

Training Marine Air Ground Task Forces

Operations in support of the Long War have significantly increased our training requirements. To meet deployment requirements and remain skilled in the full spectrum of operations, marines must now train to a broader range of skills. However, due to high operational tempo, we face ever-decreasing timetables for marines to achieve mastery of these skills. Our first major initiative to maximize effective use of limited time for training was the establishment of a standardized and well-defined Predeployment Training Program. Subsequently, we have instituted two additional training efforts: the Marine Combat Operations Training Group and the Infantry Battalion Enhancement Period Program.

Marine Corps Tactics and Operations Group (MCTOG)

We recently established the MCTOG to provide standardized training and instructor qualifications for ground combat elements, similar to our exceptionally successful Marine Aviation Weapons and Tactics Instructor Course in Yuma, AZ. The MCTOG is developing and implementing a Ground Combat Element Operations and Tactics Training Program to provide advanced training in MAGTF operations, combined arms training, and unit training management and readiness at the battalion and regimental levels. We will improve unit preparation and performance by:

- Providing focused, advanced instruction for key battalion and regimental staff personnel, and
- By assisting with the identification and vetting training requirements and deficiencies for our ground combat elements.

Located at Twentynine Palms MAGTF Training Center, the MCTOG will reach an Initial Operating Capability by spring 2008 and a Full Operating Capability by spring 2009.

Marine Aviation Training Systems Program (ATS)

Marine Aviation, through Aviation Training Systems (ATS), is pursuing the development of fully integrated training systems at the post-accession aviation officer and enlisted level, to greatly enhance operational readiness, improved safety through greater standardization, and to significantly reduce the life-cycle cost of maintaining and sustaining aircraft. ATS will plan, execute, and manage Marine Aviation training to achieve individual and unit combat readiness through standardized training across all aviation core competencies.

Twentynine Palms Land Expansion

The Marine Corps currently lacks a comprehensive training capability to exercise all elements of a MAGTF in an environment that replicates operational conditions with our current equipment—as our new weapons systems have greatly increased ranges over legacy systems. As a result, we are conducting planning studies for expansion of our range complex at the Marine Corps Air Ground Combat Center in Twentynine Palms, CA. Implementing this action will involve acquiring land and seeking assignment of airspace by the Federal Aviation Administration in support of large-scale MAGTF live fire and maneuver training. This will give us the maneuver space to simultaneously train three to four battalions in the range complex and train with our current equipment. Our proposed complex will further facilitate the use of the Western Range Training Complex and lead to the capability for future large-scale MAGTF, Coalition, and Joint National Training Center training.

Modernization of Training Ranges

In 2001, we activated a Range and Training Area Management Division, and in 2004, we began a comprehensive investment program to sustain, upgrade, and modernize our training infrastructure. This modernization effort provides tools for better planning and execution of live training. The four principles of our program are:

- Preserve and enhance our live-fire combined arms training ranges. The full development of our doctrine and the integrated employment of air and ground weapons will continue to require access to the volume of land and air space available at these larger installations.
- Recapture the unit-training capabilities of the Nation's two premier littoral training areas, Camp Lejeune and Camp Pendleton. The transition of expeditionary combat power from sea to shore remains among the most challenging of military tasks, and we must reorient and update our training capabilities.
- Provide timely and objective feedback to marines who are training. Proficiency with individual weapons and in combined-arms requires that we provide venues that have the air and land space to allow realistic employ-

ment and the instrumentation and targetry to provide objective, actionable feedback.

• Ensure our complexes are capable of supporting joint forces. Common range infrastructure and systems architecture to support the joint national training capability are requirements of our modernization program.

• The range modernization program is a program of record and has successfully programmed the resources to continue operating and maintaining the many investments made with supplemental and congressional-add funds.

Core Values and Ethics Training

As part of our ethos, we continually seek ways to improve ethical decisionmaking at all levels. In 2007, we implemented the following initiatives to strengthen our Core Values training:

• Tripled the amount of time Drill Instructor and recruits conduct "foot locker talks" on values;

• Institutionalizing habits of thought for all marines operating in counter-insurgencies, the message of the importance of ethical conduct in battle, and how to be an ethical warrior is being strengthened and re-emphasized at all levels of the Marine Corps;

• Published pocket-sized Law of War, Rules of Engagement, and Escalation of Force guides;

• Increased instruction at our Commander's Course on command climate and the commander's role in cultivating battlefield ethics, accountability, and responsibility; and

• Educated junior marines on the "strategic corporal" and the positive or negative influence they can have; and

• Reinvigorated the values component of our Marine Corps Martial Arts Program, which teaches Core Values and presents ethical scenarios pertaining to restraint and proper escalation of force as the foundation of its curriculum.

We imbue our marines with the mindset that "wherever we go, everyone is safer because a U.S. marine is there."

VIII. CONCLUSION

The Marine Corps continues to create a multi-capable force for our Nation—not only for the current operations in Iraq and Afghanistan, but also for subsequent campaigns of the Long War. We are committed to ensuring we remain where our country needs us, when she needs us, and to prevail over whatever challenges we face. Your continued support has been critical to our readiness for today and adaptation for tomorrow. I promise you that the Corps understands the value of each dollar provided and will continue to provide maximum return for every dollar spent.

Perhaps most importantly to keep in mind as we develop our force for the future, everything we read about the future indicates that well-trained, well-led human beings with a capacity to absorb information and rapidly react to their environment have a tremendous asymmetric advantage over an adversary. Ladies and gentlemen, that advantage goes to us. Our young marines are courageous, willing to make sacrifices and, as evidenced by our progress in Al-Anbar, capable of operating in complex environments. Quiet in their duty yet determined in their approach, they are telling us loud and clear that wherever there is a job to be done, they will shoulder that mission with enthusiasm. On behalf of your marines, I extend great appreciation for your support thus far and thank you in advance for your ongoing efforts to support our brave service men and women in harm's way.

Chairman LEVIN. Thank you so much, General.

Let's try an 8-minute round.

Secretary, I made reference to these huge cost overruns that have dogged our acquisition programs. Are you making systemic changes to try to overcome those?

Secretary WINTER. Yes, Mr. Chairman. Two specific areas that I would highlight, one of which has to do with the overall processes that we go through within the Department to establish a program, and in particular to ensure that all the requirements are properly defined and completed prior to the initiation of advanced development activities.

We're also going through a very significant activity to assure that we have the right work force to be able to both manage and oversee the acquisition activities themselves. This includes everything from the numbers to the appropriate training of the individuals that are put into the specific roles.

Chairman LEVIN. Is there ever any accountability for the failure to meet these cost estimates?

Secretary WINTER. The accountability is imposed both within the Navy team itself as well as with the contractor community. One of the things that we try on the contractor side is to provide appropriate incentives that give the contractor financial inputs should they fail to meet the appropriate financial and schedule targets.

Similarly, on the military side, in terms of the acquisition community, this is a major factor that we use in the evaluation of people relative to their future assignments and future careers.

Chairman LEVIN. Admiral, I made reference to your Navy personnel who are serving not in their regular billets. Instead, they're being used as IAs. Do we have some way of assessing the impact of that on readiness or in other areas?

Admiral ROUGHEAD. Yes, sir, Senator, we do. We have been assigning our sailors and IAs for a couple of years now and, as someone who in a previous assignment was responsible for the direct management of that, we have created a structure and oversight to properly pair the individual with the mission to be accomplished when they go forward, and at the same time as we're doing that we look at what effect that individual will have on the readiness of the sourcing command.

What I have found is that the process that we have in place, the way that we identify, allows us to put the appropriate capability forward while not diminishing the readiness of our Fleet.

Chairman LEVIN. Admiral, you made reference to the recent use of a modified missile defense interceptor, Standard Missile 3, along with a modified version of the Aegis BMD system, to shoot down that failed satellite. Can you confirm that the modifications that were made to the interceptor missile and the Aegis weapons system were unique, one-time modifications exclusively for this one mission, and that the Aegis BMD system could not perform its required missile defense mission with those one-time modifications?

Admiral ROUGHEAD. Those were one-time modifications, Senator, that were done on a finite number of missiles. The missiles that were not used in this mission will be reconfigured back to the antiballistic missile configuration.

Chairman LEVIN. In terms of the Aegis BMD system, can you confirm that that system which was deployed does not have the capability to shoot down satellites, with the one exception of that unique mission?

Admiral ROUGHEAD. I can confirm that, Senator.

Chairman LEVIN. Secretary and Admiral, in your written statements you made reference to the importance of United States approval and accession to the Law of the Sea Convention in order to carry out our maritime strategy. We've held a hearing on that convention. The Foreign Relations Committee has voted it out of committee. It's on the calendar.

Can you just briefly indicate here publicly that you do support that convention?

Secretary WINTER. Yes, Mr. Chairman, I'm supportive of that. I think it's important that we have a seat at the table as part of that convention and have an opportunity to engage with the other members, signatories to that convention, as the convention evolves over the years to come.

Chairman LEVIN. Admiral, do you join that?

Admiral ROUGHEAD. I do, sir. I can attest from my command positions in the Atlantic and Pacific that by not being a party to that treaty, it actually inhibited the activities that we could pursue with other navies.

Chairman LEVIN. Is the administration committed at the highest levels to pursuing Senate approval of the ratification of the Law of the Sea Convention in this session of Congress? Mr. Secretary?

Secretary WINTER. Yes, sir.

Chairman LEVIN. Admiral, do you know?

Admiral ROUGHEAD. Yes, sir.

Chairman LEVIN. General, let me ask you about the issue which was referred to at some length in this morning's Washington Post, which has had other references as well, and that's the question of Anbar Province, its success in turning against the extremists which you made reference to, and for which everybody is obviously pleased and grateful.

The movement, which is called in various places and times the Sunni Awakening, or Concerned Local Citizens, or Sons of Iraq, is, according to a number of reports, including this morning's paper, fraying somewhat and could collapse because too few of their members are being offered positions in the Iraqi security forces, there are limited opportunities for other jobs, they are being targeted by al Qaeda, they are distrusted by too much of the Shia-dominated government, and they have been complaining of insufficient support by the United States.

In the mean time, that provincial powers law which calls for provincial elections to be held by October 1 and was seen by the Sunni Arab community as a way to gain political power, has been vetoed by the Shia member of the presidency council, as we read yesterday or the day before. I just would like to ask you this question because you and your troops have played such a key role in Anbar and the success that has taken place there.

Are you concerned that those Sunni Arabs may once again take up arms against the coalition, become insurgents again, which of course would then threaten to unravel many of the gains which have been achieved during the surge?

General CONWAY. Sir, I'm not concerned that that could happen in the near term, but we are concerned about some of the things you cite and about some of the things which you read in the article this morning. There have been significant security gains and there are, even as we speak, the tribal frictions now as they elbow for power at the provincial level, but also as they endeavor to plug in at the national level.

We're conscious of those things. We have people dedicated to working those things with the central government in Baghdad, to try to ensure that they understand the value of incorporating

Sunnis into the government if we are to see one Iraq stay together in the future.

So we monitor those things. We try to mitigate those things through discussion. We talk of the value of synergy, of all of the tribes and all of the political parties coming together as they plug into Baghdad. But we're not concerned that there is any near-term danger of a return to the levels of violence that we have seen.

Chairman LEVIN. Is it fair to say that unless those problems are addressed that there could be a significant problem in the longer term?

General CONWAY. Sir, I think that's fair. We have always talked about the three legs of the stool: the security, the economics, and the political. We can, in our current role of providing security and doing some nation-building in the province, help most with the security and the economics. We are less able to be involved in the political aspect of things, although we engage where we can.

We certainly are pushing to keep the provincial elections October 1, because we think that will be a significant advancement on behalf of the Sunni tribes out west and an opportunity for them to again further engage with the central government.

Chairman LEVIN. Thank you.

Senator Warner?

Senator WARNER. Thank you, Mr. Chairman.

Mr. Secretary, let's return to the shipbuilding budget, the out-year objective of 313 ships. Clearly, in your position you have first drawn on an extensive background prior to coming to the Navy Secretariat of managing major programs for the very top levels of our defense structure, TRW and Northrop and others. How confident are you that in the out-years you can reach, or perhaps I should say a successor to you could reach, the 313 level? What steps are you putting in place to ensure that that takes place in the out-years?

Secretary WINTER. Senator, I think that as we take a look out in time our understanding obviously is much better in the current years, in the near years. I'm confident that we have a viable program for 2009 and for the immediate years around that. As we go out further in time there are a number of uncertainties associated with everything from the cost of production to the overall requirements that have yet to be defined for many of the future systems, programs like the *Ohio*-class replacement, programs like CG(X), which is still in the process of going through its early definition phases.

I am hopeful that we will still be able to obtain a 313-ship target in a timely manner, but that is going to require a significant effort on the part both of the Navy and industry to work together, to make significant changes to the acquisition process, including in particular stabilizing requirements, and having, if you will, a limit on our appetite for those requirements as we go through program definition.

Furthermore, significant effort is going to be required, I believe, to modernize our facilities for the construction of ships and the combat systems that go on them. That investment is going to require, I believe, a concerted effort on the part of both the Navy and industry.

Senator WARNER. You're going to put in place a series of benchmarks that have to be made by you and your successors, and in what year do you hope to obtain, what fiscal year, the level of 313 ships?

Secretary WINTER. We've laid out the program right now into the 2020——

Admiral ROUGHEAD. 2019 is when they cross.

Senator WARNER. 2019 is the year?

Admiral ROUGHEAD. Yes, sir.

Senator WARNER. Is that predicated on some significant top line readjustment in the allocation of resources by the Secretary of Defense between the Navy, the Army, and the Air Force?

Secretary WINTER. Sir, that has a number of assumptions in it. It does assume an average expenditure of about $15.8 billion a year in 2007 dollars to be able to accomplish that. That is more than what we're spending right now, but hopefully it is an amount that is achievable within the current allocation process.

There are aspects that I would like to note are not included in that estimate. It does not include the costs associated with nuclear power for future surface combatants and it does not include the cost estimates associated with *Ohio*-class replacement.

Senator WARNER. It's a challenge, but I think it's imperative that we meet that challenge in view of the fact that other nations now recognize the importance of having significant maritime capabilities in their military forces.

General, I'm going to follow onto the line of questions by the chairman with regard to Afghanistan. I suppose that theater concerns this Senator the most of all the challenges that face us today. The marines are heading in in significant numbers, the thought being perhaps the success that the marines had in al-Anbar can be used as a blueprint to try and achieve greater success in Afghanistan.

Would you address that concept and your own professional judgment as to whether or not there is a transferability of that strategy in al-Anbar which has been successful, for what in my judgment is a continuing serious, in some ways deteriorating, situation in Afghanistan, with the ever strengthening resurgence of the Taliban?

General CONWAY. Sir, I don't think there's a direct transfer because the missions will be slightly different. That those marines will take in lessons that come right from our Small Wars Manual and the decades of dealing with Third World countries, if you will, I think will be extremely valuable. But whereas in al-Anbar we owned ground and had responsibility for all of the villages and all of the cities, neither the battalion that's going in nor the Marine Expeditionary Unit (MEU) will be assigned primary responsibility for ground. The MEU we believe will be used as a response task force, immediately commanded by the Commander of International Security Assistance Force, valuable we think particularly during a spring offensive if we see one, valuable if we decide to launch our own spring offensive against Taliban locations.

The battalion coming off the West Coast will be primarily involved with training police and the army, and their utility will be at the various police stations throughout their region of assign-

ment, in terms of securing the area to a degree that these people can operate with the populace.

Senator WARNER. So the first battalion would be in the nature of a September 11 force, to go anywhere within Afghanistan to confront high level insurgents?

General CONWAY. I think that's fair, sir.

Senator WARNER. That's interesting. The second primarily for the training of the Afghan forces?

General CONWAY. That's correct, sir.

Senator WARNER. Now, I mentioned the very interesting piece that I saw last night. You're readjusting your order for the new MRAP, is that correct?

General CONWAY. No, sir. If you're talking about the protective vest, the individual armor——

Senator WARNER. Let's go vest and vehicle.

General CONWAY. Yes, sir.

Senator WARNER. Whichever one you want first.

General CONWAY. Sir, we did adjust our requirement for MRAP. We initially asked for 3,700 vehicles and the thought process was a one-for-one replacement of our uparmored Humvees with the MRAPs. The uparmored Humvees were simply not standing up to underbody explosions to the degree that we had hoped would be the case, and the MRAP had proven itself over time with the ability to do that.

What we have discovered as those MRAPs have started to arrive in theater in large numbers is that, particularly out west, they are not able to cross some of the bridges that aren't that well built.

Senator WARNER. Because of the weight?

General CONWAY. Yes, sir, exactly. They are heavy vehicles, 48,000 pounds with the heaviest of the lot.

They also don't maneuver as well off road. So what we've found is that those patrols need to be a combination of MRAPs and uparmored Humvees in order to be most successful and to accomplish the mission. So we have reduced our buy to something more on the order of about 2,300 vehicles, and saving we think in the process about $1.7 billion for the Government.

Senator WARNER. Now, what about the utility of that vehicle with your forces in Afghanistan?

General CONWAY. Sir, we think there will be some utility. When I was there, I looked at, in fact, the arrival of the first 36 vehicles. We think there will be a total of about 38, something less than 40. It is not as applicable in large portions of the Afghan terrain even as it is in Iraq, because of the mountainous nature. But there are roadways there, there are some desert plains there, where we do think it will have value, and we fully intend to use it with our engineers, our route clearance people, and our Explosive Ordinance Disposal personnel clearing Improvised Explosive Devices (IEDs).

Senator WARNER. Let's conclude my time with the vest situation. That's been a very controversial subject here in Congress and certainly in the minds of the public. Where are we in your judgment on the amount of protective armor for the average marine, and are you going to make an adjustment once again in the type of vest that you think is best suited for the combat situations?

General CONWAY. Sir, as a former marine I think you know that there is always a tradeoff between weight and protection and the mobility of the individual marine, and we continue with that dynamic even today. We think that the vests that we have protect our people exceedingly well.

What we are hearing now from the marines in the Fleet and the marines in Iraq and Afghanistan is they don't like this most recent vest because it is three or four pounds heavier than the vest that it replaced. It takes, depending on how you put it on, two people to put on the vest. It has a quick release element that the old vest did not have, but when a marine straps in his rifle that quick release capacity is diminished or disappears.

I wore it myself on my visit to the theater over Thanksgiving last year and, frankly, I have a big head and big ears and it's painful putting it on and taking it off, and many marines have experienced that same thing.

Senator WARNER. Then where do we go from here? Are we going to go back to the previous vest and produce more of that?

General CONWAY. Sir, what I have done is told my commander at Quantico who handles such things to simply stop purchase on the remaining 24,000 vests. We need to go back and investigate. There were over 100 marines who field tested the vests for us back in 2006 and declared it "good to go," if you will. But we're not getting that same report from the marines in theater who now wear it on a daily basis in combat.

So I think we need to reassess at this point. I assure you, sir, there is no loss of protection either way, with either the old vest or the new vest. It's just a question whether or not we have made an advancement in this.

Senator WARNER. Are you working with the Army? Are you sharing that experience?

General CONWAY. Yes, sir.

Senator WARNER. Are they experiencing the same problem with this vest?

General CONWAY. Sir, I don't know that. I'm just back from the theater and my guys at Quantico are reinvigorating the discussion.

Senator WARNER. It seems to me that answer is important to achieve. There should be some parallelism between because the missions are comparable.

General CONWAY. It's my belief, sir, that the Army has not invested in what we call the OTV, which is this latest variant, that they're still wearing the vest that we were stepping away from. We thought that this new vest that ostensibly carried the weight better on the hips and gave us slightly more protection was again a step up. I am not absolutely certain of that today.

Chairman LEVIN. Thank you, Senator Warner.

Senator Kennedy.

Senator KENNEDY. Thank you, Mr. Chairman.

Good morning again. General Conway, according to the recent press reports an internal Marine Corps study found that the general in command of our Marine Forces in western Iraq sent an urgent request 3 years ago this month for over 1,000 MRAPs, but the urgent request was apparently lost in the bureaucracy and never made it to the senior levels of the Marine Corps. As we know, it

took the Secretary of Defense's intervention in 2007 to fix the broken bureaucracy and get a sufficient number of the MRAPs to our forces in Iraq.

Secretary Gates said last June: "The way I put it to everyone is that you have to look outside the normal bureaucratic way of doing things and so does industry, because lives are at stake. For every month we delay, scores of young Americans are going to die."

The recent Marine Corps study itself states that: "If mass procurement and fielding of MRAPs had begun in 2005 in response to the known threats, as the Marine Corps is doing today, hundreds of deaths and injuries could have been prevented."

The Marine Corps now has questioned the press report, saying that that study was not an official Marine Corps study and that its conclusions are the investigators' own. Recently, General Magnus, Assistant Commandant of the Marine Corps, stated: "I don't think the study stands up to the facts about what we did, about what the industry was capable of doing, and why we did what we did. I just don't think it's accurate."

A Naval Audit Service report last September, however, supported the Marine Corps study and its accusations of inefficiency when it concluded that the Marine Corps had not established adequate oversight for the urgent needs of its forces.

Two days ago, the Marine Corps finally began to acknowledge the seriousness of the study's conclusion and asked the Pentagon's Inspector General (IG) to investigate the allegations. It seems, however, that the Marine Corps is still focused on downplaying the issue of getting the MRAPs to Iraq and missing the bigger issue, which is the Marine Corps bureaucracy.

The Naval Audit stated: "As the study concluded, MRAP is just one current example of how a loss of time had direct and measurable consequences on the battlefield. Marine Corps combat development organizations are not optimized to provide responsive, flexible, relevant solutions to commanders in the field."

The Naval Audit report last September agreed, stating that "the Marine Corps bureaucracy was broken and the ability to accomplish the mission could be undermined and the delivery of the equipment delayed."

So could you tell us about how you explain the differences between the Marine Corps statements that dismiss the MRAP study's conclusion and the Naval Audit report that the Marine Corps bureaucracy is broken?

General CONWAY. Yes, sir, I'd be happy to. Sir, first of all, I would not characterize the series of events just as you describe. First of all, we asked the marine, former marine, now a GS–15, who works for us to write a letter to his boss to explain his concerns that we had read about in the media or had been advised about from Senators on the Hill.

Senator KENNEDY. This was done when?

General CONWAY. It's been done recently, sir. I think within the past several weeks.

But going back to the issue of the MRAP request, sir, in February 2005, if were Major General Dennis Hejlik sitting in this chair, who was the officer who signed off on the request, he would tell you that he was asking for uparmored Humvees, M–1114s. We

had a few at that time, but we had very few. He felt like that was the armor of choice and the vehicle that we needed for all of our marines when he signed off on the request. He had little knowledge of what an MRAP was at that point.

That's the second point I would make to you, sir, is that at that point there were probably half a dozen of the actual MRAP vehicles, the Cougars with the V-shaped bottom, in the theater. We were having maintenance issues with some of those vehicles.

At that point, sir—and this is the third point—only about 10 percent of the attacks that we were seeing, and in most months less than that, were underbody explosions. What General Hejlik was concerned about were the side of the road explosions that were destroying our vehicles and killing marines.

So to say that we knew at that time that a vehicle that had far from proven itself, against a threat that was by no means the major threat, was what we needed to buy is, I think in some regards, some excellent 20–20 hindsight.

Senator KENNEDY. The point that is made is the fact that the Naval Audit Report Number One recommends that by April 30 you promulgate a Marine Corps order defining the roles, responsibilities, and desired outcomes of urgent need process. So obviously they made a finding and a judgment that the process and procedure at the current time was not working well, at least according to this naval report.

Now, where do you stand with promulgating that, this order?

General CONWAY. Sir, we have put something out on that in the wake of that report, and I will be the first to acknowledge that no bureaucratic process is without means of improvement. The Secretary works hard with us, with Lean Six Sigma——

Senator KENNEDY. I don't understand. You put something out? Explain that to me. I don't understand what's putting something out? This says promulgate. Their recommendation is by the 30th you promulgate a Marine Corps order defining the roles, responsibilities, desired outcome for the process, which is the urgent need process.

General CONWAY. Yes, sir.

Senator KENNEDY. Has that been done yet?

General CONWAY. Yes, sir, it has been done.

Senator KENNEDY. It has been done?

General CONWAY. I would add further, sir, that we have asked for, in the wake of this issue coming to light once again, we have asked for a Department of Defense (DOD) IG investigation, because we think when the facts are fully known that they will——

Senator KENNEDY. When was that done?

General CONWAY. Within the last 10 days, while I was on the trip to Iraq.

So that all the facts can be brought to bear, and we think that the conclusion will be that well-intended men, very much concerned about the welfare of the marines, made prudent decisions at the time to bring forward the best capability we could to protect our people in combat.

Senator KENNEDY. If you look at the whole process, it appears that it took the Secretary of Defense's intervention in 2007 to get the order. This is what Secretary Gates himself said: "The way I

put it to everyone is you have to look outside the bureaucratic way of doing things, and so does industry. Lives are at stake."

The audit makes that recommendation for the marines to date. I understand what you've said now is that you issued the response to the Naval Audit Report Number One.

General CONWAY. Yes, sir.

Senator KENNEDY. That has been done.

General CONWAY. Sir, if I could, with all due respect to Secretary Gates, when I became the Commandant in November 2006, at that point our commanders were advocating that we replace our uparmored Humvees with the MRAP vehicle. That became my theme then for purchase of those vehicles.

If I could offer another quote, it was when I had said that by that point in time that we had had 300 underbody attacks against the MRAP and had not lost a single marine or sailor, the Secretary was impressed with that quality of the vehicle and then made it his number one priority in the DOD.

Senator KENNEDY. My time is up. I'm interested in the process of the request that was made and how the Marine Corps bureaucracy responded to that urgent request. I think you've answered the question with regards to the desirability of that particular system and alternative systems. But that doesn't get away from the underlying point about whether the system is functioning and working when these urgent requests come up which are necessary.

I'll look forward to looking through the report.

Chairman LEVIN. Thank you, Senator Kennedy.

Senator Collins.

Senator COLLINS. Thank you.

Admiral Roughead, there's been a lot of discussion about the cost of the DDG–1000 and some House Members are quoted in Defense Daily today as going so far as to suggest the diversion of funds from the budget in order to buy other kinds of ships. What is often overlooked in the discussion of the DDG–1000 are three factors: first, that the requirements are actually for 8 to 12 DDG–1000s rather than the 7 that are in the long-term plan; second, the technological advancements that have been incorporated into the ship, that will give the Navy much-needed capabilities; and third, the cost savings that will result when you look at the life-cycle cost from the much smaller crew size for the DDG–1000. If memory serves me correctly, I believe that the DDG–51 requires 338 sailors and we're looking at a crew size of only 142 sailors for the DDG–1000.

Could you comment, please, on the capabilities issue, the requirements, and the cost?

Admiral ROUGHEAD. Yes, Senator, I will. The DDG–1000 introduces more new technology that will inform our future Navy combatants than any other ship class that we've ever fielded. The new technologies that we have put into that, the most significant one I believe is what you mentioned, reducing the crew size. Our ships of the future must have smaller crews.

With respect to some of the press reporting that I have read about using the DDG–1000 to perhaps be used, the resources for that to be used for other ship classes, I'm very concerned that we do not disrupt our combatant lines. Right now we are developing

a new Fleet of ships. If you look across it from submarines to combatants to amphibious ships, we are introducing all new classes. The *Virginia*-class is coming on line. It's a great submarine. The prices are coming down. We're doing the right thing there.

The Amphibious Transport Dock (LPD)–17. Even though we had some growing pains when that ship came out, we're now in the process of getting into the flow of that ship, and in fact on Saturday I'm going down to participate in the christening of *New York*, our most recent LPD–17. The T–AKEs, that line is moving well.

The areas where I am most concerned about are in our combatant lines: the DDG–1000, our new destroyer, and where we will take that ship to bridge to the new cruiser that we're beginning to work on now, but also the LCS.

I believe with the stability that we have in submarines, amphibious ships, and auxiliary ships, we really need to allow our combatant build programs to take root, grow, stabilize, and move us into the future. So I very much want to do as much as we can to get the stability in our combatant lines for the future.

Senator COLLINS. That's also very important in terms of the transition from the DDG–51 line to the DDG–1000. We do need to make sure that that is managed very appropriately in order to avoid a gap in the work at the yards, which could cause the loss of skilled workers. Once you lose that capability, it's gone forever; and I know that you and Secretary Winter share my concern in that regard.

I want to associate myself also with the concerns expressed by Senator Warner about the need to stay on course for the 313-ship fleet, which you have appropriately described as the floor, the minimum that we need. Part of the strategy for achieving that goal is modernizing in order to extend the life of the DDG–51 *Arleigh Burke* class of destroyers.

First of all, how important is that modernization plan to achieving the 313-ship fleet?

Admiral ROUGHEAD. That is very important to our 313-ship fleet, and it's also very important to the relevant capabilities that we're going to need in the future. DDGs are great ships. I speak from experience, having put one in commission myself as a commanding officer. But also, it was a DDG that was the backup ship for the *Lake Erie* when they shot down the satellite, again attesting to the versatility of the ship and the capability of that ship.

It will be important for us to conduct that modernization, to upgrade the capability and extend the life of those ships, so that we don't have to take them out before they're due.

Senator COLLINS. I want to encourage you to examine both the cost and schedule advantages of doing that modernization at the building yard rather than the home port. I think there's significant evidence that suggests there would be considerable cost savings to the Navy as well as efficiencies in doing that, and I look forward to working further with you and Secretary Winter.

Finally, let me just thank you, Admiral Roughead, for coming to Maine to visit Bath Iron Works and to visit the Portsmouth Naval Shipyard in Kittery, ME. I know you were impressed with what you saw and I very much appreciated your including Maine as

you've been getting out across the country to visit naval installations and yards.

Admiral ROUGHEAD. Thank you, Senator, and thank you for taking time from your schedule to be with me during that visit. It really was good to get out and see the quality of work that's being done, the commitment not just of the leadership in the yards, but, as in all cases, it's the individual on the line that's actually doing the hard work that makes a difference, and that was apparent during my time up there.

Senator COLLINS. Thank you.

Chairman LEVIN. Thank you, Senator Collins.

Senator Lieberman.

Senator LIEBERMAN. Thanks, Mr. Chairman.

Thanks, gentlemen, for your testimony and for your service.

General Conway, I think that the two exchanges that you had with Senator Warner and Senator Kennedy over the MRAP and the uparmored Humvee were very important. Perhaps we in Congress have something to learn from them. I think we have been so concerned not only about the vest that you talked about with Senator Warner, but about the exposure of our personnel to the impact of the IEDs, the bombs, that we rushed with a lot of good intentions to authorize and appropriate at a very high level for the provision of the MRAPs. I'm hearing you say something really very, in some ways, tough, but very practical and reasonable, which is that in the experience of the marines the MRAPs are not right for all the missions we're asking you to perform and, in fact, may not protect against some of the other kinds of vulnerabilities. I think 10 percent was what you said was the percentage of attacks from underneath, and obviously the uparmored Humvees also protect from attack from the side.

So I admire you for cutting back on your initial request for the MRAPs because it may be as I hear you that really we may have overdone it in real and practical terms, not only in terms of your performance of the mission, but protecting the safety of our personnel, and that what's needed ideally is a mix of vehicles, the MRAP, the uparmored Humvee, and maybe something else. I don't know the extent to which the Joint Light Tactical Vehicle that is being worked on now may fill a role there.

So I just wanted to thank you for what you've said and what you've done, and I think maybe there's a lesson in it for all of us.

I don't know whether you want to respond to that briefly.

General CONWAY. Sir, I would only say that I look on the evolution of the MRAP creation and testing and purchase as one of the real success stories that has come out of what's happened. It took Congress, it took the DOD, it took the industry to provide the vehicles in the rapid state that they did. Sir, we have still yet to lose a marine in an MRAP to an underbody. It is an amazing vehicle against that niche kind of capability, and I think I can speak on behalf of my Army brothers and say that they're equally satisfied.

Senator LIEBERMAN. Right.

General CONWAY. But you are exactly correct in that it's not a vehicle for all places and all times. Sir, as I look at the particular culture of our Corps, we're light, we're expeditionary, we're fast-

moving and hard-hitting. Although an MRAP still may be in our future in another battlefield, it doesn't transport well.

Senator LIEBERMAN. Yes, it doesn't transport well if it's too heavy; I agree with you. I'm certainly not questioning the MRAP program. I think it's had great utility, and I appreciate your saying that we turned it around quickly.

But your point is well taken. If it doesn't travel well, if it's too heavy to go over some bridges, if it doesn't operate well off road, and if it doesn't protect against some of the other threats to our troops, then I think what we're looking for is a mix of vehicles to allow you and the Army to carry out the missions we've asked you to carry out with maximum protection of our troops.

General CONWAY. I think that's exactly right, Senator.

Senator LIEBERMAN. I appreciate that very much, and I think it's something we have to take into consideration.

I want to go back to the size of the Fleet, the goal of 313 ships total. What are we at right now, just as a matter of record? How large is the Fleet?

Admiral ROUGHEAD. 279 today, sir.

Senator LIEBERMAN. Right. So in the most direct sense, does that mean, since we're at 279 and our goal has been to be at 313 ships in our Navy, that we are vulnerable, we're in some danger? Are you unable to carry out some of the missions, Admiral, that the country is asking you to carry out?

Admiral ROUGHEAD. Senator, I would put it into two different categories. One is that in combat operations I would say that the size of the Fleet today puts us at moderate risk, and by "moderate risk," there would be likely success, but it may require longer time, it may require more resources, and it could require some changes in the plans that we would normally use to go after a particular problem.

But I also believe that in the world that we live in today and the strategy that I believe that we as a Navy and a Marine Corps and even a Coast Guard must pursue, that we have to be out and about. The types of operations, the importance of maritime security on our prosperity and the way that the goods and resources flow around the world, that numbers become a capability in themselves, and we have to be there to assure the sea lanes that supply our country and that allow us to export our goods; and also to be able to have the types of ships and the balance in our Fleet for the various missions that we perform.

The one area that I am most concerned about today is the area close to shore, the littoral areas, the green water. That's what the LCS is about. The other ship classes that we have are complementing current capabilities and are upgrading those current capabilities. The LCS is about an area that we are, quite frankly, deficient in.

Senator LIEBERMAN. I appreciate the directness of the answer. Moderate risk is, I think, ideally more risk than any of us should want you and our country to face, so that it does make the point, though that the absolute dollars in the requested DOD budget are large, in my opinion they're not enough and we remain at a percentage of the Gross Domestic Product, that is spending on defense, which is historically low, considering that we are at war, an active

war, and we're facing the rise of other great powers—Russia, China—who we obviously hope we'd never get into hostilities with, but are putting a lot of money into military acquisitions, including ships for their fleet.

Let me ask you about the LCS, just to remind us what the numbers are. Of the 313 goal, how many are intended to be in the LCS category?

Admiral ROUGHEAD. Our objective, Senator, is 55.

Senator LIEBERMAN. So that's a pretty significant number.

Admiral ROUGHEAD. Yes, sir.

Senator LIEBERMAN. Just for the record, you've cut back because of the problems in acquisition and development on what you're going to ask for this year, right, for the LCS?

Admiral ROUGHEAD. Yes, sir, that's correct.

Senator LIEBERMAN. Just remind us again of what the reduction there is?

Admiral ROUGHEAD. We reduced our intention this year by four LCSs and that is the adjustment in this year's current budget proposal.

Senator LIEBERMAN. So do you worry that the increasing cost of the ship will make it impossible for us to attain the 55 number goal for the LCS that is part of that 313?

Admiral ROUGHEAD. Getting control of the cost and indeed bringing the cost of the ship down is a very high priority, and that's what we're working on with the Secretary's leadership, and the decisiveness in cancelling the LCSs three and four was not an easy decision, but I believe it was in the best interests of the program.

I look forward to being able to take the 2008 ship and the two LCSs that we have in 2009 and being able to put together an acquisition strategy that allows us to move forward, that allows us to acquire those ships, so that we can get them out, get them operating, because I do believe they are going to be workhorses of the future for us.

Senator LIEBERMAN. I agree. So at this moment you would hold to the 55 LCS goal that's part of the 313?

Admiral ROUGHEAD. Yes, sir, my objective remains 55 LCSs.

Senator LIEBERMAN. The 313 remains not only your goal, but a goal that you think will meet our defense needs, our national security needs?

Admiral ROUGHEAD. Yes, sir, and I would say that it is the minimum number of ships that we will need for the future.

Senator LIEBERMAN. It's very important to say that, right.

Thank you. My time is up. Thank you very much.

Chairman LEVIN. Thank you, Senator Lieberman.

Senator Thune.

Senator THUNE. Thank you, Mr. Chairman.

Mr. Secretary, Admiral, General, welcome. I'm always impressed at the tremendous ability and resilience of our men and women in uniform, and the Navy and Marine Corps certainly are great examples of that. Although in South Dakota we don't have a lot of shoreline, coastline, or beaches, I still have a great interest in making sure that our sailors and marines are well-equipped and well-trained.

Secretary Winter, in your prepared testimony you discuss the recent readiness and training challenges that the Navy faces with a Ninth Circuit Court decision regarding the Navy's use of active sonar off the coast of California to train strike groups before deploying. From what I understand from your prepared statement, the Navy is still subject to an injunction on the use of this sonar issued by the court, despite the President granting an emergency exemption.

As the ranking member of the Readiness and Management Support Subcommittee, I'm concerned about the effect that this injunction may be having on predeployment training. What effect is this injunction having on your current ability to conduct predeployment training, particularly as it relates to countering these modern super-quiet diesel electric submarines?

Secretary WINTER. Thank you, Senator, for the question. Right now the orders that we've received from the court impose several additional conditions on our use of sonar for training and exercise activities in the southern California operating area which we believe would have a significant deleterious effect on the efficacy of those training activities. They basically increase the requirement for shutdown of the sonar when a marine mammal is seen from what has been our practice of 200 yards to a 2,000-meter requirement, which is over a factor of 10 increase in the area that we have to shut down under such circumstances.

Similarly, there are certain water column conditions, what's known as surface ducting conditions, under which we would be required to reduce the sonar power by 75 percent whether or not a marine mammal was present.

Those types of constraints we believe would significantly affect our ability to conduct the type of training activities that are crucial to preparing our Fleet prior to deployment.

Senator THUNE. Admiral Roughead, I have a question in relation to the encounter by the Navy with five Iranian speedboats that occurred last month in the Strait of Hormuz. According to a January 12, 2008, article in the New York Times, a 2002 war game indicated that small, agile speedboats could swarm a naval convoy and inflict devastating damage on our warships.

To the extent that you can discuss this in an open setting, what is the Navy doing to prepare to meet this type of threat?

Admiral ROUGHEAD. Senator, as you would understand, I won't get into the particular procedures that our ships and crews use. But first off, I'd like to just mention the competence and the training of our crews and the commanding officers are what I believe kept that situation under control.

As part of our training for our crews as they prepare to deploy, we present them with scenarios that are very similar to that which would be encountered around the Straits of Hormuz and other littoral areas such as that. We employ simulators as well, again to just be able to take them through a variety of responses. But as we operate in environments like that we employ all dimensions of our naval power, not just the capabilities that we have on our ships, but also our airplanes, those that are embarked on the destroyers and other combatants, but also the aircraft of our air wing. So it's a total capability that we bring in. Our awareness, our situ-

ational awareness, adds to our understanding of what is developing.

But again, I come back to the fact that it really is the training, the competence, and the discipline of the young men and women who are operating our ships at sea that make all the difference.

Senator THUNE. I absolutely would agree with that with regard to the incident in January. I guess the question is with regard to the simulation and how that played out when you gamed it out, do you have a concern about our flexibility and ability to react to that type of a threat, which seems to be where our adversaries in that region are headed?

Admiral ROUGHEAD. Senator, I have confidence in our sailors and our commanding officers, but I am concerned about the type of behavior that is allowed to be taking place. When the leadership of Iran lauds the crew that captured the Royal Navy sailors, I think that that just engenders an attitude in the Revolutionary Guard units that has the potential to escalate, elevate, and perhaps make behavior like this more routine.

Senator THUNE. Secretary Winter, the Navy recently rolled out a new maritime strategy. Could you highlight the major points of that strategy and where you think we have the big gaps in our ability to execute it?

Secretary WINTER. I think the new maritime strategy really represents a long-term commitment on the part of the Navy to partnership building, to maritime security as a common objective of all maritime nations, and also recognizes the importance of humanitarian assistance and disaster relief as mechanisms to assist our ability to develop the relationships with other nations, other navies, and be able to represent our country around the world.

It also continues, if you will, all the current aspects of dissuasion, deterrence, and supremacy at sea that have been a hallmark of our Navy ever since.

Senator THUNE. Admiral Roughead, there has been a lot written about the development of the Chinese and Indian navies, as well as other emerging threats. How would you characterize the submarine threat that other countries pose and how ready is the United States to deal with it?

Admiral ROUGHEAD. The proliferation of submarines globally is occurring at a very, very rapid pace, and it's more than just numbers. The sophistication and the technical advancements that are being made in quieting submarines, making them harder to find, creating air-independent propulsion systems that allow submarines to remain under water for very long periods of time, add to the challenges of anti-submarine warfare and get to the point that the Secretary was making about the need to be able to train against those types of threats.

In the days of the Soviet Navy, we looked for their submarines by listening passively and we could detect where they were and get a position on them. In the case of these very sophisticated, smaller, advanced diesel submarines, active sonar is how we find them, active sonar is how we localize them, and active sonar is enabling how we will kill them. We must be able to train realistically.

We can do that while being good stewards of the environment. In fact, the United States Navy has invested in marine mammal

research, more than any other organization in the world. We can do both and our record speaks to that.

Senator THUNE. Mr. Secretary, do you have any indication of if and when that injunction by the court might be lifted with regard to the training exercises?

Secretary WINTER. Sir, we had oral arguments yesterday in California. We expect to get a ruling by the Ninth Circuit Court some time next week, and we'll have to go from there. I do expect, however, to see continuing challenges on a wide variety of fronts associated with our use of sonar techniques.

Senator THUNE. I see my time has expired. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Thune.

Senator Bill Nelson.

Senator BILL NELSON. Thank you, Mr. Chairman.

Good morning, gentlemen, and thank you for your public service to our country. I get to visit with you, Mr. Secretary and Admiral, probably more than you would want me to visit with you, and I thank you for the continuing saga with regard to making Mayport nuclear, and we're awaiting the Environment Impact Statement (EIS) so thank you very much.

In a couple of minutes I'm going to be visiting with our Commander of U.S. Southern Command (SOUTHCOM) and, as I have discussed with both of you, the recommendations that are coming up to you, Mr. Secretary, from the Admiral about the reactivation of the Fourth Fleet. You may want to share your thoughts with the committee about that, and then specifically I'd like to ask if you will make the request for the appropriate funding in order to make the necessary improvements at Mayport for the Fourth Fleet that would support Admiral James E. Starvidis, USN, as we project our American presence throughout the Western Hemisphere.

Admiral ROUGHEAD. Senator, I've been out in the fleet for the last few years, and as I've looked at the world we're going to operate in and I look at the strategy that I believe is right for our time, it became apparent to me that we had to make some adjustments in our command and control structure, and from that came the Fourth Fleet recommendation that I've made.

It will better align Admiral Stavridis's naval activities and operations with the way that we're doing them in other parts of the world, very similar to Fifth Fleet and Sixth Fleet. So I believe the time has come to reactivate that and it will provide for much more effective operations and more cooperative activity, particularly in the SOUTHCOM area of operations.

I would say, however, that the Fourth Fleet is a command structure and, similar to the Sixth Fleet in Europe and the Fifth Fleet in the Middle East, they will be receiving forces from other naval commands and operating them in the SOUTHCOM area of operations. So with regard to any improvements in Mayport, those are more driven by the EIS that I'm pleased we're going to have out here soon for public comment and decision in January 2009, and also the outcome of what I've asked my staff to do, and that is to look at what is the right strategic laydown and where should we have our Navy forces positioned in the United States.

Senator BILL NELSON. So that EIS is not only going to be for nuclear-capable, but it's also going to be for whatever additional activities you would have with the Fourth Fleet?

Admiral ROUGHEAD. What the EIS is looking at are a range of force package options for Mayport. There are 13 options that we're going to look at and range everywhere from combatants to carriers, and that will be a very informative document for us.

Senator BILL NELSON. Mr. Secretary, what's this in the chain of command? Is it coming from the Admiral up to you and then it goes to Secretary Gates? Is that what happens?

Secretary WINTER. Yes, sir. I've taken a preliminary brief on it. I've asked a number of questions, particularly with regard to exactly how we will evolve this structure. As the CNO commented, this is principally a command and control element. This is a staff group that we're talking about. Most of that staff currently resides at Mayport. Is that the right place in the long term to support the SOUTHCOM down in Miami? How do we want to work all of that? All has to be determined yet.

Once we go through that process, then we will go and take it forward to the Secretary of Defense.

Senator BILL NELSON. Is that interrelated with the EIS or is that a command decision about where you locate the support group?

Secretary WINTER. I do not view this as having any material impact on the EIS or vice versa.

Senator BILL NELSON. I see. Well then, I must have been mistaken. I thought that the recommendation coming up was that the Fourth Fleet would be headquartered at Mayport.

Admiral ROUGHEAD. Senator, the Fourth Fleet is a headquarters, much like our Sixth Fleet is in Europe and our Fifth Fleet is in Bahrain. It is a headquarters organization that in the case of Fourth Fleet will be the merging of Naval Forces South and the Fourth Fleet into the headquarters element.

Senator BILL NELSON. I thought that recommendation that was going up was to be at Mayport. Is that the recommendation that has to go up through the civilian leadership?

Admiral ROUGHEAD. The recommendation, sir, is to take the Navy Southern Command (NAVSOUTH) staff and redesignate them as NAVSOUTH and Fourth Fleet, and that they currently reside in Mayport. My recommendation is that that redesignation occur, but that as we look at force laydown, where command and control structure will be in the future, I believe we should be looking at what is the best way for us to position and operate our Navy, and that will all be part of the look that I'm doing.

Senator BILL NELSON. So long term, that's a decision still to be made in your recommendation?

Admiral ROUGHEAD. Yes, sir. I think that we should be taking a good look at the overall force posture and positioning and where is the best place to put our forces.

Senator BILL NELSON. All right. Admiral, let me ask you about the Reliable Replacement Warhead (RRW), which was going on the submarine-launched ballistic missiles. The first version of the RRW was something of a rebuild of the existing W–76 nuclear warhead. But now the question is, is there a slow-up on the RRW? So what's the impact on the rebuild of the W–76?

Admiral ROUGHEAD. Senator, if I could take that question for the record, I'd like to do that and get back to you.

[The information referred to follows:]

The current halt in the Reliable Replacement Weapon program resulting from the removal of Department of Energy funding in the fiscal year 2008 Appropriations process does not affect the Navy's program to refurbish existing W–76 warheads. The Navy's plan to extend the service life of W–76 warheads will ensure their safety and reliability through calendar year 2042.

Senator BILL NELSON. Okay. We have that issue in front of our Strategic Forces Subcommittee, which we're going to have to answer that.

I would also want to ask you if you would take for the record the question of the Standard Missile 3 inventory, as well as the Standard Missile 3 Block 1B over the Block 1A.

Admiral ROUGHEAD. Yes, sir.

[The information referred to follows:]

The current inventory of SM–3 Missiles is 25; 9 SM–3 Block I variants and 16 SM–3 Block IA variants. A total of 75 SM–3 Block IA variants will be produced in the program of record. In fiscal year 2010, production of the SM–3 Block IB variant will begin, with the first Flight Test Mission in fiscal year 2011. There are a total of 72 SM–3 Block IB variants in the program of record through fiscal year 2013.

Senator BILL NELSON. It's going to have a considerable improvement and we need your advice as we get into this. Speaking of the Standard Missile, congratulations to you.

Admiral ROUGHEAD. Thank you very much, sir.

Senator BILL NELSON. You hit the bull's eye and you did a service, and I think it's appropriate for somebody like me to say that, even though people jump to conclusions, the fact is you had a schoolbus-sized defense satellite that was tumbling out of control, along with a 1,000-pound tank of hydrazine that could survive reentry, and the fact that you hit it and busted it into all thousands of pieces will cause—number one, the orbit to degrade a lot quicker; number two, much more manageable and therefore less likely that pieces survive the searing heat of reentry; and number three, you busted open the tank, so the likelihood of a tank filled with hydrazine—which did happen, by the way. The small hydrazine tank survived the reentry in the destruction of the Space Shuttle Columbia all the way to the Earth's surface. So for that third reason, you are to be congratulated in improving the safety of the conditions. Thank you.

Admiral ROUGHEAD. Thank you, Senator.

Senator BILL NELSON. Thank you very much.

Admiral ROUGHEAD. I couldn't be more proud of our sailors and our civilian engineers that put all that together. Thank you.

Chairman LEVIN. Thank you, Senator Nelson. Senator Nelson's comments and congratulations I'm sure reflects the feelings of all of us.

Admiral ROUGHEAD. Thank you very much, sir.

Chairman LEVIN. Senator Martinez, an uninterrupted turn from the chairman today.

Senator MARTINEZ. Thank you, Mr. Chairman. We can work as a team when need be. I thank you.

I want to add my word of congratulations. I really think it was a remarkable thing. From time to time there are things that hap-

pen that completely capture our imagination and that one is an amazing feat. So, well done!

Admiral Roughead, we have talked about the expanding Navy and the need for a 313-ship Navy, which as you know I fully support. One of the things that has been mentioned along those lines is the possibility that the Navy should be an all-nuclear surface fleet, and I wonder if you can articulate for us your thoughts on that issue.

Admiral ROUGHEAD. Yes, sir. Nuclear power offers advantages. Nuclear power is also a more expensive initial cost as we build ships that have nuclear propulsion. I believe that as we look at the ships of the future we should look at varying types of ways to propel and to power those ships, and nuclear power is one of those things that we should look at.

That said, for all ships to be nuclear my great concern is that it would become a question of affordability, and we have to look at that. We have to look at more than just the fuel cost. We have to look at how much it will cost us to maintain those ships, how much it will cost us to manage those ships, because I believe that as nuclear power has a resurgence in the civilian commercial applications that many of those companies know where the best operators and where the best engineers are, and that's in the United States Navy.

Senator MARTINEZ. So your concern is cost, which when compared to the cost of fuel alone does not tell you the whole cost, which has to do with the increased maintenance, and also you think that you could have simply a manpower issue in terms of competing with the private sector for increased demand for nuclear?

Admiral ROUGHEAD. Yes, sir. We have to look at the whole dimension of it and then make the best decisions that we possibly can.

Senator MARTINEZ. So you want the flexibility, in other words to increase our Navy with whatever power station you think is the most suitable at a given point in time?

Admiral ROUGHEAD. Yes, sir.

Senator MARTINEZ. Mr. Secretary, good to see you again.

Secretary WINTER. Good to see you, sir.

Senator MARTINEZ. We've talked about the LCS and how important it is. I really would like to get an update from you on that program. Where are we, what steps have you taken to correct the deficiencies? The Admiral and I have discussed the need for us to get this one right as we look to getting that 313-ship Navy. So bring us up to speed on where we are on the procurement, on the ship models, and that kind of thing?

Secretary WINTER. Yes, sir. At this point in time we are focusing on really two aspects, one of which is the two ship hulls that are being constructed right now, one in Marinette under the Lockheed prime contract and the other down in Alabama under the General Dynamics contract. Both of those ships are coming along. We are right now conducting somewhat limited power train tests up at Marinette with the LCS–1. We're somewhat limited because of the ice buildup at this time of year in the lake there, and we are fully

expecting to be able to initiate the full range of sea trials once we get past the ice season there, most likely in the April time period.

With the LCS–2, which is down in Alabama, we're in the process of completing the construction there to the point that we can get it into the water later this spring. That is still our current forecast there and we fully expect to be able to conduct at least the initial range of sea trials with her later this year.

Senator MARTINEZ. What timeframe of the year? This summer, perhaps?

Secretary WINTER. Probably in the summertime, yes, sir.

At the same time, we have proceeded very well on the mission modules. We've already taken delivery of the first of the mine warfare modules. That has been delivered. We also are fully expecting to have the first of the surface warfare and the anti-submarine warfare modules delivered this year. All of that gives us a good basis for conducting the full range of mission tests that we'd like to be able to do with both of these vessels.

At the same time, we're preparing to start a round of acquisition which would enable us to acquire three additional vessels under a fixed price incentive type contract. Those three vessels would include the one that was previously approved for fiscal year 2008 and the two that we're requesting in the year of current interest, fiscal year 2009.

Senator MARTINEZ. Thank you, sir.

General Conway, we've discussed this morning here the increased presence in Afghanistan with 3,200 marines. I'm not sure if it was asked, but if not I'd like to be sure that I'm clear. My concern is that from reports that I hear of an increasingly deteriorating situation in Afghanistan from the security standpoint, that this type of force increase may not be sufficient and that perhaps additional forces may be needed in Afghanistan in the near future.

Aside from the great concern that I have about the lack of participation in real fighting from our North Atlantic Treaty Organization (NATO) partners, can you tell us where you see the Afghanistan force needs going in the near term and the far term?

General CONWAY. Sir, I think your analysis is probably correct. When we visit there, people are generally pretty satisfied with what they see happening in Regional Command East, which is up against the Pakistani border and is in the northeastern portion of Afghanistan. They are less comfortable with conditions in the south. The drug fields still operate relatively freely there. There are what they call rat lines in from what some would consider safe haven across an international border. Taliban actually control some ground and some would say it's the heart of the Taliban. You have families there who have sons fighting as a part of the Taliban.

So I think Regional Command South is still very much an unclear picture at this point, and whether or not enough troops have now been committed, both coalition force troops, who in some cases are doing very good work, and now marines in addition to the soldiers that have been there, will be sufficient I think is uncertain at this point, sir.

Senator MARTINEZ. I know the Secretary of Defense has been traveling a lot recently and has made his case to our NATO partners. But can you tell us anything about the level of cooperation

that you might anticipate in what is a NATO mission from other NATO countries in terms of participating in the actual difficult work that is necessary there?

General CONWAY. Sir, I cannot talk about any increased participation. What we do know is that the Canadians publicly are asking for additional troops. They think that there is a need for additional troops, especially if our marines pull out in October, which is planned at this point. The British we see are there. They have a replacement scheduled, a rotation that will replace the people that are there now with a parachute brigade, for all intents and purposes.

So we think that the resolve is still readily evident on the coalition forces that are there now for at least the rest of this calendar year. Again, sir, I would not want to presuppose beyond that.

Senator MARTINEZ. Thank you, General.

My time is up, but let me associate myself with Senator Nelson's comments as they relate to the situation in Mayport and our great desire to continue to see a very vibrant naval presence there going into the future. We've discussed it ad nauseam. I'm sure you know my points on that, but I did want to associate myself with the Senator's comments. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Martinez.

Senator Reed.

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

Thank you, gentlemen. Admiral Roughead, the Navy has the requirement to start detailed design for the next class of ballistic missile submarine. In fact, we have to start doing that pretty soon since I think 2019 is the target date to begin construction. When are you going to start that research and development (R&D) design program in the budget, this year's budget?

Admiral ROUGHEAD. Yes, sir. We have to start looking at that, and we are beginning to move forward with initiatives to work a design process, as well as work cooperatively with the U.K. Government, which has a more urgent need than we do. So we are moving forward in that regard.

Senator REED. One of the problems I think is not in terms of just the delivery of the submarine in the future; it's the maintenance of the R&D force, which is fragile. If we don't keep investing, these are skilled individuals who will leave and go off by necessity. That is, I presume, a concern that you have and that will motivate your actions.

Admiral ROUGHEAD. Very much so, yes, sir.

Senator REED. Mr. Secretary, can you describe the acquisition strategy for the rest of the ships in the DDG–1000 program?

Secretary WINTER. Yes, sir. At this point in time we have not definitized the acquisition strategy for the rest of the ships. We will be developing that this year and going through the normal approval process on that.

Senator REED. When do you anticipate informing Congress about the results of the analysis of alternatives and design decisions for the CG(X?)

Secretary WINTER. Sir, we're still in the process of going through that right now. I will say that, based on the preliminary reviews

I've had, we still have a ways to go on that, and I will be hard-pressed to give you a definitive date at this point in time.

Senator REED. Is it your intention to leverage the investment in existing hulls by re-using DDG–1000 hulls in your planning? Is that one option at least? I know you can't reach a definitive judgment. Is that an option?

Secretary WINTER. Sir, one of our principal objectives, is to maximize reuse of everything from hull forms to individual componentry on all of our ships, and to the extent that we can use improvements and new technology that is being developed in other programs, we will endeavor to do so.

It is at this point in time, sir, though, just one of a series of options.

Senator REED. Yes. With respect to the DDG–1000 hull and the construction of the CG(X), can you do that with nuclear propulsion, as required by the National Defense Authorization Act for Fiscal Year 2008?

Secretary WINTER. That is one aspect that we're looking at. We do believe that we can accommodate a reactor plant in that particular hull form, but that is something that still needs to be fully developed.

Senator REED. Thank you.

General Conway and Admiral Roughead, in general do you think we are putting enough money into the R&D to support both shipboard operations and expeditionary forces? Commandant, you first, and then the Admiral.

General CONWAY. Yes, sir, I do. We have a very active warfighting lab that works with the Navy research labs. We reach out to commercial and educational institutions with our research. So I think that we are, sir.

Admiral ROUGHEAD. I agree with that, Senator. Just coincidentally, this week I directed the president of our Naval War College to reinstitute the Title 10 war game so that we can, at an operational level, begin to look at some of the concepts that are important to General Conway and me, particularly in the area of sea basing, because I really value the intellectual capital that we have in Newport.

Senator REED. Rhode Island?

Admiral ROUGHEAD. In Newport, RI, absolutely, yes, sir. That adds to not just the R&D, but really the operational perspectives that must be brought to bear.

Senator REED. Let me raise a final question. That is, I understand that the Navy is essentially allocating 50 accessions from their Reserve Officer Training Corps (ROTC) or Naval Academy programs to the Marine Corps this year. Is there any plan going forward or contemporaneously to make up for that?

Admiral ROUGHEAD. Senator, one of the things that we are requesting this year is to grow the size of the Naval Academy by 100 midshipmen. It will be done over a period of 4 years. That really is in support of the Marine Corps requirement and I'd seek your favorable consideration.

Senator REED. As long as they're coming out for the archery team that's fine. [Laughter.]

Thank you.

Chairman LEVIN. Let's see. Senator Wicker, I believe, is next.

Senator Wicker.

Senator WICKER. Thank you. Thank you very much. I appreciate it, Mr. Chairman.

Gentlemen, let's talk about LPDs. Mr. Secretary, the purpose of the LPD is to load, transport, and unload marines, as well as their assault equipment, such as helicopters and other vehicles, for amphibious warfare missions. I notice, Admiral Roughead, that the LPD is number two on the Navy's unfunded priority list and, General Conway, it's the Marines' number one unfunded priority. I'd like to see that moved up, moved up a little.

I know that we have competition between the needs and our ability to finance them. But I am concerned about our ability to provide continuous global posture, as outlined in the naval strategy, without additional investments in these large-deck platforms.

If you couple the fact that the fiscal year 2009 budget outlines a 5-year shipbuilding plan and relies heavily on three new platforms, which brings a large degree of risk to an already complicated production strategy, with the growing Marine Corps, which I support and which most people support, it seems to me that additional LPDs are going to be necessary.

As I understand it, there are nine of these ships that have been authorized and appropriated in last year's act. $50 million in advance procurement was appropriated for the tenth ship, but it is not funded in the budget request. I'll ask each of you to comment on this. How many ESGs does the Marine Corps have a validated requirement for? As a matter of fact, somebody tell us for the record, what comprises an ESG?

Admiral ROUGHEAD. The ESG, Senator, is comprised of——

Senator WICKER. One strike group.

Admiral ROUGHEAD. One strike group. One strike group will have a large-deck amphibious ship. It will have surface combatants capable of firing Tomahawk missiles, and on occasion we will couple a submarine with that strike group.

Senator WICKER. But an LPD is an integral part of this ESG, is that correct?

Admiral ROUGHEAD. That is correct.

Senator WICKER. So isn't it a fact that we have a requirement, a validated requirement, for 11 of these strike groups?

Admiral ROUGHEAD. General Conway's requirement is for 11 LPDs as part of an 11–11–11 mix. I concur with the requirement that he has set forth. With regard to the prioritization with the LPD on my unfunded priority list, it is number two. Number one on my list are the P–3 airplanes that we have experienced cracking in the wings, and I've had to ground 39 of them in the last couple of months. The P–3s are our premier anti-submarine warfare airplane, so they're important to us in that mission. They're also being used very extensively in Iraq because of their intelligence, surveillance, and reconnaissance capability that they have, and for that reason I have put the P–3s as my number one priority.

Senator WICKER. Number one unfunded priority.

Admiral ROUGHEAD. Unfunded priority.

Senator WICKER. How are we going to meet these requirements without the number one and number two requirement, and for you,

General Conway, for your number one unfunded priority? How are we going to meet the requirement of 11 strike groups without those?

General CONWAY. Sir, first of all, we are short. But let me couch perhaps the same conversation just a shade differently. We see that a minimum two brigade across-the-shore requirement is how we arrive at the numbers of ships that we need. You're certainly correct in that the ESGs are afloat, they serve a very valuable purpose, but 9 or 11 ESGs do not make an amphibious assault force.

So we have analyzed what our two brigades look like, the amount and the numbers of ships that it would need to carry those brigades, and at this point we are a little short. Now, as Admiral Roughead mentioned, we've had some tremendous discussions with the Navy. We have come to agreement on the numbers of ships, 33 to make 30 operational ships, in order to give our Nation that very necessary capability. The Navy has looked at a way to extend some older ships that gives us that 30 number for some period on through the Future Years Defense Program (FYDP), the 5-year defense plan.

Our only concern with it, however, is that we have already, through previous agreement, previous CNOs and previous Commandants, agreed on the 30 ships. That still represents about a 20 percent shortfall that those brigade footprints would require. If we go with the old ships instead of newer ships, that shortfall becomes about 29 percent, and we think there's a risk inherent with that that just concerns us greatly with the ability to provide that kind of capability to the Nation. Ergo, it being our number one unfunded priority.

Senator WICKER. Thank you very much. I would suggest you have the gist of my question. We put the $50 million in for advanced procurement for the 10th ship last year and I would just hope that this Government somehow could find the ways and means to go ahead with the 10th ship in short order.

Now, General Conway, let me shift in the time I have remaining and follow up on Senator Martinez's question about Afghanistan. Regional Command South is troubling, as I understand your testimony to be. This is what I understand also from some of my colleagues who recently returned from Afghanistan.

I think it's important that we paint a correct picture about what's going on there in Afghanistan. I think the testimony was that the Canadians are asking for additional troops. I suppose you mean they're asking our NATO allies for additional troops?

General CONWAY. I think that's a fair statement, sir. They are saying that there is a need for 1,000 additional troops and 6 additional helicopters.

Senator WICKER. That's what the Canadians are saying. Do you agree with that? Is there a need for more than that 1,000 to get the job done?

General CONWAY. Sir, I think it remains to be seen. We're in a period at this point of lesser amounts of activity. Those 3,400 marines are not on deck yet. I do think that a battalion of marines——

Senator WICKER. I'm sorry. We're in a period of lesser activity?

General CONWAY. Yes, sir, because it's winter there and there are heavy snows. The Taliban are historically less active during these months.

But I think springtime will be another story. I was going to say, sir, that a battalion of marines in Afghanistan we feel as the Joint Staff is probably going to have more effect than a battalion in Iraq because of the nature of the threat and the numbers that we face. Sir, we don't know yet what the outcome of those 3,400 marines are going to be in the south. But the Canadians, who command RC South, would like to see a continuation of that kind of force structure on through beyond this calendar year and that's what they're asking for, to whatever nation that can help them to carry on the fight.

Senator WICKER. Those would be NATO nations.

The staff has just handed me a nice little card and I know that my time is drawing to a close. But I would just observe, this is a crucial moment for NATO and I would say this publicly to anyone that's listening to the sound of my voice. Our entry into Afghanistan was not controversial, as Iraq was later on. It followed September 11. The world was with us, and NATO all agreed to hold hands and do this together.

I would simply suggest that there are a lot of people observing the situation that are wondering if everyone in NATO understands what the agreement was and what the alliance is about.

Thank you.

Chairman LEVIN. Thank you, Senator Wicker.

Senator WARNER. Mr. Chairman, would you allow me to commend my colleague? I agree with your comment with regard to NATO. We should not forget that background.

Senator WICKER. Thank you, sir.

Chairman LEVIN. I think there's probably a consensus on this committee as to what you just said, Senator Wicker. We've spoken out on that issue, as has the Secretary of Defense, and your comments, I think, are right on target about the obligations of NATO that have not been met.

Senator Akaka.

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

Let me say, Secretary Winter, Admiral Roughead, and General Conway, aloha and welcome to this hearing on the Navy's National Defense Authorization Request for Fiscal Year 2009. Also I want to thank all of you for your service to our country, and also thank all of those you command for their service to our country. We really appreciate all of that.

Secretary Winter and Admiral Roughead, my question has to do with Guam. Decisions have been made already to send 8,000 marines to Guam by 2014. This move coincides with the overall buildup of U.S. military facilities on Guam as it becomes a key strategic location in the Pacific. Your 2009 budget request includes $34 million to continue planning and development for the National Environmental Policy Act (NEPA) activities, which requires an EIS.

I understand that DOD is making steady progress with their EISs. Other agencies such as the Department of the Interior do not have the funding necessary to complete their own EIS requirements for Guam. Secretary Winter and Admiral Roughead, if these

other agencies are unable to find the funding necessary to complete their EIS requirements, my question is what impact will this have on the proposed time line?

Secretary WINTER. Sir, first of all, thank you for the question. I would note that we have gone a long way over the last several months in terms of developing the interagency coordination necessary to bring in the other Departments. In particular, Secretary Dirk Kempthorne has been a major player in terms of bringing the Department of the Interior into this act as part of their responsibilities for insular affairs and having explicit responsibility for Guam.

I believe that the ongoing activities that are needed to support both the overall EIS development and the master plan development have all been identified. We are hopeful that they will be funded in a timely manner. I know that there's been a lot of effort going towards that direction. I cannot give you an explicit statement of what would occur if any specific component were unable to support the activity, but I can give you the assurance that we are working with all the other agencies in a very direct manner, and should any specific issue come up of that nature we would be more than pleased to inform you of that.

Senator AKAKA. Admiral?

Admiral ROUGHEAD. Senator, there's nothing I can add to the Secretary's statement.

Senator AKAKA. I would then say that should other agencies not provide this information there may be a reconsideration of the time line.

Secretary WINTER. Yes, sir.

Senator AKAKA. Admiral Roughead, the Pacific is likely to increase in relevance for U.S. national security and for the U.S. Navy. As China becomes a greater economic and military power and as operations against radical extremism continue in places like Afghanistan and Pakistan, this certainly is a huge concern. Personally, I just want to say I would tell you that Admiral Timothy J. Keating, USN, has made some great moves and has been able at least to converse with the Chinese authorities.

Given the importance of the U.S. Navy power projection in the Pacific and the shifting of 8,000 marines to Guam from the Third Marine Expeditionary Force, is there consideration, Admiral, for basing the new U.S.S. *Gerald R. Ford* at Pearl Harbor, given its strategic geographical advantages?

Admiral ROUGHEAD. Senator, in recent years we've realigned our carrier force, put most of it in the Pacific. The same with our submarines. As we look to the future and the delivery of the *Gerald Ford*, which will be an aircraft carrier of great capability, we will factor that capability into the force structure and basing plans for the future.

Senator AKAKA. General Conway, in your statement you mention the importance of maintaining proficiency in the most enduring and traditional of Marine Corps missions, and that's the amphibious forcible entry. I'm concerned about the current operational stretch on the Corps and their readiness to conduct these types of operations that are so different from the missions our marines perform with such courage today, and many of course on the ground.

Given the increased Taliban activity in Afghanistan and the U.S. response to send an additional 3,200 marines to that country, what is the biggest challenge facing the Marine Corps' ability to prepare for high intensity amphibious operations over the next years, so that we don't find ourselves in a situation where we've under-resourced you or neglected the core competency of the marines?

General CONWAY. Sir, our biggest challenge is to be able to create sufficient dwell time for our marines and sailors so that we can get back to some of those training venues that give us such a multi-capable capacity to do the Nation's work. When we're home now, we're home for 7 months and, quite frankly, some of that is used in leave time at the front and at the beginning, but the rest of it is devoted towards counterinsurgency training. As a result of that, we are not doing amphibious training or exercises. We are not doing combined arms live fire maneuver, which would be the extension of an amphibious operation once you're ashore. We are not doing mountain or jungle training except by exception.

So your concern is my concern, sir. We traditionally have had a cadre of very experienced officers and senior staff NCOs who understood amphibious operations. I'm afraid we're losing that capacity and we've been away from it now for 5, maybe 6 years. I don't know that you get it back in 5 or 6 years. I think there is an additional time requirement out there to develop and provide experience levels to those kinds of marines.

Senator AKAKA. Let me ask my final question to the Secretary. The strategic importance of Guam in the Pacific has led to increased investment in Navy and Air Force base facilities and equipment as more U.S. military capabilities are being transferred there. In an effort to make the best use of limited resources, part of the Base Realignment and Closure 2005 recommendation was to realign Anderson Air Force Base by relocating the installation management functions into a joint basing effort led by the Navy. How is this realignment proceeding and what are your recommendations for the development of future military capability on Guam?

Secretary WINTER. Senator, I would observe that the cooperation that I have seen on Guam between both Navy and Air Force senior personnel is probably as good as anyplace else in the Services. I think that they are evolving that concept very well. We are doing an integrated planning activity as we develop the master plan, which incorporates not only Navy and Air Force activities, but also Marine Corps requirements associated with Anderson and the related areas.

I think that as we evolve over the next several years there is all the possibility of making this perhaps one of the best cases for integrated joint basing.

Senator AKAKA. Thank you. I thank you all for your responses. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Akaka.

Senator Sessions.

Senator SESSIONS. Thank you, Mr. Chairman.

Secretary Winter, you and Admiral Roughead, I think, have been very articulate and firm in your affirmation of the Navy's plan to make sure we have 55 LCSs as a part of the 313-ship Navy, and it's just a critical component of our defense capability. It's a new

high-speed ship that would utilize less sailors and have more capability and be able to go into areas that we've never been before effectively and could have multiple capabilities, and maybe even as years go by we see even greater capabilities for that ship and we might even need more.

But I was really taken aback last year when the subcommittee zeroed out funding for that. I can't complain. I believe persons in your position have to stand up and make sure costs come in on line. But we've now cancelled ships from both competitors. I guess I'm asking you and Admiral Roughead if you realize that it's going to take perhaps some extra effort to make sure that our members of the Senate and House are aware that, even though you're being vigorous and aggressive on costs and have delayed production and done some things, that you remain committed to this program.

Would you share your thoughts, Secretary Winter?

Secretary WINTER. Thank you very much, Senator. I would like to underscore your comment there relative to the critical importance of LCS. I would note that, as opposed to many other of our shipbuilding activities, where we are modernizing and replacing older vessels of similar types, that this represents truly a new capability and a capability that we have no alternative mechanism of providing at this point in time.

It is not just a matter of the speed, as you pointed out, but also the flexibility of the mission, the shallow draft and the appropriateness specifically for an evolving and increasingly important domain that we have to be prepared to fight in, the littoral.

With regard to the specifics of the acquisition program that we've been engaged in, one of my objectives has been to ensure that we're able to acquire these vessels in a cost-effective manner and a timely manner. One of the things that became fairly evident last year was that we were proceeding at a rate which was in advance, if you will, of our knowledge and understanding of the vessels. The specific actions that I took were with the objective of being able to put the program into a more studied and appropriate development process.

I think we now have very good focus on both the individual vessels as well as the mission modules. We are proceeding at a good pace into the development and trials of both of those, and I fully expect that we will come out of this with an exceptionally good product and a capability that will provide excellent service for our Navy for many years to come.

Senator SESSIONS. Your strong action that you took does not reflect any doubt of the ultimate ability of the ships being considered to meet the goals and requirements of the Navy?

Secretary WINTER. No, sir. If anything, I think we're going to wind up with two very good alternatives here, and exactly how we sort through that perhaps abundance of riches and options is something that we will have to deal with in the future. But I'm very comfortable that we have two very good, viable designs, either one of which has good prospects for fully meeting our objectives in the littoral.

Senator SESSIONS. Admiral Roughead, would you likewise affirm that, even though the Navy has put its foot down on some cost and other issues, that that in no way reflects a lack of confidence in the

capability of these vessels and the need that the Navy has for it to be a part of the Fleet?

Admiral ROUGHEAD. Absolutely, Senator. I believe that we have had to fill this gap that we have and the LCS does that for quite some time. I have visited both variants on two occasions in the last 8 months. My visits to that ship only increased my commitment to the program, and I believe that the decision that was made with regard to LCS–3 and LCS–4 reflects a commitment to the program and the need to get the costs under control so that we could have the program.

Senator SESSIONS. We know part of the cost problem was Navy additional requirements, and that all is not the contractor's fault when the buyer wants to add more and more capabilities. I think in the future, would you not agree that we could do better in making sure Congress has a fair picture of the actual costs of a product when you recommend it?

Secretary WINTER. Most definitely, sir. One of the changes that we put in place over this past year is a formal set of gate reviews that mandate that explicit discussion, so that we have a definitive set of requirements, not just the top level, but a complete set of requirements, in a timely manner and are willing to commit to stability in those requirements during the course of acquisition.

Senator SESSIONS. I would just note, I know the Navy since I guess the beginning has favored the Law of the Sea Treaty, the LOST Treaty we call it. I'm not here to argue all of that, but I would just say to you I have a broader responsibility. This is an organization that gives us, I think for the most part, just one vote out of 100-and-something nations. It creates the possibility of an international taxing body on American corporations and businesses. It deals with many things that affect the seas. We even had lawsuits over nuclear power plants, trying to block plants on land because somebody argues that it might be a part of the sea. It creates international courts that we are bound to follow. We have perhaps enough courts already in our country.

Someone could argue that this or that action might impact the environment of the sea, and we could have an international body blocking something that our environmental agency has approved in the United States.

Also I would suggest that a hostile group over some political, international, military issue who was unhappy with the United States could at times generate enough votes to create rules that might block the military from doing things that we've historically been able to do.

So I just want to say that I have some doubts about the treaty and I think we need to look at it carefully. That's why probably it hasn't been passed yet. It also has sovereignty issues that are not minor. We need to think those through.

General Conway, I was honored to visit you and interact. I don't know whether you've had the opportunity to talk about it, but I remember the briefing we had in, I believe, 2006—Senators Warner and Levin were there—that was so troubling, by the Marines about some of the difficult things in al-Anbar with the al Qaeda group. Within months, it seems, Major General Walter E. Gaskin, Sr., USMC, and his team had begun to negotiate with very local lead-

ers, not regional leaders, not Baghdad leaders, but local leaders, tribal leaders, city mayors, and agreements were reached, and all of a sudden persons who had been helping the al Qaeda were now helping us. It really has been the model of this dramatic reduction in violence by 60 to 70 percent, we've seen in Iraq.

Would you agree with that, that that was a key part of the change that's happened in Iraq? Would you say to us that legislation that would direct that you could only use force against al Qaeda would be impractical in the battlefield, as has been proposed? I don't think we're going to vote on that now. Maybe it's pulled down. But we had legislation up in the last few days that would have said you have to identify one group or another and you can only attack this group and not another.

Any comments you would have?

General CONWAY. Sir, the last question first: I would not want to put restrictions on the battlefield commanders or, more importantly, those NCOs that have to make split of the moment decisions that result in lives being lost or saved.

With regard to your earlier observation, I think that's right. I would say that General Gaskin and his folks, the marines and soldiers and sailors there, did a wonderful job during that rotation. But they had the same theme during that period as we had from 2004. So I credit all those rotations that were through those cities and that surrounding countryside with maintaining the presence, maintaining their patience, their discipline, and trying to work with the Sunni sheiks to show that that we were not their worst enemy, but the al Qaeda was.

I think when the al Qaeda finally overplayed their hand through the murder and the intimidation, wanting to intermarry and so forth, the sheiks finally decided collectively they had had it up to here. When they came to us to say, "We will turn on them and slaughter them with your assistance" we were only too happy to say, "We think that's the right thing to do." That's when you saw the Province turn. It was a west to east movement, but it has continued east on now to Baghdad and places north and south of Baghdad, and I see that as very positive.

Senator SESSIONS. Thank you.

Chairman LEVIN. Thank you so much, Senator Sessions.

Senator Webb.

Senator WEBB. Thank you, Mr. Chairman.

First I would like to say—it was mentioned earlier—this is Senator Warner's last Department of the Navy posture hearing, at least as a sitting Senator, and I want to express all of the appreciation I can muster for the years of service that the senior Senator from Virginia has given our country, first as a marine, then in the Defense Department, and finally here in the Senate.

Mr. Chairman, I was a 25-year-old marine my last year in the Marine Corps on then Under Secretary and Secretary of the Navy Warner's staff, and am pleased to have an association with him since that time. I think it can fairly be said that there is no one wearing the uniform of the United States military today whose military life and well-being has not been affected by the dedication of the senior Senator from Virginia. So we will look forward to working with you in many other capacities.

Senator WARNER. I deeply am humbled by the comments that you make, my good friend. I thank you.

Senator WEBB. Thank you, sir.

Chairman LEVIN. Thank you, Senator Webb, also. I tried in a very inadequate way to express those sentiments earlier today, and I appreciate your comments.

Senator WEBB. I certainly wouldn't want to take away from what the chairman said.

Admiral Roughead, I have said many different times, you're familiar that I not only support the growth of the Navy to 313 ships; I think we need to work really hard to figure out what the best number can be. It may be higher than that. I personally believe it should be higher than that. We have major strategic concerns around the world that I think have been in some ways atrophied because of the focus that this country has had to have in recent years on the situations in Iraq and Afghanistan, and there is no substitute for a tangible presence of the United States Navy in times of crisis when we have strategic concerns around the world.

You hear how the members feel about that. Everybody seems to want ships homeported and everybody seems to want to build ships, so let's see what we can do to work together to get efficient shipbuilding programs and to streamline the process so that we can have the best strategic defense of our country.

General, I would like to follow on a bit from what Senator Akaka began talking about this shift in our assets in the Pacific, the situation particularly from Okinawa to Guam. But I would like to hear more of your perspectives on that. I've been involved in it at one level or another for a very long time.

One question that came up that I hope you can give us some further light on for the committee here is this aviation facility on Okinawa that was scheduled to be built offshore on the far northern part of the island. I can recall when I was visiting Okinawa a few years ago as a journalist there was a good bit of support, at least from what I could tell, for moving it. Then there was something about a lawsuit that originated in the United States that would interrupt the construction of this facility. Can you help us out on that?

General CONWAY. Sir, if I can, I will talk briefly about the facility and then ask the Secretary if he'd like to comment, because it is very legal and he and his lawyers have been discussing it in detail.

The facility is called the Futenma Replacement Facility. It would be built offshore, you're correct, sir, off Camp Schwab in a coral area there, to replace the one we have at Futenma, move it from a less populated area to an area offshore. We're asking for a similar type of facility that would take aboard both our helicopters and our C–130s for intertheater lift.

It has been seeing recent problems with the finding of the Ninth Circuit, and I'd ask the Secretary to take over from here.

Secretary WINTER. Yes, sir. Senator, I appreciate the question. What has transpired here is that a group of individuals, principally from Japan but with a small group of plaintiffs from the United States as well, have argued that the National Historical Preservation Act applies in this circumstance, that, notwithstanding the fact that the Government of Japan is responsible for the actual con-

struction activity and that the Government of Japan is undergoing their equivalent of a NEPA process with their style of EISs, that it is incumbent upon us to deal with the dugong, which is a manatee type of animal which has been designated by the Government of Japan as a cultural treasure, and it is therefore argued that the Okinawan dugong is subject to protective measures under the National Historic Preservation Act, which is one of the few acts which does constrain activities outside the United States.

Senator WEBB. Would you say this is going to interrupt the construction of the facility?

Secretary WINTER. It has the potential, sir, of disrupting the activities. It constrains our ability to provide the final approvals on the process, and I am concerned about in particular the schedule impact. Notwithstanding what we believe is a good likelihood of success in the final adjudication of this, the time period that it's going to take is going to be significant.

We are currently evaluating our options to be able to continue in parallel, at risk if you will, in particular given the fact that the government of Japan has the principal responsibilities here.

Senator WEBB. Thank you. We'll look forward to working with you to help resolve that, I hope.

The final disposition, General, of the assets, what would that look like, between Guam and Okinawa, Japan?

Admiral ROUGHEAD. Sir, what we'd like to see is about 10,000 on Okinawa, about 8,000 on Guam. We're proposing that as a part of the initial agreement that we also be able to distribute some of our forces to Hawaii. In the end what we would like to do is effect a brigading, if you will, of those locations in the Pacific, with the primary headquarters on Guam, but with the air wing and CSS headquarters located elsewhere, so as to be able to respond to some need in the future by the combatant commander.

Senator WEBB. It's absolutely essential for us to keep forces in that region, not only for that region, but for maneuverability throughout that part of the world.

General CONWAY. I wholeheartedly agree, sir.

Senator WEBB. Have you looked at Babelthaup?

General CONWAY. Sir, not as a basing.

Senator WEBB. Great training area.

General CONWAY. But our commander in the Pacific is developing what he optimistically calls a "Twentynine Palms of the Pacific," and he is looking at the Palaus, the Marshalls, opportunities to train and perhaps even put a station, if you will, on some other nations, where we would visit and bring the camp to life and then put it in a cooldown status when we leave.

We think that there are going to have to be additional training opportunities because Guam is simply not that large and probably the best you're going to be able to do on-island is company size.

Chairman LEVIN. Would you help us with "Babelthaup," please?

Senator WEBB. Mr. Chairman, we ought to have a discussion about this. The first book that I wrote when I was 27 years old postulated that we should realign our military bases in the Pacific with a very heavy axis on Guam and Tinian. During those discussions actually General Lou Walt had gone out into the areas where the Marine Corps had operated in World War II. In the Palau Is-

land group there's an island called Babelthaup, which is very difficult to spell. But he had recommended that as a training area.

Chairman LEVIN. The reason I ask was to help our reporter. I also must confess ignorance. I had never heard the term before.

Senator WEBB. We'll get back to you for the record on that. I think there's a t-h-a-u-p on the end of it.

Chairman LEVIN. That will give us another reason to go back and read your book, though. [Laughter.]

Senator WEBB. I can summarize it for you very quickly. [Laughter.]

Admiral, you mentioned something here about the Naval Academy increasing in size in order to resource the growth in the Marine Corps? Am I hearing you correctly?

Admiral ROUGHEAD. That's right, Senator. We would like to take the Naval Academy brigade strength from 4,300 to 4,400, because of the increased number of officers that are being commissioned into the Marine Corps in support of the growth.

Senator WEBB. What percentage of the Naval Academy now goes into the Marine Corps?

Admiral ROUGHEAD. We're not set on a percentage. I think if you were to run the percents it's almost 30-plus percent a year that are now going into the Marine Corps.

Senator WEBB. That's incredible. When I look back, when we had a 4,100 Midshipman Brigade and the Marine Corps was 190,000 going into Vietnam, I think they had about a 6¾ percent were going into the Marine Corps. Then the Marine Corps went from 190,000 to 304,000 during Vietnam and they went up to 10 percent. When it was at 200,000 when I was in the Pentagon, I don't think it was much higher than 10 percent.

Admiral ROUGHEAD. It was about 16 percent when I was the Commandant there.

Senator WEBB. What you're really seeing is the impact of a reduction in the size of the Navy, I think, with those percentages going over.

These people don't go through regular Marine Corps Officer Candidate School (OCS), do they General?

General CONWAY. They do not, sir, any longer. They do go to Quantico if interested in a Marine Corps option for a 3-week period after their third year.

Senator WEBB. Mr. Secretary, when it grew above 10 percent when I was Secretary of the Navy, I mandated that those Naval Academy midshipmen who wanted to go in the Marine Corps should go through the bulldog program the same as the ROTC midshipmen, and I think at the time it was done because we were looking at the class standing of Naval Academy midshipmen in basic school and it had gone way down.

We don't ever worry about the people at the top. They're always going to do well, the people who are really motivated. But when you have that high a percentage, I would be curious as to see what the spread looks like. You want to make sure that everybody's motivated. The Marine Corps has a different perspective than a lot of different areas.

General CONWAY. I can talk to that myself, sir, if you would like. When I was commanding officer at the basic school I did a like

study and, as you might imagine, our Marine Enlisted Commissioning Program was absolutely producing the best students, Naval ROTC and Platoon Leader Class a distant second. At that point Academy was about the same as OCS, and that was troubling to us.

We started a series of engagements, and I can tell you, sir, it's quantum better today. Their performance today is akin to their intelligence levels and the 4 years of experience they've gained at the Academy.

Admiral ROUGHEAD. Senator, I'd say it turned around when I was the Commandant at the Naval Academy. [Laughter.]

Admiral ROUGHEAD. But I would also say that, in addition to supporting the Marine Corps growth, the Naval Academy remains one of the primary institutions where we get our technical base from. So that's why the growth is important. It can't be zero sum and that's why we need the growth.

Senator WEBB. Having had an engineering degree shoved down my throat during 4 years at the Naval Academy, I know what you mean about technical requirements. But I'd kind of be curious to see those numbers, actually.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Webb.

Senator McCaskill.

Senator MCCASKILL. Thank you, Mr. Chairman.

I just want to say that no one has been more of a gentleman and more of a class act in terms of a Senator since I arrived here than Senator Warner. It's a wonderful time when we can get past all that party label stuff and acknowledge this. It's what makes this place good for our democracy. So I certainly echo the warm sentiments that Senator Webb had.

Senator WARNER. I thank my colleague.

Senator MCCASKILL. Thank you.

I note in your testimony, Admiral, that you're concerned about the tactical aircraft inventory shortfall. The older F–18s are being used, as you well know, far beyond their original design. I know your inventory is really challenged by the delays in the JSF, and we're talking about now, depending on who you talk to and depending on whether we want to be very optimistic or whether we want to be overly realistic, somewhere between 2-, 3-, and 6-year delays.

The Carrier Air Wing 7, it's my understanding, is missing all of its tactical aircraft at this point and is playing kind of a shell game to cover its mission responsibilities. I think your inventory models predict at best a 70-aircraft shortfall during this transition to JSF.

My question is, would you comment on your plans in fiscal year 2009 and beyond to fix the shortfall? Do we need to strongly consider a new multi-year procurement of F–18s to fill in the gap in terms of these carrier deck shortfalls, particularly in light of our mission in that regard and the national security concerns?

Admiral ROUGHEAD. Senator, thank you very much for the question. The JSF is going to be a capability that will add greatly to our Navy capability in the future. That said, as I look at how we are using our strike fighter aircraft, we're using them at quite a rate. In fact, we have a study underway currently to see if we can stretch out the life of the Hornets that are in service today.

As I look at our future air wing—and your number is very close to ours. We're saying it's 69. We believe in the 2016 timeframe that we will have a dip. We have to look at what are the mitigators for that. I do not believe we can stretch the Hornets any more than we're seeking to do right now.

But as we go into preparation of our fiscal year 2010 budget this is something that is foremost in my mind, because our ability to project power around the world is a function of our carriers and a function of our air wings, and we have to make sure that we have the capabilities that we need.

Senator MCCASKILL. I'm encouraged that you're looking at that, and I certainly—obviously, I think we have a lot to be proud of in the F–18. It's under budget and on time and it has been a great aircraft for its purpose. Frankly, having a few more of them around during this transition period of time I think is not something that we should shy away from, particularly realizing the gap that's coming.

Admiral ROUGHEAD. It's a great airplane and I'm pleased we've been able to transition it into an electronic attack variant that I think will be very valuable to us as well.

Senator MCCASKILL. It's terrific.

Also, the only other question I had today for you—and frankly, any of you can speak to this. I know that Senator Kennedy talked about the MRAP problems in terms of the availability. I'm concerned about the whistleblower, Franz Gayl. I would like some reassurance from you that Mr. Gayl is not going to face any adverse employment decisions or actions because of his whistleblowing in regard to the study that was done, that has now come out in part of the public discourse.

General CONWAY. Ma'am, he works for the Marine Corps. I have purposely stayed at arm's length from that discussion. I have never met Mr. Gayl or Major Gayl.

There is, I will say, I guess, an investigation underway to determine whether or not he has complied with the guidance that was given to him by his boss. We are making every overture to ensure that we don't violate any aspects of his whistleblower status. But if it's determined that Mr. Gayl has done something other than what his leadership and his bosses have instructed him to do, then that outcome will have to be determined, as to what happens to Mr. Gayl.

Senator MCCASKILL. I know that General Magnus recently referred this to the DOD IG, which I think is an appropriate move. I know how hard it is internally to be careful in this regard, and I know that there are some whistleblowers who have not followed direct instructions and who have gotten out in ways that maybe they shouldn't have.

But the impact that dealing negatively with whistleblowers has on the entire operation is something that we really need to avoid. Whistleblowers are so important to accountability, regardless of whether we're talking about a bureaucratic agency that's dealing with the taxpayers or whether we're talking about the military. I just want to make sure that I didn't leave this hearing without expressing to you how strongly I feel and how closely I'll be watching to make sure that any whistleblower, and this whistleblower in

particular, is treated with respect and deference and under the letter of the law in terms of any potential adverse consequences because of what he did.

I just think it's tremendously important and I just didn't want to leave the hearing without expressing that in very strong terms.

General CONWAY. I do appreciate that and I can assure you from my leadership position he will be treated in accordance with the law.

Senator MCCASKILL. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator McCaskill.

Admiral, I think you made reference to the number of P–3s that are grounded.

Admiral ROUGHEAD. Yes, sir.

Chairman LEVIN. As 39?

Admiral ROUGHEAD. 39 is what we've grounded.

Chairman LEVIN. What's the total number of P–3s we have? Is that a third? What percentage of the total is that?

Admiral ROUGHEAD. That's about a third of what we have operational.

Chairman LEVIN. You can get us the precise number for the record, just to get some idea of that.

Admiral ROUGHEAD. I will get back to you.

[The information referred to follows:]

There are currently 157 P–3C aircraft in the inventory. The 39 Red Striped aircraft comprise approximately 25 percent of the total force.

Chairman LEVIN. By the way, we'll just have a brief second round for those who want to ask some additional questions.

On the MRAPs, General, your decision on the MRAPs, which is totally understandable, you explained it very well as to the various missions and what vehicles you need for which missions. When you purchase less or fewer MRAPs than expected, does the Army need the ones that you did not buy, do you know, and does that speed up delivery to the Army of their requirement because you're not going to be using all of the ones you originally planned on? Does that have any impact positively on the Army?

General CONWAY. Sir, potentially, in that there would have been a distribution over time of those that were built that was depending upon the needs of the units in theater. Frankly, a part of our determination to recommend reduction of our buy was that we were not seeing the contacts in the west that the Army was still having, Baghdad, Diyalah, and up towards Mosul.

So the answer I think is probably yes. That said, when we considered the reduction we looked at the impact that it would have on industry. We didn't want them to have bought up steel and transmissions and tires for a vehicle that we would suddenly say that we didn't need. There was no impact there.

Chairman LEVIN. That would be a second question. But as far as the Army, you're not sure whether or not that brings them quicker to their requirement?

General CONWAY. I think it's fair to say that it will, sir, because all those built on this last buy, which I think was December of this last year, will be Army. There will be no Marine vehicles in there.

Chairman LEVIN. I'd like to talk to you about your troop levels. General, as I understand it in CENTCOM now, in Iraq and Afghanistan, you now have eight battalions; is that correct?

General CONWAY. Sir, today as we speak we have eight battalions, that is correct.

Chairman LEVIN. It's your intention to increase that to 10 by March or in March? Is that your general plan?

General CONWAY. Sir, it gets complicated, but our committed battalions will be 10 in March, because you will have the eight in Iraq and two more battalions, of course with the MEU headquarters and the support elements, going into Afghanistan. So from March through May the commitment will be 10 battalions.

Chairman LEVIN. Then in May you're going to be bringing back two battalions as I understand it?

General CONWAY. That is correct, sir.

Chairman LEVIN. Then you'll be staying with eight through October?

General CONWAY. That is correct, Senator.

Chairman LEVIN. Now, is it your plan to draw down below eight in October? Is that your current plan?

General CONWAY. Sir, the conditions under which the Secretary of Defense approved the request for forces was such that the deployments to Afghanistan represent 7-month deployments, which is our norm, for both the MEU and the battalion. So ostensibly those forces will be coming out in October of this year.

Chairman LEVIN. Is it fair to say then that is what the current plan is, but it could be changed?

General CONWAY. Mr. Chairman, that's exactly right.

Chairman LEVIN. Now, on that Law of the Sea Convention that we made reference to—and I'm delighted to hear the administration is going to strongly support the ratification of that convention. It's my understanding that the Foreign Relations Committee voted that out again this Congress, and I'm wondering whether any of you or either of you may have testified before the committee, or was that your predecessors?

Admiral ROUGHEAD. I did not testify. I believe Admiral Mullen testified, and I know Admiral Vernon E. Clark, USN (Ret.) did as well.

Chairman LEVIN. He testified, okay.

Senator WARNER. Very strongly, if I might say, Mr. Chairman.

Chairman LEVIN. That's great.

I'm urging again that this convention be brought to the floor. I just think it's long overdue. It has great value in terms of the Navy, the way in which we can have orderly processes at sea working with other nations. My dear colleague, Senator Warner, was the person who actually signed the treaty, I believe on behalf of the country.

Senator WARNER. When I was Secretary of the Navy, I was the delegate for the Secretary of Defense to the Law of the Sea Conference in Geneva. It was about 36 years ago that I performed that service. It was someone different than the Incidents at Sea.

But I commend you, Mr. Chairman, for bringing up this question of this treaty. It's important for the United States of America if we're going to continue to lead as the major maritime power, and

we now have before us today the current team that's in charge of the Navy and they give unqualified support to this treaty. So thank you for bringing it up.

Chairman LEVIN. I thank you. There's a wonderful picture of Senator Warner, if you have a chance to see it, when he was just a couple years younger, when he was, on behalf of the United States of America, initialing or signing fully that agreement. It's a wonderful bit of naval history, an important part to security, stability on the seas. It's a great history and I hope that we're able to confirm this while Senator Warner's still in the United States Senate.

But a number of the benefits of the Law of the Sea Convention which have been cited were: the right of unimpeded transit passage through straits that are used for international navigation; a framework for challenging excessive claims of other states over coastal waters; and the right to conduct military activities in exclusive economic zones.

Admiral, I believe you have said that the convention provides a stable, predictable, and recognized legal regime that we need to conduct our operations today and in the future.

Admiral ROUGHEAD. Absolutely.

Chairman LEVIN. So I wanted to get all that in the record because I will be asking the Majority Leader to bring that convention to the floor.

The only other question I think I have is about the EFV. General, let me just ask you about the funding for that vehicle. This is really the missing piece in your over-the-horizon assault goal. It's been in development, this vehicle, since the early 1990s. There was a cost breach of the Nunn-McCurdy which occurred last year. That resulted in a delay. But there's a funding shortfall, as I understand it; is that correct, or is that not a funding issue at the moment?

General CONWAY. Sir, I think at this point it's a developmental issue more than it is a funding issue. We have reduced our requirements by half in order to have just those vehicles that we sense that we have to need. We accept fully the reason why the Navy would not want to close closer than 25 miles to an unfriendly shore. So you're precisely right, we have to find some way to bridge that distance and do it quickly.

I'd ask the Secretary, sir, if he would have any comments about the funding or the development.

Chairman LEVIN. Maybe you could comment on it. Mr. Secretary, is there a funding issue or is that a different problem?

Secretary WINTER. No, sir, I believe the issue here that you're referring to is a developmental one, where we went through the test and evaluation activities last year. While the vehicle was able to perform the vast majority of its objectives, the reliability was far from what we were looking for. So we went and took the program and said we needed to do a design for reliability and maintainability, with the hopes of being able to come up with a configuration that would reflect those types of improvements, give us the ability to maintain this critical asset on board ship, and have the availability and reliability that we expect out of a vehicle of this type, and make all of those changes before we went into production.

Chairman LEVIN. Thank you.

General CONWAY. Sir, if I could add one thing. We've talked some about the growth of other navies. I am going to China the end of next month. I'm invited to go out and ride aboard one of their new amphibious ships and then to be taken ashore in their equivalent of the EFV, that will ride well above the wave height at something exceeding 25 miles an hour.

Chairman LEVIN. That's great. I think, by the way, these military-to-military contacts are valuable for all kinds of reasons, and that's a perfect example of it.

General CONWAY. Yes, sir.

Chairman LEVIN. Senator Warner.

Senator WARNER. Thank you, Mr. Chairman. Mr. Chairman, every now and then we should acknowledge the support that we get from our staffs. I wanted to thank a member of your staff, Fletcher Cork, for recognizing when the hearing started the temperature in this room was 64 degrees, and we have now got it up to 70.

Chairman LEVIN. The conversation has not been heated at all. [Laughter.]

Senator WARNER. It's just the foresight of a very able staff member.

Chairman LEVIN. New technology in operation here.

Senator WARNER. It's your staff.

Chairman LEVIN. We want to thank you for recognizing my staff.

Senator WARNER. Thank you.

Chairman LEVIN. They've done some other important things as well. Not recently. [Laughter.]

Senator WARNER. Notice all the laughter emanated on your side. [Laughter.]

I want to talk a little bit about the family structure, which is so important to each and every one of those servicemembers, be it male or female, that's proud to wear the uniform. Admiral, I understand that you recently requested the Chairman of the Joint Chiefs to hold a tank session of the senior military leadership to address military health care costs and DOD medical issues. I hope that that will come to pass.

We're fortunate in DOD to have the services of a man by the name of Dr. Alfred S. Casales, M.D. You're familiar with him?

Admiral ROUGHEAD. Yes, sir, I know him.

Senator WARNER. Extraordinary achievement in the private sector as a cardiac surgeon, and he's heading up the team. He will undoubtedly be integral to this study.

But tell us what you hope to achieve from bringing this up with your fellow members in the tank. Then, General, I'd like to invite you to address the same question. Because we have tried to improve health care. This committee has taken the leadership over many years. We did TRICARE for Life legislation. We had the very serious problem of, I just call it the Walter Reed syndrome, which awakened all of us to the need for further study. Now I think you're carrying it to another level.

Admiral ROUGHEAD. Yes, sir. My motivation in recommending to the Chairman that the Chiefs talk about health care really stems from a couple of things. One is that as we look at what our people

value, what our sailors and their families value, the surveys always point that health care is at the very top of the list.

It is also true that the costs of health care are significant and that they are squeezing and putting pressure on budgets in ways that were not envisioned years ago.

But most importantly, when you combine these things, and as we make adjustments in how we deliver care, whether it's privatized or direct care, I believe that the Chiefs must have a discussion as to what the nature of our operational health care will be, and in the case of the Navy and the Marine Corps we're an expeditionary force, we're a deployed force. So as we make changes to health care systems and how we budget for that, what effect does that have on the operational dimension?

I believe that it's the Chiefs that must have that discussion. We can talk about the business plans and other things in other fora. But we collectively as Services, and as we become more joint in the providing of health care, I think it's time that we have this discussion. It's not aimed at any particular area.

Senator WARNER. I strongly commend you for that initiative.

Would you like to add your perspective?

General CONWAY. Sir, there's two or three points I'd like to offer. One, we with Navy medicine, I think, are doing a very good job with our wounded warriors. That includes PTSD and TBI, although we continue to, I think, do some discovery learning in terms of techniques. There is no lack of effort to provide the best possible medical care.

The Navy has a forward-deployed footprint. The Admiral mentioned that they're expeditionary. They are. They're forward with us with teams sorting out these things really now in both theaters, and that's as it should be. What happens as an indirect result of that, and I'm attempting to manage it through discussions with the families and so forth, is that there is a shortfall in some of the hospitals and clinics. Our people wait a little longer, but they still get great treatment when they get in, and we're helping our families to understand that.

One area that I find, though, that I think we need to place increasing attention and increasing concern are for those Exceptional Family Member Programs. We have stories out there of a first sergeant living in his mother-in-law's home, with his wife and two children, one of whom is an exceptional child. He is paying $80,000 a year for that treatment to that child and that's where all his income is going. He's a devoted parent.

But the care that's being offered for some of our exceptional family members through the TRICARE system that we have now I think needs to take a closer look at those specific concerns and help these families, because they're having tough times otherwise.

Senator WARNER. They look to you as the uniformed boss. But I would like to invite Secretary Winter to follow on to the General's observation. I commend you for your recognition of the Navy-Marine Corps family as they've endured these high operational tempos, the initiatives you have outlined, adding 4,000 child care spaces, authorizing 100,000 hours of respite care for families of deployed servicemembers, enhanced programs for children and youth, indeed at a price. Tell us a little bit about those initiatives?

Secretary WINTER. Sir, as has been said many times, we recruit sailors and marines; we retain their families. Ensuring that we're able to provide for an appropriate lifestyle and an appropriate environment for our families there is of absolute importance. Doing that at our Fleet concentration areas has been a major objective here. It has been somewhat easier, if you will, in those areas than it has been at some of the more farflung places that we operate, and in particular a little bit more challenging, obviously, for those families associated with our IAs and reservists that have been called up for Active Duty.

What we're trying to do right now is to develop a whole range of programs and processes that can address the full spectrum of those families. The child development center investments that you referred to are a major part of that. That happens to be one of the highest priority items any time we go out and conduct surveys of families as to what is really important for them. Similarly, being able to provide the full range of support from the fleet and family service centers is increasingly important.

What we've been doing of late, in addition to those activities, is affording mechanisms for families that are not co-located, that are not in those Fleet concentration areas, to participate in the call centers, the Internet Web sites, the other mechanisms that we've been able to identify, to be able to make sure that our families are taken care of and know how to get the resources that they need, no matter where they live.

Senator WARNER. I want to thank you for that initiative.

Gentlemen, it's interesting, this July will mark 35 years of the All-Volunteer Force. Too much has been said about me here today, but I was privileged to be in the DOD in your position in July 1973 when the draft ended. We took a deep breath. I say "we"; the whole of the United States, and particularly the military leaders, civilian and uniformed, decided to try an experiment that no other nation had ever tried. It has worked magnificently.

As a matter of fact, I think it has worked better than any of us at that time had the vision to foresee. We have to protect it. I'd just like to wind up this session by hopefully receiving your assurances that in your collective professional judgment, if all three will respond to the question, that the All-Volunteer Force is very much alive and well and even strengthening.

Mr. Secretary?

Secretary WINTER. Yes, Senator. I would argue it is not only necessary, but it is clearly possible. We just need to take care of our servicemembers and their families, and I think this Nation will continue to support us.

Senator WARNER. Admiral?

Admiral ROUGHEAD. Senator, in June 1973 you spoke at my graduation.

Senator WARNER. At Annapolis.

Admiral ROUGHEAD. You headed me fair, as we say in the Navy, and I'm honored that you're here at my first posture statement.

The reason I bring that up is because of your leadership and your concern for the men and women of our Navy. That today I serve in the best Navy I have ever served in, and it's a function of the All-Volunteer Force, the care that you and this committee,

the attention and the thought that goes into truly creating an environment where our young men and women can come and be fulfilled personally and professionally, has made our Navy what it is today. I thank you and I thank the committee for everything that you do.

Senator WARNER. General?

General CONWAY. Sir, I joined the Marine Corps in 1971 in the operating forces. That was before the All-Volunteer military. There is no comparison between today's military and the people we had in our ranks at that point, absolutely no comparison.

I would offer that a small All-Volunteer military is really put to the test in a protracted conflict such as we see here now. But use of our Reserves, I think, across all Services has helped to mitigate that, and we're managing that, I think effectively, in many instances.

I would end, sir, by saying, however, that we're now a country of over 300 million people. Less than 1 percent of our numbers wear the uniform at any point in time. That is our warrior class. That's our insurance against all those things out there that could in some way do damage to our country. I would only ask that you continue to support and sustain those people to the best of your ability, because we owe them a great deal.

Senator WARNER. I want to thank you for those comments. As a matter of fact, I leave here to go to the floor at 2 o'clock to join Senator Webb, who's really been a leader in so many initiatives in the short time he's been in the Senate, to put forth legislation to strengthen and broaden the GI Bill.

When I reflect on my modest career, it would not have been achievable had I not received a GI Bill education for modest service in World War II and a law degree for again modest Active Duty in the Marine Corps, this time during the Korean Conflict. I think this generation is entitled to the same benefits as my generation had. That educational program was probably the best investment that the American taxpayers ever made. It started in 1944.

I mention that only because in my judgment the initiatives of Senator Webb and others who joined on this field are going to strengthen and solidify the foundation on which the All-Volunteer Force exists. I think it's an important step. Sleep with one eye open. We cannot ever revert back to the draft in my judgment, absent some extraordinary unforeseeable situation.

You remember, General—and I think probably, Admiral, you saw the vestiges of the draft—the problem that we had, the disciplinary problems, because there were just individuals who were there, not because they raised their hands and volunteered, as does every single person in uniform today. They are there because they had the courage and the willingness to raise their hand and said "I volunteer."

So sleep with one eye open and guard it.

I thank you again, Senator, for your comments.

Chairman LEVIN. Thank you, Senator Warner. A lot's been said about you today.

Senator WARNER. Too much.

Chairman LEVIN. Well, no, not enough. A lot more is going to be said about you in the months ahead. But most importantly, it's not

just what you've contributed to the security of this country, representing your beloved Commonwealth, but we're going to look forward to many, many, many, many more years of your contribution to the security of this country after you leave this particular place early next year.

Senator Warner and I have exchanged this gavel many times as chairman. I think we've each been chairman three times now. I'm just wondering, Senator, since this is going to be, I think, your last posture hearing, unless we can slip in an additional one just for old time's sake before you leave, if you would gavel this hearing to a close.

Senator WARNER [presiding]. This is an unexpected pleasure. Thank you. A third of a century of my life has been with the Army, the Navy, the Marine Corps, and with our military, and I wouldn't be here today but for what they did for me, and I don't think I've done in return that much for them. But I thank you for this honor.

Thank you. We are adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR JACK REED

INCREASES IN NAVY SCIENCE AND TECHNOLOGY FUNDING

1. Senator REED. Secretary Winter and Admiral Roughead, the Navy mission has undergone significant change where the threats, theaters of operations, and increasingly joint context of operations have shifted significantly. One would expect a 'bump' in science and technology (S&T) funding associated with technology enablers for new mission capabilities. This can be observed in the Army funding the S&T efforts to support the Future Combat System (FCS) when it was evident that a transformation to a faster, leaner, more connected ground force was needed. The Army got their S&T bump starting in 2005 and is now coming back down. Many of the technologies will not necessarily be tied to a platform, but are part of the overall theater combat network. We are at a point in time in the Navy where the force structure is changing and several new ship and air platform types are in the works. Typically, there is an increase in S&T before new platform types are introduced into the fleet as new systems technologies are developed for the platform. We are at that point in the Navy where a bump should be expected. The Navy budget for S&T has essentially flat-lined since 2004 including the budget presented this year. Are we falling behind the curve in funding research and development (R&D) to support both shipboard and expeditionary force advanced capability?

Secretary WINTER and Admiral ROUGHEAD. We are not falling behind. The Navy has renewed its commitment to a strong S&T leadership role as reflected in the 6 percent increase in S&T investment in the President's budget request for fiscal year 2009. We continue focusing our S&T investments on greater integration of capabilities and on aggressively tapping into the opportunities provided by the global movement of ideas, technology, and innovation.

Our S&T investments present a well-reasoned balance between applied science, focused on near-term challenges, and basic research to make longer-term investments to advance the frontiers of science. Our investment in basic and early applied research will build the scientific foundation for future technologies, emphasize key "game changing" initiatives that can provide disruptive technologies to our sailors and marines, and focus on the transition of critical S&T programs to the acquisition community and the fleet.

The naval S&T strategy provides this balance by directing minimum investments as follows:

- At least 40 percent in discovery and invention (basic research and early applied research)
- At least 30 percent in acquisition enablers, primarily the Future Naval Capabilities (applied and advanced research)
- At least 10 percent in leap ahead innovations such as Electromagnetic Railgun (applied and advanced research)
- At least 10 percent in quick reaction S&T (advanced research)

2. Senator REED. Secretary Winter and Admiral Roughead, if the Navy is falling behind in funding on R&D to support shipboard and expeditionary force advanced capability, how much is needed to supply an adequate 'bump' in Navy S&T funding?

Secretary WINTER and Admiral ROUGHEAD. The Navy is not falling behind on R&D funding. We value S&T to give us a warfighting advantage and enable new innovative naval operating concepts. We have increased our investment in S&T by 6 percent in the President's budget request for fiscal year 2009 and 1.5 percent across the Future Years Defense Program (FYDP).

QUESTIONS SUBMITTED BY SENATOR EVAN BAYH

UNMANNED AERIAL SYSTEMS

3. Senator BAYH. General Conway, the MQ–9 Reaper, an Unmanned Aerial System (UAS), continues to distinguish itself during challenging combat operations in Southwest Asia supporting U.S. and coalition forces in combat abroad. U.S. and allied military commanders engaged in these operations have identified the MQ–9 Reaper as consistently key to mission success. The capabilities of the MQ–9 Reaper equipped with the DB–110 Reconnaissance Pod meet U.S. Marine Corps combat requirements in Iraq and Afghanistan, providing persistent endurance, superior wide-area/day-night surveillance, precision strike, and beyond-line-of-sight operations, while also providing a 3,000 pound external payload capacity to meet future Marine Corps combat needs. However, the Marine Corps currently lacks these UAS capabilities and their dedicated employment. What are the combat benefits the Marine Corps could derive from the MQ–9 Reaper's immediate strike capability assuming the MQ–9 Reaper were dedicated to and under direct control of Marine Corps fighting forces?

General CONWAY. The MQ–9 Reaper is a large, multi-function UAS with a myriad of capabilities for providing day/night ISR and weapons employment. The Marine Corps could certainly benefit from dedicated MQ–9 Reaper support. However, UAS support is a zero sum equation and the Marine Corps is currently meeting its commitments with the RQ–7B Shadow.

Operational control (Direct Support vice General Support to the Joint Force) of an RQ–9 system by the Marine Corps would be in conflict to the Joint Force Commander's employment plan and would be achieved at the cost of support to another joint or coalition unit. Beyond operational support, the Marine Corps could not support the MQ–9 system with regard to logistics or manpower. The MQ–9 Reaper is three times longer, five and a half times wider, and an order or magnitude heavier than the currently fielded RQ–7B Shadow. The size and weight of the MQ–9 limit its ability to be incorporated into the expeditionary warfighting methodology used by the Marine Corps.

The future Tier II capability desired by the Marine Corps will retain its expeditionary capability with a requirement that it be transportable by a CH–53 aircraft. The MQ–9 does not meet this requirement.

If given the opportunity to operationally control an MQ–9 system for direct support to the MAGTF, the USMC would certainly derive a short-term benefit. The cost to the Joint Force Commander could be considered detrimental given the limited availability of MQ–9 assets. It is a matter of debate as to the priority for MQ–9 support.

4. Senator BAYH. General Conway, could the MQ–9 Reaper's and the DB–110 Reconnaissance Pod's capabilities complement Marine aviation functions, to include: Offensive Air Support, Aerial Reconnaissance, Assault Support, Electronic Warfare, Command and Control of Aircraft and Missiles, and Anti-Air Warfare?

General CONWAY. Yes. Direct support to the MAGTF provided by the MQ–9 Reaper would complement the six functions of Marine aviation. The difference between the benefit provided and the associated cost of ownership is the deciding factor regarding the MQ–9 Reaper. If the Marine Corps were directed to support the MQ–9, the other aviation functions would suffer due to the logistical and manpower requirements to operate and control the system (e.g. maintainers, aviators, command and control officers, etc).

5. Senator BAYH. General Conway, could the Marine Corps benefit from an extended Marine Corps MQ–9 Reaper/DB–110 Reconnaissance Pod combat evaluation in Southwest Asia, while operating under direct and dedicated Marine Corps control?

General CONWAY. Yes, the Marine Corps could stand to benefit from MQ–9 Reaper support. Two key assumptions are critical to a successful evaluation. First, if all system support was provided by the owning agency (e.g. operators, maintenance, and controllers). Second, if the tempo from that agency matched our battle-rhythm. The rate at which tasks were turned into reconnaissance and actionable intelligence would have to be responsive and timely to meet the Marine Corps concept of operations. Given both assumptions, the Marine Corps would benefit from a combat evaluation of the MQ–9 Reaper.

NUCLEAR AND FOSSIL-FUEL NAVY POWER ANALYSIS

6. Senator BAYH. Secretary Winter and Admiral Roughead, the Navy has been studying variants of the next cruiser, CG(X), including nuclear power, in an Analysis of Alternatives (AOA), which was to be completed in 2007. I am extraordinarily pleased the Navy is undertaking this effort, and compliment the Navy's leadership and vision in pursuing such an in-depth study so critical to our Nation's security for the next half century. Is this analysis a true apples-to-apples comparison of nuclear and fossil-fueled ships, taking into account:

- the fact that procurement costs for nuclear ships include the cost of fuel for the ship's lifetime, while procurement costs for fossil-fuel ships do not include a lifetime of fuel;
- the cost of the fuel supply infrastructure for fossil-fueled ships, including costs to protect supply ships as capital ships (including the potential growth of fuel and infrastructure costs over the life of the ship);
- the value of energy independence, increased mobility, and reduced carbon emissions from nuclear ships;
- the value of more space for weapons, unmanned vehicles, and aircraft fuel in nuclear ships due to space saved by not storing fuel for power;
- long-term savings on submarines and aircraft carriers due to increased nuclear production; and
- the value of nuclear power's ability to accommodate the high energy demands of future weapon systems?

Secretary WINTER and Admiral ROUGHEAD. The Maritime Air and Missile Defense of Joint Forces AOA, which includes consideration of CG(X) platform alternatives, examined and compared the Life-Cycle Costs (LCCs) for nuclear and fossil-fueled ship concepts on an equal basis. The LCCs include costs for development, procurement, operations and support (including fossil fuel usage), and disposal. This cost comparison includes the cost of nuclear reactor cores supporting ship life in the upfront acquisition cost comparisons. For the operating and support costs, a delivered fully burdened cost of fuel is used in accordance with Office of the Secretary of Defense guidance and the Defense Energy Support Center price which includes direct costs (fuel price, refinement, transportation, facilities/operations) as well as proportionate indirect costs (Navy storage and handling, oiler acquisition and operating costs, and environmental related costs).

The cost of protecting supply ships or growth in fuel supply infrastructure was not evaluated in the AoA. As CG(X) is envisioned to operate with Strike Groups and/or Surface Action Groups, accordingly no major impact to the Combat Logistics Force (CLF) structure is anticipated with either a new nuclear cruiser or a new efficient, high endurance, fossil fueled cruiser because CG(X)/CGN(X) is not the limiting ship class for re-supply. Should the Navy consider platform alternatives or operating concepts that affect these assumptions, the Navy will consider the impact to the CLF in the decision process.

Regarding the value of increased mobility:

While any financial benefits that would accrue from operational advantages were not included in the cost comparison, studies of operational sufficiency conducted in support of the AoA suggest that nuclear power allows higher transit speeds in surge-to-theater missions without underway replenishment. Nuclear power offers increased time between replenishment resulting in longer time on station during warfighting operations.

The value of energy independence beyond the operational benefits to a nuclear-powered CG(X) was not evaluated in the AoA. Quantification of the impacts of nuclear power on strategic energy independence is difficult in a cost comparison.

Regarding the value of reduced carbon emissions from nuclear ships:

The value of reduced carbon emissions was not evaluated during the AoA. Design and operation of a future CG(X) platform will comply with applicable Federal, State, and local statutes.

Regarding the value of more space for weapons, unmanned vehicles, and aircraft fuel in nuclear ships due to space saved by not storing fuel for power:

Development of ship design concepts to support the assessed operational requirements (including weapons, unmanned vehicles, and aircraft fuel) in the AoA included examination of the design impacts of alternative propulsion systems such as machinery space and fuel tank requirements.

Regarding long-term savings on submarines and aircraft carriers due to increased nuclear production:

The AoA considers but did not specifically include the long-term savings (5–9 percent) on submarines and aircraft carriers due to increased nuclear production.

Regarding the value of nuclear power's ability to accommodate the high energy demands of future weapon systems:

The ability to accommodate higher electric energy demands associated with future weapon and sensor systems is a function of electrical generation and distribution capacity, and is independent of fuel type (nuclear vs. fossil fuel). Flexibility in accommodating increased electric loads can be introduced into either nuclear or fossil fuel propulsion plant designs, although fossil fuel endurance is degraded with electric load growth.

7. Senator BAYH. Secretary Winter and Admiral Roughead, when will the results of the AoAs be complete and made available to Congress?

Secretary WINTER and Admiral ROUGHEAD. The results of the Maritime Air and Missile Defense of Joint Forces AoA, more commonly referred to as the CG(X) AoA, were delivered to the Navy Staff in January 2008. The Navy Staff is reviewing this comprehensive and lengthy report. The report is over 600 pages of information and reflects 18 months of work. The Navy is conducting a series of internal reviews prior to making final decisions in several critical areas. I have been updated on the progress of the internal Navy AoA reviews. Once complete, the AoA Report will be forwarded from the Navy Staff via the Secretary of the Navy's Office to the Office of the Secretary of Defense for final approval. The Office of the Secretary of Defense will have the final determination on when the AoA will be made available to Congress.

8. Senator BAYH. Secretary Winter and Admiral Roughead, if the cost of fuel, as well as the costs of operating and protecting supply ships, were added to the upfront costs of fossil-fueled ships, what would the difference in upfront costs be for nuclear and fossil-fuel cruisers?

Secretary WINTER and Admiral ROUGHEAD. The Maritime Air and Missile Defense of Joint Forces AoA, which evaluated CG(X) platform alternatives, examines and compares the LCCs for the nuclear and fossil fueled ship concepts on an equal basis based on the fully burdened cost of fuel to include the operations of the supply ship. The AoA did not evaluate the cost of protecting supply ships. As CG(X) is envisioned to operate with Strike Groups and/or Surface Action Groups, no major impact to the CLF structure is anticipated with either a new nuclear cruiser or a new efficient, high endurance, fossil fueled cruiser because CG(X)/CGN(X) is not the limiting ship class for resupply. Should the Navy consider platform alternatives or operating concepts that affect these assumptions, the Navy will consider the impact to the CLF in the decision process.

9. Senator BAYH. Secretary Winter and Admiral Roughead, has the Navy considered alternative funding methods for nuclear fuel—for instance, funding nuclear fuel with the same appropriations fund that is used for fossil fuels—to reduce the difference in procurement costs in the Shipbuilding and Conversion, Navy (SCN) fund? If not, why not?

Secretary WINTER and Admiral ROUGHEAD. No, the Navy has not considered alternative funding methods for reactor cores for new construction ships. These funds are required to support construction. Changing the appropriations to procure these reactor cores represents no advantage to the Navy.

10. Senator BAYH. Secretary Winter and Admiral Roughead, absent the current budget approach for nuclear fuel in SCN and fossil fuel in Operation and Mainte-

nance, Navy, which power plant—nuclear-powered or fossil-fueled—will provide operationally superior capabilities for a cruiser able to meet the Navy's drastically increasing operational tempo and support Ballistic Missile Defense (BMD) and other future high energy weapons systems?

Secretary WINTER and Admiral ROUGHEAD. The budget approach has no impact on operational capability. However, studies conducted in support of the Maritime Air and Missile Defense of Joint Forces AoAs, which included consideration of CG(X) platform alternatives; assess that nuclear power offers increased time between replenishment resulting in longer time on station during warfighting operations and higher transit speeds in a surge-to-theater scenario.

Cruisers currently deploy with other fossil fuel ships including CLF assets that can provide refueling at sea capability in the existing air defense concept of operations. The operational impact of reduced operational presence due to replenishment at sea is minimized if operating distances between CLF assets and the CG(X) remain small.

The ability to accommodate higher electric energy demands associated with future weapon and sensor systems is a function of electrical generation capacity, and is independent of fuel type (nuclear vs. fossil fuel). Flexibility in accommodating increased electric loads can be introduced into either nuclear or fossil fuel propulsion plant designs, although fossil fuel endurance is degraded with electric load growth.

11. Senator BAYH. Secretary Winter and Admiral Roughead, several years ago, the Nation's various shipyards were consolidated under two shipbuilding companies, to achieve greater efficiency and reduced costs. Have those predicted results been realized in savings in shipbuilding costs?

Secretary WINTER and Admiral ROUGHEAD. The consolidation of the shipyards under two shipbuilding companies allows those shipbuilders more flexibility to take a sector view in balancing their resources and facilities as they determine the most efficient approach in the production process. The Navy is encouraged by General Dynamics' and Northrop Grumman Shipbuilding's recent attempts to explore corporate-wide efficiencies across their shipyards. The innovative design and build practices being implemented by General Dynamics Electric Boat and Northrop Grumman Shipbuilding Newport News in the *Virginia*-class Submarine Program serves as a model for other programs. Cost reduction goals are being realized and as a result the Navy will begin procuring two submarines per year in fiscal year 2011, 1 year earlier than previously planned. General Dynamics has also used Electric Boat's designers on the DDG–1000 design contract and Northrop Grumman Newport News resources have been used to support production of ships at Northrop Grumman Ship Systems. The Navy believes greater efficiencies and cost savings are possible as industry further examines the potential for corporate-wide savings.

12. Senator BAYH. Secretary Winter and Admiral Roughead, both of the Nation's shipbuilders own nuclear and non-nuclear shipyards. Would shifting contracts to the shipbuilders vice individual shipyards better facilitate construction of future classes of nuclear-powered ships, by requiring the shipbuilders to most efficiently allocate their resources and distribute their work throughout the individual shipyards?

Secretary WINTER and Admiral ROUGHEAD. Awarding a nuclear shipbuilding contract to the "parent" corporation will not significantly change the allocation of ship components or systems within the corporation. The Navy awards contracts to the legal entity capable of performing the work. In most cases, the legal entity that possesses the qualifications, certifications, facilities, and resources to construct and deliver nuclear-powered ships is the individual shipyard, not the parent company. There is currently no contractual prohibition against sharing work across sectors of the same corporation, and shipyards do that. The Navy, in collaboration with industry partners, determines the most efficient manner to build ships, subject to the requisite technical approvals and competencies of the specific shipyards.

MODULAR CONSTRUCTION

13. Senator BAYH. Secretary Winter and Admiral Roughead, modular construction has been very successful for the *Virginia*-class submarine program. How will the Navy apply this successful method of modular construction to other programs, particularly the nuclear cruiser program?

Secretary WINTER and Admiral ROUGHEAD. Modular construction has been a standard practice for more than 2 decades (e.g., DDG–51, LPD–17, T–AKE, and DDG–1000). The Navy seeks increased use of modular construction to maximize pre-outfitting and testing. Such efficient construction methods are planned for incorpo-

ration into any cruiser alternative. Northrop Grumman Shipbuilding-Newport News and General Dynamics Electric Boat are the Nation's two authorized and experienced nuclear qualified construction shipyards. Non-nuclear sections of future nuclear-powered ships could be built by other shipyards experienced in Naval Surface Combatant construction (General Dynamics Bath Iron Works and Northrop Grumman Shipbuilding-Gulf Coast). The method and location of construction of potential additional nuclear-powered ship classes have not yet been determined. Lessons learned for efficient modular construction in the *Virginia*- and *Ford*-class programs will be applied to any new nuclear ship construction plan.

NUMBER OF NAVY SHIPS AND SUBMARINES

14. Senator BAYH. Secretary Winter and Admiral Roughead, given the fact that the number of Navy submarines will dip significantly below the Navy's stated minimum requirement of 48 submarines in about 20 years, are there ways to rearrange the Navy's shipbuilding budget to facilitate more submarines sooner?

Secretary WINTER and Admiral ROUGHEAD. The shipbuilding plan detailed in the Navy's Report to Congress on Annual Long-Range Plan for Construction on Naval Vessels for Fiscal Year 2009 reduces the number of years that SSN force structure is below 48 from 14 years (per fiscal year 2008 plan) to 12 years. The 30-Year Shipbuilding Plan is the best balance of anticipated resources to the Navy's force structure requirements. Having less than 48 attack submarines (from 2022 through 2033) is not ideal, but the long-term risk incurred is manageable as part of a stable shipbuilding plan that is properly balanced within anticipated resources. A two submarine per year build rate is good for Navy (cost and operational requirement) and for industry (stable market).

The Navy is pursuing a three-part strategy to mitigate the risk incurred by the SSN shortfall by reducing the construction time of *Virginia*-class submarines from 72 to 60 months, extending the service life for 16 SSNs (ranging from 3 to 24 months in length), and extending the length of selected SSN deployments from 6 to 7 months. This strategy will reduce the impact of the projected dip in submarine force structure in the 2020–2033 time period and provide for all current and projected Combatant Commander critical forward presence requirements.

15. Senator BAYH. Secretary Winter and Admiral Roughead, absent budget restraints, what is an achievable procurement schedule that minimizes national security risks and accelerates the timeline to get to a 313-ship Navy?

Secretary WINTER and Admiral ROUGHEAD. The budget submitted represents the best balance of resources to warfighting requirements. However, the Navy continues to evaluate the threat and evolving security environment to determine what, if any, adjustments to the force structure may be required. The Navy shipbuilding plan contains a 313-ship force to meet the need in the 2020 time period.

The Navy has examined the feasibility of increased shipbuilding in fiscal year 2009. Most of the ships in the Navy's construction inventory cannot be accelerated due to programmatic risk or production limitations. For other ships in production, such as DDG–51 class ships, in order to award and construct additional ships, numerous Government Furnished Equipment and Contractor Furnished Equipment vendor base issues would need to be resolved.

LPD–17 class Amphibious Assault Ship and T–AKE Dry Cargo Carrier could accelerate the shipbuilding plan, but doing so would imbalance competing priorities to meet warfighting capability requirements across all warfare areas within the limits of Navy Total Obligating Authority.

Given current industrial base capacity, the Navy's plan to achieve the required 313-ship force by the fiscal year 2020 time period, and other competing Navy requirements that must be met, the Navy's current procurement schedule represents the appropriate approach to achieve the required warfighting capability.

16. Senator BAYH. Secretary Winter and Admiral Roughead, should SCN funding be increased or budgeting methods for ship procurement—including submarines and nuclear ships—be revised to facilitate achieving the 313-ship Navy?

Secretary WINTER and Admiral ROUGHEAD. The Navy examined the feasibility of increased shipbuilding investment in fiscal year 2009. Given the current industrial base capacity and other competing Navy requirements, the fiscal year 2009 budget request of $12.4 billion is sufficient. The Navy plans to increase shipbuilding investments from $12.4 billion in fiscal year 2009 to over $17.9 billion in fiscal year 2013. Stability in the shipbuilding program will be key in cost control.

The current budgeting methods for ship procurement are sufficient. It is the Navy's policy to fully fund the cost of shipbuilding programs in the year of contract award, with the exception of incremental funding for aircraft carriers and large deck amphibious ships. While we have no plans for expanding incremental funding, we will continue to assess methods that responsibly optimize ship procurement.

QUESTIONS SUBMITTED BY SENATOR JOHN WARNER

COMPETITION IN NAVY SURFACE SHIP COMBAT SYSTEMS

17. Senator WARNER. Admiral Roughead, the Navy's first Quarterly Report to Congress on Naval Open Architecture, submitted this month, states: "The Submarine Domain's Acoustic Rapid Commercial Off-the-Shelf Insertion (ARCI) program is widely recognized as the Navy's most mature Open Architecture program. Based on studies in 2006, the development and production costs for the ARCI model process were roughly 1/6th of those for previous systems acquired under the traditional "Mil Standard" model. Consequent operating and support costs were approximately 1/8th of those for predecessor systems." That's an 83 percent reduction in acquisition costs and an 88 percent reduction in annual operating costs for the Navy's entire submarine fleet for the equipment acquired under this program. The key to achieving this unprecedented result was use of Open Architecture approaches and open business models involving continuous competition among businesses.

Last year the committee required the Navy to report quarterly to Congress on how it plans to achieve similar results for surface ships. The Navy's report shows that there is a lot of Open Architecture activity going on in the Navy. Absent is any meaningful activity to open up competition—i.e. the business model—for the combat systems on Aegis destroyers and cruisers, which are by far the most numerous ships in the fleet. This is especially important since the contract for Aegis combat systems on Navy surface ships has not been competed since 1969. The Navy has already approved two sole-source justifications to spend a total of $2.5 billion with the incumbent Aegis combat system contractor over the last 10 years on a cost-plus basis, and is working on a new sole-source waiver to competition. Could you please explain your plan, using Open Architecture business models, for improving capability and lowering costs for computers and software on Navy surface ships?

Admiral ROUGHEAD. The Navy has recently implemented an open business model for the procurement of displays and processors. Additional components for competition will include display services, electronic warfare/softkill integration, track management (including integrated architecture behavior model integration), training, anti-submarine warfare capability improvement, and support systems.

The Navy continues to focus on removing barriers to competition as we move forward with Open Architecture. Our ability to accelerate the reconfiguration of our ships to open architecture is limited by two factors. First, the fleet must maintain adequate numbers of operational ships to meet its worldwide commitments. Second, we must take into consideration the industrial capacity of our shipyards when we schedule the work necessary to configure our in-service fleet in the Open Architecture model. The cruiser and destroyer modernization programs address both of these factors and the budget required.

Our intent is to move ahead as quickly as possible, while fulfilling our primary mission of providing a combat capable, reliable, and ready fleet.

18. Senator WARNER. Secretary Winter and Admiral Roughead, is the incumbent Aegis combat system contractor working with the Navy to open up competition for the DDG–51 combat system modernization?

Secretary WINTER and Admiral ROUGHEAD. The Navy is focused on removing barriers to competition as we move forward with Open Architecture. We are transitioning from the current platform-based development to a capability-based development. To this end, we are directing the Aegis combat system contractor to adhere to a government-controlled objective architecture with government-defined and authenticated interfaces. We are providing incentives to broaden the vendor base, including the use of third-party components. These efforts will support competition for Aegis modernization components, including competitively awarded display contracts (fiscal year 2008) and the recently announced competition for the common processing system. Additional components being considered for competition include display services, electronic warfare integration, training, anti-submarine warfare capability improvement, and support systems.

19. Senator WARNER. Secretary Winter and Admiral Roughead, why is the Navy's surface ship community so far behind the submarine community in adopting Open Architecture?

Secretary WINTER and Admiral ROUGHEAD. The submarine community's success in adopting Open Architecture results from their open business methods of collaboration and competition combined with a vigorous Peer Review process. These methods are being emulated by the surface community. This year we are delivering Open Architecture-based combat systems in U.S.S. *Bunker Hill* (CG–52) and U.S.S. *Nimitz* (CVN–68).

Our Aegis cruisers and destroyers have a tightly coupled radar sensor-to-weapon control loop, which requires significant work to parse the functional relationships between components such as radar, weapons, and display. Some of this effort has been done with the separation of Display and Common Processing functions. The next step is to facilitate competition at the component level.

The Ship Self Defense System (SSDS) MK2, fielded in our large amphibious ships and aircraft carriers, has migrated to Open Architecture. The software and hardware are separated and can more readily accommodate legacy and new interfaces. The software applications are maintained in a common software library and are compiled for ship-specific installations. The SSDS commercial hardware is now upgraded via pre-planned product improvement kits to address commercial component parts obsolescence.

20. Senator WARNER. Secretary Winter and Admiral Roughead, what percentage of all the software that has been developed by the DDG–51 contractor over the last 40 years is in the Navy's re-use library?

Secretary WINTER and Admiral ROUGHEAD. The DDG–51 Aegis Baseline 7.1 software is included in the Software, Hardware Asset Re-use Enterprise (SHARE) library. This accounts for approximately 14 percent of all currently operational Aegis software baselines. Other components developed from the broad vendor base for Aegis and other combat systems that satisfy our Open Architecture needs will also be included in the SHARE library.

Operational software delivered prior to Baseline 7 is not included in the SHARE library because it is written in older programming languages and is not transferable to newer Open Architecture systems. Additionally, non-operational software developed and fielded since program inception will not be included in the SHARE library due to software obsolescence.

NAVY STRIKE FIGHTER GAP

21. Senator WARNER. Admiral Roughead, the Navy is facing a strike fighter shortfall estimated to range from 80 to 200 tactical aircraft—roughly 2 to 4 air wings—and extending through the next decade. The exact shortfall will depend on the Navy's ability to extend the service life of F/A–18 Hornet aircraft and the ability to procure 50 Joint Strike Fighters (JSFs) per year beginning in 2014. The Navy's plan to extend legacy Hornets from 6,000 to 10,000 hours appears highly optimistic. Similarly, the plan to buy 50 JSFs per year during the period that you plan to double the shipbuilding budget raises true concerns. What is your best estimate for the most likely magnitude of the strike fighter shortfall?

Admiral ROUGHEAD. The current estimate of the strike fighter shortfall is a projected 125 aircraft in 2017 (69 Navy and 56 Marine Corps). F/A–18 A/B/C/D aircraft are reaching life limits and will require extensions to bridge the gap to the JSF. The Service Life Assessment Program (SLAP) is assessing the remaining life on these airframes. The initial SLAP analytical data necessary to determine extension to 10,000 flight hours was released in January 2008. Costing data to support the extension is planned to be released in June 2008, and the required engineering change proposals to support the extension will begin development in July 2008. Initial Naval Air Systems Command and Boeing indications are encouraging on reaching 10,000 flight hours for the F/A–18 A/B/C/D aircraft.

22. Senator WARNER. Admiral Roughead, how does the strike fighter shortfall affect the Navy's ability to meet its commitment to maintain three deployed carriers, and be able to respond to crises by deploying three additional carriers within 30 days, and a 7th carrier within 90 days?

Admiral ROUGHEAD. The Navy will experience an estimated 69 aircraft strike/fighter shortfall by 2017. This shortfall would be exacerbated by delays in JSF, reduction in F/A–18E/F or JSF procurement, or early F/A–18 retirement. Without mitigation, Carrier Strike Group operations will be sub-optimized due to insufficient

numbers of aircraft available to provide full complements of strike-fighters at the appropriate level of readiness to meet projected combatant commander demands.

23. Senator WARNER. Admiral Roughead, what steps are being taken—or otherwise necessary—to reduce the strike fighter shortfall, and also mitigate risk in the F/A–18 service life extension and JSF procurement plans?

Admiral ROUGHEAD. The Navy is developing a stable aviation plan that balances aviation capabilities through investments in recapitalization, sustainment, and modernization programs. An ongoing effort to reduce the strike fighter shortfall includes the F/A–18 SLAP to assess the feasibility of extending the F/A–18 A/B/C/D aircraft to 10,000 hours. Initial indications are encouraging. Additional mitigation efforts will be addressed in Program Objective Memorandum (POM)–10.

QUESTIONS SUBMITTED BY SENATOR SUSAN M. COLLINS

NAVAL BALLISTIC MISSILE DEFENSE

24. Senator COLLINS. Secretary Winter and Admiral Roughead, let me first congratulate you for the successful downing of the dead satellite last week. I was proud to see that the ship that made the successful shot, U.S.S. *Lake Erie* (CG–70), was a Bath Iron Works-built ship. This is a tremendous accomplishment that the whole Navy team should be proud of. The demonstration of capability and flexibility of the Aegis Cruiser and Destroyer fleet was a result of many factors and it highlighted the tremendous capability our complex surface combatant force brings to the important mission of naval BMD from the sea. What do you see as the future role of frontline surface combatants in defending our forces and our homeland from potential threats posed by ballistic missiles?

Secretary WINTER and Admiral ROUGHEAD. The threat to our forces afloat and ashore, to our friends and allies, and to our homeland is real and becoming more complex. We are building capability and capacity to conduct the regional BMD mission afloat in stride with our forward-deployed and rotational-deployed forces. Additionally, these forces are being integrated into the Ballistic Missile Defense System as Long-Range Surveillance and Track assets, contributing to the Homeland Defense Mission by providing early detection and cueing to support ground-based interceptors.

The Navy has 12 engagement-capable BMD ships in the fleet today, and will have 18 by the end of calendar year 2008. Beginning in fiscal year 2012, our DDG modernization program will add this capability to our entire fleet of Aegis destroyers. While our current fleet has no capability against the longer range intermediate and ICBM threats, future Aegis baselines and Standard Missile Interceptors (SM–3) deliver this capability within the next 10 years.

25. Senator COLLINS. Secretary Winter and Admiral Roughead, would not the naval BMD capability argue for a larger fleet of surface combatants going forward, in light of the growing threat we face?

Secretary WINTER and Admiral ROUGHEAD. The Navy is committed to delivering BMD capability through the DDG modernization program and through new classes of surface combatants, such as CG(X).

Today the Navy has 12 Aegis BMD Engagement ships and five Aegis BMD Long-Range Surveillance and Track ships that have been upgraded with BMD capability. Eighteen Aegis BMD Engagement ships will be available by the end of calendar year 2008. Additionally, the Navy will begin outfitting the *Arleigh Burke*-class destroyers with BMD capability as part of the DDG modernization program in fiscal year 2012, expanding the number of BMD capable surface ships to 62. The Navy is also examining opportunities to include BMD capability in the CG modernization program.

NAVAL SHIPYARD INFRASTRUCTURE

26. Senator COLLINS. Admiral Roughead, let me first thank you again for taking time from your schedule to come to Maine to visit both Bath Iron Works and Portsmouth Naval Shipyard last month. As I am sure you saw, the dedication and quality of the workforce at both of those historic Maine yards is second to none. Portsmouth Naval Shipyard has a number of buildings and facilities that are quite old. While the "can do" attitude and Yankee ingenuity have allowed the shipyard to be one of the most efficient public shipyards that the Navy has, the infrastructure of the yard has presented the workforce with a number of different challenges.

While we were there, you and your staff were provided with a brief that detailed the different military construction projects that the shipyard requires in order to help it to remain as efficient as it currently is. During the past, many of the military construction projects have been provided through congressional plus-ups instead of being included in the annual Navy budget that is submitted to Congress. In fact, I have been told that since 1971 all but four military construction projects that have occurred on the shipyard have been funded with congressional adds.

As you saw in the brief provided to you, Portsmouth has done a significant amount of planning and prioritization in laying out its military construction projects. I am concerned, however, that these projects may not be funded in a timely manner. As the Navy begins the transition from the *Los Angeles*-class to the *Virginia*-class submarine, what steps is the Navy taking to ensure that Portsmouth will have the facilities it requires to continue its outstanding record of performance?

Admiral ROUGHEAD. Portsmouth Naval Shipyard has an approximate $160 million MILCON reinvestment plan. This includes $67 million in MILCON programming in the fiscal year 2009 FYDP to improve the condition and operational efficiency of the shipyard. Specific projects include:

[In millions of dollars]

Fiscal Year		Amount
2011	P–266; Structural Shops Consolidation	23.8
2012	P–268; DD#3 Waterfront Support Facility	16.8
2013	P–280; Gate 2 Security Improvements	4.1
2013	P–282; Consolidate Global Sub Complex Facility	12.2
2013	P–285; CBQ Building 373 Addition Phase 1	9.7

The Navy will continue to target investments throughout future programming processes. This plan will ensure Portsmouth has the facilities it requires to continue its outstanding record of performance. Portsmouth does not require any MILCON projects in the FYDP to service *Virginia*-class submarines, as its facilities are already capable.

SEALIFT CAPABILITY AND INCREASED END STRENGTH

27. Senator COLLINS. General Conway, last year the President announced that he wanted to increase the end strength of the Marine Corps by 22,000 marines. This process began last year and, according to the Department of the Navy's "Budget Highlights," the Marine Corps end strength will continue to grow in fiscal year 2009. An important component of this increased capability is the ability to get the Marine Corps to where they need to go. Do you believe that there is sufficient sealift capability to accommodate the Marine Corps, especially considering the increase in Marine Corps end strength?

General CONWAY. The end strength increase does not impact in itself Navy and Marine Corps amphibious lift requirements. These requirements are derived from Major Contingency Operation plans and Combatant Commander presence demands. The current amphibious lift requirement is 34 operationally available assault ships. This is sufficient to support a simultaneous amphibious assault by two Marine Expeditionary Brigades. Because of fiscal constraints, the Commandant of the Marine Corps and the Chief of Naval Operations have agreed to accept risk by reducing the amphibious lift requirement to 30 operationally available ships as the minimum. However, this 30-ship assault echelon fleet must include at least 10 "big deck" aviation capable assault ships (LHA/LHD/LHA(R)), at least 10 LPDs, and 10 LSD–41/49s.

Moreover, we must fully fund the Maritime Prepositioning Force (Future) program so as to provide a Marine Expeditionary Brigades' worth of reinforcing capability to fully enable a seabased Marine Expeditionary Force to fight a Major Contingency Operation.

QUESTIONS SUBMITTED BY SENATOR MEL MARTINEZ

SHIPBUILDING AND THE NATIONAL MARITIME STRATEGY

28. Senator MARTINEZ. Admiral Roughead, this committee has strongly supported the Navy's 313-ship plan. Likewise, we have supported the recently developed Maritime Strategy, which provides a framework for the Navy's role in meeting national security requirements. However, we remain concerned that Navy shipbuilding con-

tinues to fall short in numbers of ships procured and dollars invested. When coupled with cost growth on new ship programs, the 313-ship Navy—and with it, the Maritime Strategy—appear beyond the reach of the Navy's budget. How do we drive the necessary changes to our requirements and budget and procurement processes that are needed to improve the affordability of the shipbuilding plan?

Admiral ROUGHEAD. The October release of our new Maritime Strategy will inform the planning, programming, budgeting, and execution process for POM–10. We have tailored our budget and defined our future Navy to enhance and support the speed, flexibility, agility, and scalability that our forces bring to the maritime realm.

During the Navy's POM–10 programming, the Maritime Strategy will guide our decisions to ensure that the Navy is properly sustained, has the capacity to satisfy mission requirements, and is relevant for future operations. We are evaluating our current programs and reconciling our portfolio with fiscal realities. The result of this process will be a balanced program which will allow us to meet the imperatives outlined in our Maritime Strategy. The Navy recognizes that building the required force structure will largely depend on controlling shipbuilding costs (including combat systems) within an affordable range and the need for aggressive requirements and cost control measures. This can only be achieved by working closely with industry, utilizing realistic assumptions, instilling discipline in shipbuilding requirements, and driving more industry and government investments to reduce cost. Given the importance of requirements-containment and cost-reduction to the viability of the shipbuilding plan, the Navy continues to evaluate each ship class and identify cost reduction opportunities while balancing warfighting requirements, costs, and industrial base realities.

The Navy is emphasizing repeat builds of ships within the same class to reduce new construction costs, provided required warfighting capabilities can be fielded. This permits longer production runs and resultant cost reductions associated with production improvements and economies of scale. The Navy's shipbuilding plans include incorporation of Open Architecture for hardware and software systems and increased use of systems modularity. In addition, the Navy is aggressively pursuing opportunities to incorporate standardized components to reduce logistics support costs. These initiatives will reduce the cost of maintenance and system upgrades, and they will facilitate keeping Navy ships in service longer.

29. Senator MARTINEZ. Admiral Roughead, if we agree with the Navy's determination that the 313-ship fleet represents "the floor", why aren't we seeing the funding in the shipbuilding budget request necessary to get up to that floor?

Admiral ROUGHEAD. The current President's budget 2009 represents the best overall balance between procurements to meet operational requirements and affordability. The Navy has examined the feasibility of increased shipbuilding investment in fiscal year 2009. Given current industrial base capacity, the Navy's plan to achieve the 313-ship mix required by the fiscal year 2020 timeframe, and other competing Navy requirements that must be met, $12.4 billion in the fiscal year 2009 budget request is sufficient and represents the necessary resources to achieve the required warfighting capability on time. In addition, the Navy's plan increases shipbuilding investments from $12.4 billion in fiscal year 2009 to over $17.9 billion in fiscal year 2013.

It is a significant challenge to get the number of ships we need with the right capabilities within the Navy's overall funding level; however, the Navy is committed to achieving a force structure of at least 313 ships, with the necessary warfighting capability that the Navy will need by fiscal year 2020.

CARBON FIBER COMPOSITE HULL TECHNOLOGY

30. Senator MARTINEZ. Secretary Winter, I am concerned that we aren't seeing as much development within the Navy of composites and carbon fiber hull technology for ships. This is something that other countries, including China, seem to be pursuing, yet our research efforts with this technology seem minimal at best. Please provide an update of what programs you're planning on implementing with regard to composite hull technologies.

Secretary WINTER. The Navy has a robust program in the development and material performance evaluation of composites and carbon fiber technology for use in naval vessels.

Our basic and applied research efforts supporting carbon fiber and composite hull technologies, including steel-composite hybrid hull technology, are targeted at understanding and mitigating those degradation mechanisms that are unique to naval

hulls; specifically, the dynamic effects of seaway loading, extreme loading from weapons, fire, and the marine environment itself.

The Navy has dedicated composite hull technology efforts in the following areas:

- An agreement with the Japanese to develop technology for a hybrid composite-steel ship hull for a Navy surface combatant. Under the agreement, large composite and hybrid test articles are exchanged and tested by both countries (deck house and hull sections) for signature, underwater, and air explosion.
- Currently prototyping a large scale carbon composite high speed vessel bow for feasibility and cost evaluation using a vacuum assisted resin transfer molding method.
- Mk V.1 Special Operations Craft Replacement is an 82 foot, carbon/epoxy hulled boat that was delivered March 2008 for performance evaluation. The outcome of these trials will assist in determining value of carbon composite hulls in future combatant craft.
- Navy Transformable Craft Innovative Naval Prototype program includes a composite hull craft from one of the competitors.

Additionally, the Navy has the following ongoing efforts to develop and demonstrate the use of composites in the construction of ships and submarines in an effort to reduce procurement costs:

- DDG–1000. The composite Deckhouse and Hangar program represents the largest use of composite structures to date within the surface Navy. This ship class will also be the first to use composite rather than steel rudders, specially contoured to reduce cavitation and meet performance requirements. Additionally, a project is in planning to demonstrate a low cost method for fabricating composite exhaust stacks for the ship's turbine engines, which would replace the current design requiring expensive, heavy nickel-base alloy that is difficult to manufacture.
- *Virginia*-class Submarine (VCS). The Navy is converting the VCS Sail Cusp, a hull-to-sail fairing, from steel to a much more affordable and easier-to-manufacture composite structure. The VCS steel main ballast tank flood grates were recently converted to fiberglass composites. Additionally, the VCS program is considering converting the expensive steel bow planes and nickel-aluminum-bronze tail cone to composite structures.
- CVN–21. A light-weight, composite superstructure, incorporating thermal, acoustic, and fire insulation, as well as ballistic protection, is in final validation testing.

31. Senator MARTINEZ. Secretary Winter, what can Congress do to further our research efforts on the carbon fiber composite hull technology front?

Secretary WINTER. The Navy currently has a robust research program in carbon fiber composite hull technology. Congressional support of the R&D program request in the President's fiscal year 2009 budget submission will enable this research program to continue.

LAW OF THE SEA TREATY

32. Senator MARTINEZ. Secretary Winter, I am aware of the Navy's and the administration's strong support for Senate ratification of the Law of the Sea Treaty. This treaty has been in the works and debated, on and off, since the Carter administration. I have some concerns that the United States would be routinely outvoted on issues of national interest were they to come up in the International Tribunal that the treaty establishes or with the International Seabed Authority. It seems to me that freedom of the seas and the rights of free passage are long established. Are you concerned that other nations may try to sue the United States or the Navy if the Senate were to ratify this treaty? For instance, for the use of sonar or for some other perceived environmental threat.

Secretary WINTER. No, I am not concerned that ratification of the Convention will open the Navy to lawsuits. Specifically, the compulsory dispute resolution procedures will permit the United States to completely exempt its military activities from dispute resolution and prevent any opposing state, court, or tribunal from reviewing our determination that an activity is an exempted military activity. When the Convention was being drafted, military officers serving as members on the United States delegation negotiated this exemption; it is ironclad. The Convention they helped craft permits a maritime nation, like the United States, to use compulsory dispute resolution as a sword against foreign coastal state encroachment while simultaneously shielding military activities from review. It is important to note that

all permanent members of the United Nations Security Council (except the United States) and numerous other countries have taken the military activities exemption. For this reason, I am not at all concerned that accession to the treaty would make the United States more susceptible to lawsuits.

33. Senator MARTINEZ. Secretary Winter, it is certainly in the best interest of much of the world to be a party to this treaty because other nations stand to benefit from the fees collected by the Seabed Authority for deep sea mining that would then be distributed to them under the "Benefit of Mankind" provision (Article 140). The vast majority of what the Navy is seeking under this treaty is unobjectionable. However, it is also only a small fraction of the total treaty. Has the Navy taken into consideration the non-military provisions in this treaty?

Secretary WINTER. The Navy, in considering its support of the Law of the Sea Convention, has taken all aspects of the treaty into account. The benefits are considerable, which accounts for the treaty's broad and long-standing support from the President and the Departments of State, Defense, Homeland Security, Commerce, and Interior. The treaty also has broad support from industry. Every major ocean industry, including shipping, fishing, oil, natural gas, drilling contractors, shipbuilders, and telecommunications companies that use underwater cables support United States' accession.

Specific questions relating to the non-military provisions of this treaty might better be answered by others. However, in regards to Article 140, the Convention does not set forth any "royalty" requirements for seabed production. If the United States became a party to the Convention, we would need to agree to the establishment of any "royalty" requirement and, as in the case of the extended continental shelf, no payments would go to the United Nations; they would be distributed to states parties in accordance with a formula which would require concurrence by the United States before it could be implemented.

NEXT GENERATION ENTERPRISE NETWORK

34. Senator MARTINEZ. Secretary Winter, as part of last year's National Defense Authorization bill, the committee included report language on the status of the Next Generation Enterprise Network (NGEN). What is the current status of the NGEN?

Secretary WINTER. The NGEN program is concluding the requirements definition phase. When the resulting requirements document is signed by the Service Chiefs, it will be forwarded officially to the acquisition agent.

Following approval of the requirements document, detailed costing and engineering analysis will be conducted by the NGEN Program Office. Both an Acquisition Strategy and Acquisition Plan are currently being developed. Subsequently, the Service Specification will define the required system functions, performance parameters, and all other requirements and constraints. Upon completion, Department of the Navy leadership will conduct a review of the Service Baseline in order to confirm that the recommended solutions adequately address the approved requirements within cost, schedule, performance, and risk parameters.

An NGEN Oversight Team, under the leadership of the Department of Defense Chief Information Officer, has been established to ensure coordination, effective test and evaluation planning, comprehensive architectural compliance, and continued responsive oversight of the program. The Oversight Team includes representation from the Under Secretary of Defense (Acquisition, Technology, and Logistics), the Assistant Secretary of Defense (Network Integration and Information), the Office of Program Analysis and Evaluation, the Joint Staff, the Director, Operational Test and Evaluation, the Defense Information Systems Agency, and Department of the Navy leadership.

The National Defense Authorization Act for Fiscal Year 2008 (S. Rept. 110–77) requested the Secretary of the Navy submit a report jointly with the Assistant Secretary of Defense for Networks and Information Integration; the Under Secretary of Defense for Acquisition, Technology, and Logistics; and the Director, Operational Test and Evaluation on the plans for the NGEN acquisition. The information requested has been compiled and the report is currently within the Department's staffing process. Department of the Navy intends to submit the report to the defense committees by April 1, 2008.

QUESTIONS SUBMITTED BY SENATOR ROGER F. WICKER

COOPERATIVE STRATEGY

35. Senator WICKER. Secretary Winter, the Navy, Marine Corps, and Coast Guard recently published its revised Naval Strategy called "A Cooperative Strategy for 21st Century Seapower." This Strategy represents the first time that the Navy, Marine Corps, and Coast Guard have all collaborated on a single, common strategy for defending the U.S. Homeland and protecting U.S. interests overseas. I applaud our three maritime forces for coming together to form a unified naval strategy. This strategy seems to rightly coincide with the Navy's decision to increase the fleet by 33 commissioned ships—from 280 to a floor of 313 ships. However, given the current rate of production, I am concerned with our ability to meet the future needs of our maritime forces and meet the minimum of 313 ships. How will the President's budget meet the "Cooperative Strategy" objectives and is the proposed mix of naval ships that combine to form the 313-ship Navy sufficient to provide a "credible combat power to be continuously postured in the Western Pacific and Arabian Gulf/Indian Ocean," as outlined in the strategy?

Secretary WINTER. The fiscal year 2009 President's budget request and current procurement schedule both meet the Cooperative Strategy objectives by representing the necessary resources and warfighting capabilities to achieve the 313-ship fleet. This fleet will have the agility to meet a broad array of challenges and requirements to include operations with allies and friends around the globe. The increased emphasis of naval forces in the Western Pacific and the Arabian Gulf/Indian Ocean reflects the combined demands of planned steady-state operations and response times for potential projected contingencies. The current mix of the 313-ship Navy described in the Long-Range Plan for Construction of Naval Vessels for 2009 includes large deck nuclear-powered aircraft carriers, conventionally-powered amphibious ships and other associated surface combatants, submarines, maritime preposition ships, combat logistic ships, and support ships that establish our combat credibility not only in these regions, but worldwide.

36. Senator WICKER. Secretary Winter, does the current mix of big deck ships outlined in the 30-year shipbuilding plan meet the challenge of creating a "credible combat power to be continuously postured in the Western Pacific and Arabian Gulf/Indian Ocean," as outlined in the strategy?

Secretary WINTER. The increased emphasis of naval forces in the Western Pacific and the Arabian Gulf/Indian Ocean reflects the combined demands of planned steady-state operations and response times for potential projected contingencies. The current mix of the 313-ship Navy described in the Long-Range Plan for Construction of Naval Vessels for 2009 includes large deck nuclear-powered aircraft carriers, conventionally-powered amphibious ships and the other associated surface combatants, submarines, maritime preposition ships, combat logistics ships, command-control ships, and support ships that establish our combat credibility not only in these regions, but worldwide.

[Whereupon, at 12:36 p.m., the committee adjourned.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2009

TUESDAY, MARCH 4, 2008

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

UNITED STATES CENTRAL COMMAND AND THE UNITED STATES SPECIAL OPERATIONS COMMAND

The committee met, pursuant to notice, at 9:34 a.m. in room SD–106, Dirksen Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Lieberman, Reed, Bill Nelson, E. Benjamin Nelson, Webb, McCaskill, Warner, Inhofe, Sessions, Collins, Chambliss, Cornyn, Thune, and Martinez.

Committee staff members present: Richard D. DeBobes, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Daniel J. Cox, Jr., professional staff member; Evelyn N. Farkas, professional staff member; Gerald J. Leeling, counsel; Peter K. Levine, general counsel; Thomas K. McConnell, professional staff member; Michael J. McCord, professional staff member; Michael J. Noblet, professional staff member; and William K. Sutey, professional staff member.

Minority staff members present: Michael V. Kostiw, Republican staff director; William M. Caniano, professional staff member; Gregory T. Kiley, professional staff member; and David M. Morriss, minority counsel.

Staff assistants present: Fletcher L. Cork, Jessica L. Kingston, and Benjamin L. Rubin.

Committee members' assistants present: Sharon L. Waxman, assistant to Senator Kennedy; James Tuite, assistant to Senator Byrd; Frederick M. Downey, assistant to Senator Lieberman; Elizabeth King, assistant to Senator Reed; Christopher Caple, assistant to Senator Bill Nelson; Andrew R. Vanlandingham, assistant to Senator Ben Nelson; Jon Davey, assistant to Senator Bayh; Gordon I. Peterson, assistant to Senator Webb; Anthony J. Lazarski, assistant to Senator Inhofe; Todd Stiefler, assistant to Senator Sessions; Mark J. Winter, assistant to Senator Collins; Clyde A. Taylor IV, assistant to Senator Chambliss; Jason Van Beek, assistant to Senator Thune; and Brian W. Walsh, assistant to Senator Martinez.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody. Today we welcome Admiral William J. Fallon, Commander of the United States Central Command (CENTCOM); and Admiral Eric T. Olson, Commander of United States Special Operations Command (SOCOM).

Admiral Fallon and Admiral Olson command virtually all of the U.S. forces who are currently participating in combat. We ask you to convey to the men and women under your command our heartfelt gratitude for the many sacrifices that they and their families are making on our behalf. Of course, our thanks also go to you personally and to your families for the contribution which you and they are making.

Admiral Fallon's command is responsible for U.S. security interests in 25 nations that stretch from the Horn of Africa (HOA) through the Arabian Gulf region into Central Asia. He commands the bulk of U.S. troops in combat today and is responsible for an area with a host of security challenges. In that position, Admiral Fallon also uses diplomatic skills to help us deter and prevent conflict almost as much as his military skills when a military response is appropriate. Today we will be seeking his views on a host of troubling issues in his area of responsibility (AOR), predominantly, but not entirely, the conflicts in Iraq and Afghanistan.

Admiral Olson represents the over 50,000 military and civilian personnel working for SOCOM, who are fulfilling critical direct and indirect long-term and short-term missions all over the globe. Special operations personnel have been heavily concentrated in the CENTCOM AOR since 2003, so it is fitting that we have the two commanders here together today.

Our Army, Marine Corps, and Special Operations Forces are overstretched and increasingly stressed. General David Petraeus has advocated "a period of consolidation, perhaps some force adjustments and evaluation before continuing with further reductions" in troop levels in Iraq once the five surge brigades complete their redeployment this summer.

Although General Petraeus also said that there's "every intent," in his words, to further reduce forces. President Bush has already indicated he would support a recommendation for a pause in redeployments. In other words, there is a strong possibility that force levels in Iraq will remain at pre-surge levels of approximately 130,000 and that troop levels in Iraq will be about the same when President Bush leaves office as they were in December 2006, before the surge.

At the same time, Iraqi leaders continue to squander the opportunity our troops and our taxpayers have given them. Our soldiers risk their lives while Iraqi politicians refuse to take political risks. We cannot have the lives of American servicemembers held hostage to Iraqi political bickering. The State Department said last November that the "Shiite-led government is a larger threat than al Qaeda." The report went on to say that "senior military commanders now portray the intransigence of Iraq's Shiite-dominated government as the key threat facing the U.S. effort in Iraq, rather than al Qaeda terrorists, Sunni insurgents, or Iranian-backed militias."

In Afghanistan, we're now increasing American troop levels, with over 3,000 additional marines slated to deploy in the coming months, and more may well be needed. Meanwhile, our Army troops continue to face multiple tours of 15-month duration, with only 12 months or less at home between rotations, and marines also see more time deployed than at home, although for shorter, more frequent periods.

These levels of deployment without adequate rest for the troops and repair and replacement of equipment cannot be sustained. General George Casey, the Army Chief of Staff, has said that the "Army is out of balance" and that "the current demand for our forces exceeds the sustainable supply."

For too long, United States military operations in Afghanistan have taken a back seat to the war in Iraq. The Chairman of the Joint Chiefs of Staff, Admiral Mullen, acknowledged as much in December when he said, "It is simply a matter of resources, of capacity. In Afghanistan we do what we can. In Iraq we do what we must." That's not acceptable.

While the President paints a rosy picture of the situation in Afghanistan, just last week the Director of National Intelligence, Michael McConnell, told this committee that "The Taliban-dominated insurgency has expanded" to previously peaceful areas west and around Kabul. He testified that the Taliban controls about 10 percent of the country, while the Afghanistan government is capable of controlling about 30 percent, which leaves about 60 percent of the country outside of either's control.

Defense Intelligence Agency Director General Michael Maples stated that al Qaeda's presence in Afghanistan is "increasing to levels unseen since 2001 and 2002" and that the number of attacks, suicide bombings, and improvised explosive devices (IEDs) continues to rise.

As has been reported, Admiral Fallon is conducting an assessment of the Afghanistan mission, one of a number that the administration and North Atlantic Treaty Organization (NATO) are undertaking. The Atlantic Council report, which by the way says that "NATO is not winning in Afghanistan and that, despite efforts of the Afghan Government and the international community, Afghanistan remains a failing state and could become a failed state," that Atlantic Council report also says that the assessments that Admiral Fallon is making, will hopefully be completed in a matter of weeks, not months, and we'll be interested in Admiral Fallon's recommendations for strengthening the U.S., NATO, and international community's efforts in Afghanistan.

Another major challenge in the CENTCOM AOR is addressing the safe havens that the Taliban, al Qaeda, and other violent extremists have found in the tribal areas along Pakistan's border with Afghanistan. As Director McConnell recently testified, the tribal areas are serving not only as a staging area for attacks into Afghanistan, but also as a terrorist training location for attacks in Pakistan, Middle East, Africa, Europe, and the United States.

Director McConnell and Secretary Gates have testified recently that they believe that Pakistan's political leaders now perceive that the lawlessness prevailing in the border tribal areas represents a potentially mortal threat to Pakistan. We'll be interested in Admi-

ral Fallon's views on what opportunities exist to encourage Pakistan to confront extremist elements on its territory and eliminate the sanctuary for the Taliban and al Qaeda along the Afghanistan border.

Over 80 percent of SOCOM's operators are deployed in the CENTCOM area of operation. However, SOCOM's responsibilities are global and the operations in Iraq and Afghanistan are affecting the command's ability to maintain critical language and cultural skills and relationships in other parts of the world. The Quadrennial Defense Review (QDR) recommended increase in the size of SOCOM will help address that problem. I hope Admiral Olson will comment on whether that increase is sufficient.

In addition, while the Department included funding in SOCOM's budget for some personnel growth, the fiscal year 2009 budget request is $300 million less than their budget for this fiscal year. This comes in a year when the overall DOD funding request is 7.5 percent above this year's level and when the Services have increased funding requests ranging from 7 to 9.6 percent above the fiscal year 2008 base budget.

Some of the decrease in SOCOM funding is due to one-time military construction costs. But since SOCOM's end strength continues to increase, it's unclear why the procurement account, for example, has decreased by 17 percent.

The $300 million decrease in SOCOM funding from fiscal year 2008 to 2009 is all the more perplexing given the fact that SOCOM also gave the committee: one, a list of 31 additional procurement and research and development programs that they would like funding for, totaling $413 million; and two, have given us a list of 12 unfunded military construction projects totaling $186 million.

On top of this, Admiral Olson, I understand that in response to an inquiry from Senator Bayh, that you recently identified a $300 million unfunded requirement for intelligence, surveillance, and reconnaissance (ISR), which is a critical asset in the hunt for terrorists in the CENTCOM area of operation, and that $300 million itself falls short of the additional $900 million which Admiral Fallon has indicated in a CENTCOM joint needs statement is necessary for counter-terrorism in his area of operations.

So we have many issues to explore today. We are very appreciative of our witnesses' appearance here today and of their service to this Nation, and I call upon Senator Warner.

STATEMENT OF SENATOR JOHN WARNER

Senator WARNER. Thank you, Mr. Chairman. I followed your statement very carefully and much of the statement that I will ask to have put into the record today reflects views in many respects parallel to yours.

I want to, of course, join in thanking our two witnesses and their families for their service, and each and every one of the many in uniform that you have in your command, and the important component of the civilians who work dedicated in your commands.

Mr. Chairman, in the past few weeks I've had an opportunity to go over and visit with Admiral McConnell, the Director of National Intelligence and I expressed to him a need that we here in the Senate Armed Services Committee, and indeed the entire Senate,

would value greatly updates in the intelligence area on Afghanistan and Iraq. I've included and ask unanimous consent to put in today's record here his response to me. He said he would publish a paper in March updating the National Intelligence Estimate (NIE) threat on the homeland here in the United States, publish an NIE on Afghanistan by late summer, early fall, but the Iraq piece will be ready in March.

Chairman LEVIN. It will be made part of the record.

[The information referred to follows:]

JOHN WARNER
VIRGINIA

COMMITTEES:
ARMED SERVICES
ENVIRONMENT AND PUBLIC WORKS
SELECT COMMITTEE ON INTELLIGENCE
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January 28, 2008

The Honorable J.M. McConnell
Director of National Intelligence
Washington, D.C. 20511

Dear Director McConnell:

As Congress is about to begin its legislative year, I wish to express to you and to the individual members of the Intelligence Community my profound appreciation for your outstanding service to our Nation during this dangerous and increasingly complex period in our Nation's history. I have had scores of occasions to observe the many accomplishments of our Intelligence Community, and I have continued to be impressed with the Intelligence Community's professional excellence, and selfless devotion to duty.

In the coming months, the Congress will be engaged in a number of policy discussions of significant consequence and will look to the Intelligence Community to inform the debate. Specifically, National Intelligence Estimates (NIE) prepared under the auspice of the National Intelligence Council (NIC) remain the Intelligence Community's most authoritative written judgments concerning national security issues.

Despite signs of progress in Iraq and Afghanistan, the future of these two countries remains uncertain. Recent developments in Pakistan point to a period of increased uncertainty that may go beyond its borders and impact U.S. and NATO missions against militant extremists.

Accordingly, I believe that the Congress would benefit from the professional and objective assessments of the NIC in three areas.

First, I recommend that the NIC review and update, in a format of your choosing, the findings and conclusions contained in the NIE titled "Prospects for Iraq's Stability: A Challenging Road Ahead", dated August 2007. Given that dates in March or April 2008 are projected for the next congressional testimony of Ambassador Crocker and General Petraeus, and that Congress will soon thereafter address the appropriation of the remainder of the President's Emergency Supplemental request, I submit that this review would be most useful if it was available to Congress by the middle of March.

I further recommend that the NIC review and update the findings and conclusions of the NIE titled "The Terrorist Threat to the Homeland", dated July 2007. In this review, I would anticipate that the NIC would address projected developments in Pakistan and their subsequent impact on militant extremist activities in Pakistan's tribal border region and the Northwest Frontier.

The Honorable J.M. McConnell
January 28, 2008
Page 2

Finally, I would like you to know that I consider the completion of a comprehensive NIE on prospects for security and stability in Afghanistan to be urgent. I believe that it is important that the NIC finish it before Congress completes deliberations on the Defense Authorization and Appropriations bills for fiscal year 2009. In addition to addressing the security situation and political prospects in Afghanistan, this NIE should also assess, among other issues, the current and projected impact of the drug trade on security and stability in Afghanistan; the effectiveness of current and projected counternarcotics plans and policies; the contributions and performance of NATO, and its member nations, towards Afghanistan's security and reconstruction; and the role of other nations in the region as they might be contributing towards heightening tension or towards fostering stability in Afghanistan.

I respectfully submit these recommendations for your consideration and look forward to working with you on these and other issues affecting the Intelligence Community and our nation's security.

With kind regards, I am

Sincerely,

John Warner

JW/bc

UNCLASSIFIED

DIRECTOR OF NATIONAL INTELLIGENCE
WASHINGTON, DC 20511

FEB 2 0 2008

The Honorable John Warner
United States Senate
Washington, DC 20510

Dear Senator Warner:

Thank you for your letter of 28 January 2008. As a senior member of three important Senate Committees—Intelligence, Armed Services, and Homeland Security—we value greatly your critically unique perspective on the Intelligence Community's (IC) full range of activities to protect the Unites States both here and overseas. You have long been one of the IC's best consumers of intelligence and strongest supporters, and the men and women of the IC appreciate the many opportunities they have had to meet and brief you on their work on behalf of the American people.

Specifically, I want to personally thank you for meeting with me, Lieutenant General Burgess, and Tom Fingar, on 16 January 2008. We agree that it is important for the IC to help inform the debate of US policy makers in the Legislative and Executive branches. We are working to meet your request for the IC, under the auspices of the National Intelligence Council (NIC), to produce assessments on Iraq, the terrorist threat to the US Homeland, and Afghanistan.

- The NIC is currently producing an assessment on Iraq's political, economic, and security trends. The NIC plans to publish this paper in March 2008 as an update to the August 2007 National Intelligence Estimate (NIE) on Iraq. Authors have already begun drafting key sections of the assessment. As we have done with previous assessments on Iraq, we will be sending a team to Iraq prior to publication to assess conditions on the ground and to share a draft of the assessment with Embassy officials and senior US military commanders.

- The NIC will produce an update to the terrorist threat to the Homeland NIE, drawing on the analytic resources of the whole IC, especially CIA, DHS, DIA, FBI, NCTC, and NSA. As you suggest, the assessment will have a special focus on the al-Qa'ida threat that we judge emanates from the tribal areas of Pakistan and the ability of Islamabad to combat that threat. We expect this NIE update to be published in the early fall of 2008.

- The NIC plans to publish an NIE by late summer/early fall assessing both the tactical and longer-term security and political outlook for Afghanistan.

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As always, we look forward to working with you and your Senate colleagues on these and other important intelligence matters. Your support and guidance to our mission is important and valued.

Sincerely,

J. M. McConnell

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Senator WARNER. I recall, Mr. Chairman, a trip with you and our colleague Senator Sessions in 2006 to Iraq, and I remember coming back and I expressed my own views that the situation is just drift-

ing sideways. I'm pleased this morning to acknowledge that I feel that the surge operations initiated by President Bush in January 2007 have moved forward in Iraq and turned a situation from one that was unpredictable going down to some definite signs of improvement in that area.

The President said that this was to clear and secure neighborhoods, to help them protect the local population, to help ensure that the Iraqi forces left behind are capable of providing the security that Baghdad needs. He further added that when this happens daily life will improve, Iraqis will gain confidence in their leaders, hopefully, and the government will have the breathing space.

Certainly the military operations under the leadership of these two fine witnesses this morning has shown that it has resulted in that security situation. They are approaching, I think—Admiral Fallon will give us greater details—a time when we'll take a brief breathing space ourself to determine the true levels. But I hope the Admiral can assure us that the commitments the President made to bring home the forces by July, the surge forces, can be met and that that interregnum between further reductions, which I hope will be achievable, will not be a lengthy one.

I also said at the time when the President spoke that more responsibility should be given to the Iraqi forces. I'm anxious to hear your views this morning, Admiral. In my judgment the Iraqi forces have shown a significant increase in their professional ability to work and carry out the responsibilities of protecting the sovereign nation of Iraq.

Nevertheless, the violence there, while it has fallen off considerably, it remains, as is al Qaeda remains, a threat. I think, Admiral Olson, particularly your forces in Special Operations under General McCrystal—and I do hope that he can soon return to the United States and take on new responsibilities with the Joint Staff—you told me yesterday that General McCrystal has 120 days of accrued leave. He hasn't hardly been home to see his family in this long, extensive, and distinguished tour he's had over there.

But nevertheless, a substantial degradation of al Qaeda has taken place, but it still remains a threat.

The factions, as you mentioned, Mr. Chairman, in Iraq are disappointing—Shia factionalism, criminal activities, corruption remains at a higher than acceptable level; and sectarian distrust prevails at a level far unacceptable throughout Iraq.

I acknowledge that the Iraqi Council of Representatives (COR) passed a long-awaited de-Baathification law, a provincial powers law, an amnesty law for detainees, and a budget for 2008. Credit is owing for those achievements. But I regret that the political situation remains far short of demonstrating the decisive leadership needed to preserve and grow a new sovereign nation.

For example, the Provincial Powers Act was passed by the legislature and rejected by a member of the Presidency Council. This is another example of moving ahead two steps and then one backwards. Let us hope that that can be readily cured and that legislation can go forward, because the Iraq people have tremendous potential for developing a nation which could become the envy of all the countries in the Middle East. There is untapped natural resources in that nation, principally oil, that can restore the economy

to a strong, vibrant economy and match any of the increases that we've seen by different countries in the Middle East.

But your soldiers, your sailors, your airmen, and your marines have made it possible for the increases that have taken place thus far in political reconciliation.

In the coming months the United States Government and Iraq will negotiate a strategic framework agreement and a status of forces agreement (SOFA) that will chart our long-term mutual relationship. Our colleague Senator Webb has taken the lead on that. I was privileged to join him yesterday for a special briefing and I judge that hopefully he'll join us this morning and address that important issue.

But Admiral, I think it's important that you likewise address those agreements and give us your best estimate of the timing and particularly the necessity. The underlying necessity for such agreements is to protect the individual serviceperson wearing the United States uniform and carrying out missions in that AOR.

Turning to Afghanistan, the chairman quite properly recited the number of attacks by the Taliban insurgency exceeded that of the previous year. The poppy situation is absolutely abysmal in my judgment, and it is really the responsibility of the Department of State and NATO as a whole to come to grips with this situation. I find it totally unacceptable that our forces are facing an enemy using ammunition and arms and other things purchased as a consequence of the recycling of the poppy culture profits into armaments. I think I just find that just totally unacceptable and I hope that this year some much stronger initiatives can be undertaken to bring about a cessation of that poppy crop, which today is the most significant drug dissemination source in the whole world.

I'd like to commend our Secretary of Defense, Robert Gates, for his tireless efforts over the past few weeks to impress upon NATO allies the importance of NATO's mission in Afghanistan. In testimony before this committee last month, Secretary Gates expressed concern and said the alliance evolving into a two-tiered alliance, in which some are willing to fight, some are not. The people's security is at stake.

The debate on the importance of the mission in Afghanistan is the most complicated mission that the NATO allies have faced since the alliance was formed. Failure there by NATO could bring about the demise of NATO.

The committee will want to know your views on the role of NATO and what they should do to prepare themselves for a stronger retaliation against the Taliban and for the need for each of the NATO participants to live up to their commitments with regard to the manpower levels.

The chairman made reference to the three reports on Afghanistan that were brought before this committee. I share with him the views in those reports and I'm sure you have seen them, Admiral Fallon.

Another area of concern is Pakistan. Working with the Pakistan armed forces and with their government, is an essential relationship to our mission in Afghanistan. So much of our supplies, so much of the particularly petroleum and so forth, has to transit Pakistan. The tribal areas are certainly moving in a direction

which is antithetical to a strong central government in Pakistan, and I hope that we can work in partnership to alleviate that threat to Pakistan.

I would like to close, Mr. Chairman, with a note on Iran. It appears to be enhancing its ability to project its military power, primarily with ballistic missiles and naval power. Iran continues to provide support for violent terrorist groups in Lebanon and Syria and seeks to deepen its influence in Iraq and western Afghanistan.

I want to close in recognition of America's Gold Star Mothers, Mr. Chairman. I was visited by them recently. This is an organization of mothers who have lost a son or a daughter in the war. It was founded shortly after World War I. These women who have suffered a parent's loss continue to provide support for mothers and families of servicemembers of today's generation.

The Gold Star Mothers across the country, our Nation owes you a debt. I would expressly ask in a question: I wonder what the reaction of a Gold Star Mother who lost a son or a daughter in Iraq as a consequence of the illegally imported weaponry that Iran is sending into Iraq. I wonder what their reaction is to the visit by Ahmedinejad from Iran to Iraq this week? I'd like to have your comments on that eventually, Admiral.

Thank you.

Chairman LEVIN. Admiral Fallon?

STATEMENT OF ADM WILLIAM J. FALLON, USN, COMMANDER, UNITED STATES CENTRAL COMMAND

Admiral FALLON. Senator Levin, Senator Warner, distinguished members of the committee: It's a great honor to be back in front of you again this morning, and particularly to appear with my distinguished colleague Admiral Olson. Tampa is in an unusual state now with all this maritime leadership not seen before. Not that we spend much time there. We're focused out in the region, where we certainly have lots of challenges, as both Senator Levin and Senator Warner have highlighted here today, and many issues. I'd be pleased to get into these issues as I get into the testimony.

I would like to begin by picking up on both Senator Levin and Senator Warner's comments about the hard work and sacrifice of our men and women in uniform and those civilians that support them. Every day that I get the chance to visit and work with our people, I am more proud, if that's possible, of the great work that they do in our behalf, under conditions that are certainly challenging in many respects. But they and their families, who have shouldered this burden of our engagement in troubled areas for several years consecutively now, I can't say enough about them and certainly join you in saluting them.

I have to tell you that going to Iraq I am very encouraged. From the time that I sat here about 10 months ago, the situation has improved substantially in the security arena, and I believe that there are many other aspects of the situation that are coming together, that have contributed to this improvement, and I see this on an upward vector, and I'll be pleased to get into the details of your questions in talking about Iraq.

In Afghanistan, I'm encouraged. I know that there are a lot of reports, a lot of commentaries that are rather negative. But I'm en-

couraged for a couple of reasons with what I see in Afghanistan. First of all, the Government of Afghanistan still enjoys broad support from the people. We're working very closely with the Afghan security forces, particularly the army. I'm really encouraged by the leadership, determination, and the willingness to go out and engage; and at the end of the day these are the people that are really going to provide stability and security that are going to enable this country to stand on its own two feet.

There are certainly lots of other issues—Pakistan, Lebanon, Somalia, lots of places in which stability and security are fragile, if at all existent. But with each of these places, there are also opportunities for us to engage, to help people to help themselves, to try to make this a better region.

So in Pakistan, for example, they're suffering turmoil politically, under attack internally from an insurgent threat, just completed an election as the world watched, and they are in the process of forming a government, which we certainly encourage and will certainly do our utmost to support. Again, opportunities for us to not only help them to help themselves, but to help some of our interests, and particularly the recent use of these ungoverned areas or previously ungoverned areas along the Afghan border.

I see other signs of hope. The recent agreement that was brokered by United Nations (U.N.) Secretary General Kofi Annan in Kenya to try to bring to a halt the strife and bloodshedding that's been going on there in recent days. We engage throughout the region to try to provide stability and security, to do what we can to lend our experience, our resources, through the generosity of certainly this committee and your colleagues in Congress, to lend the opportunity for our people, our best ambassadors, to work with these people, to show by their example how things could be done differently and better, to provide opportunities.

So as I get around and spend most of my time out in the region, I'm encouraged. I wish we had more hours in the day to both engage to a greater degree in each of these countries—and I have to tell you in summing up here that I couldn't be any more proud of the work that our men and women do every day throughout this region.

Thank you for the support that you provide to them and to their families. I am grateful to be here again and I'll look forward to your questions. Thank you very much, sir.

[The prepared statement of Admiral Fallon follows:]

PREPARED STATEMENT BY ADM WILLIAM J. FALLON, USN

I. INTRODUCTION

Mr. Chairman and distinguished members of the committee:

On behalf of the men and women of the United States Central Command (CENTCOM), I thank you for this opportunity to testify about the state of the command and to provide an assessment of security and stability in my Area of Responsibility (AOR), as well as our military strategy and operational requirements.

I would begin by highlighting the selfless service and sacrifice of our servicemembers and their families. This dedicated work on behalf of our Nation merits recognition and credit for the substantial progress that has been achieved in security and stability during these past 12 months.

The CENTCOM AOR is large and diverse. It spans 6.5 million square miles and 27 countries stretching from the Horn of Africa, through the Middle East to the Central and South Asian States. These countries possess vast human and natural

resource potential, have rich histories, and sit at the crossroads of Africa, Asia, and Europe. The region is home to nearly 700 million people, who speak more than 80 languages, identify with 50 or more ethnic groups, and are adherents of more than a dozen religions. Despite differences in language, culture, and history, we share basic aspirations with the peoples of the Middle East, East Africa, and Central and South Asia. They desire security and prosperity for their families, opportunities to make choices, and governments that respect their rights and respond to their basic needs.

This is the 7th consecutive year of combat operations in the CENTCOM AOR. I am pleased to report significant progress in security in Iraq. Our forces there, in concert with coalition partners and the increasingly competent Iraqi security forces (ISF), have expanded areas of stability and brought a return to more normal life for the citizens of Iraq. Likewise, in Afghanistan, large areas of the country are generally stable, millions of children are in schools and the Afghan National Army (ANA) is growing in size and demonstrated performance. But challenges remain in both these countries and in other areas of the region. Violent extremism, weak governance, political crisis and lagging economic development are key inhibitors to long-term stability. Given the complexities of the region, two certainties stand out; there are no simple answers to the challenges, and enduring solutions require predominately non-military initiatives.

To advance U.S. security interests and regional stability, CENTCOM works with interagency and international partners to promote development and cooperation among nations, responds to crises, deters and, if necessary, defeats aggression. Success will require patience, thoughtful application of resources and commitment.

The strategy in support of this mission has focused efforts in five main areas: setting conditions for stability in Iraq; expanding governance and security in Afghanistan; degrading violent extremist networks and operations; strengthening relationships and influencing states and organizations to contribute to regional stability and the free flow of commerce; and posturing forces to build and sustain joint and combined warfighting capabilities and readiness.

II. SETTING CONDITIONS FOR STABILITY IN IRAQ

United States and Coalition forces have operated continuously in the region since the Iraqi invasion of Kuwait in 1990, and will soon enter the 6th year of combat operations in Iraq. Our objective is a unified, democratic and Federal Iraq that can govern, defend, and sustain itself and is an ally in the war on terror. We are pursuing this objective along political, security, economic, and diplomatic lines of operation. I can say with confidence that we are closer to our objective today than when I last testified.

The most significant development in Iraq over the last year has been a dramatic decrease in violence. By almost every measure, the security situation has improved significantly. This turnabout is the result of many complex and interrelated factors. The application of the "surge" deployment implemented last February, which increased troop levels and shifted our strategy to the priority task of protecting the population, has enhanced local security. The proximity of our troops to the populace and their shared experience in day-to-day life throughout the country has reversed the widespread anti-coalition attitude to a general acceptance and appreciation for our presence. This situation has been facilitated by the larger and more capable ISF, which have expanded the scale and effectiveness of operations against al Qaeda in Iraq and criminal Shia militias. The population has welcomed the widespread deployment of the Iraqi Army and is growing more comfortable with the Iraqi Police. Both of these forces are becoming more capable and competent as they assume an increasing share of security duties and boost reconciliation.

Equally important have been the growing rejection of al Qaeda by the Iraqi people and the genesis of the "awakening" movement, which has altered the local balance of power between extremists and security forces. More than 90,000 Iraqi men have volunteered to assume grass root security functions as Concerned Local Citizens, also known now as Sons of Iraq. These men are key partners who supplement uniformed security forces in their communities and provide invaluable intelligence about the violent extremists. Although at this point, these groups are comprised primarily of Sunni Muslims, some Shia communities have started similar initiatives as Jaysh al-Mahdi extremists wear out their welcome.

While security in Iraq has improved dramatically and sectarian violence has greatly diminished, these gains are not irreversible. Multiple strains of violent extremism remain a threat to the government and populace, and some of these groups benefit from external support. From the East, Iran pursues a destabilizing political and ideological agenda and is a key source of finance, weapons and training support

to lawless militia groups. In the West, foreign fighters continue to enter Iraq from Syria.

To sustain and build on improvements in security, Multinational Force-Iraq conducts security operations with the ISF while transitioning, where conditions allow, to Iraqi led and conducted operations. More than 530,000 Iraqi soldiers and police officers now secure their country with notable improvement in capability and battlefield performance. With the ISF proving themselves in battle, the next steps in building the ISF will focus on enhancing capabilities in command and control, logistics, combat support functions, and other operational enablers. I believe our efforts to improve Iraq's Army and Police will help set the conditions for sustained security and enable future U.S. troop redeployments.

Meanwhile, the previously announced reduction of Brigade Combat Teams from 20 to 15 is underway, along with several Marine Corps battalions and some enabling forces. General Petraeus is preparing a response to a Planning Order from me to consider scenarios for the post-July 2008 period in Iraq and to provide recommendations on the pace and scope of a further reduction of forces from Iraq. His recommendations will be considered by the Chain of Command and our inputs, along with his, will be forwarded to the President for his consideration. Recommendations will consider the existing security situation, progress of the ISF and their readiness to assume responsibility for security. The conditions on the ground will be a major determinant of future moves.

Progress in governance lags behind security, but there are signs of improvement. To sustain the security gains, a general improvement in government effectiveness and the enactment of legislative guarantees are required. Iraqi political leaders have begun demonstrating the will and skills to move this process forward. The recent passage of the 2008 National Budget, Provincial Powers, Amnesty, and de-Baathification laws are significant accomplishments. The Presidency Council returned the Provincial Powers Law to the Council of Representatives but with the assurance that preparations for provincial elections this fall should continue. Meanwhile, the Government of Iraq continues to work toward other important legislation including Hydrocarbon and Election laws and the referendum on Kirkuk.

Economic development is a key component of sustained growth and reconciliation. The Government of Iraq has improved budget execution and increased allocations to provinces and ministries. Iraqi and coalition initiatives to secure critical infrastructure and a substantial investment in repair and refurbishment have resulted in greater oil production and revenue from oil sales. The international community is playing an increasing and welcome role in Iraq. The Neighbors Conference Ministerial meetings have contributed to stabilization efforts. France is actively reaching out to Iraq while Saudi Arabia, the United Arab Emirates and Kuwait are considering the re-opening of diplomatic offices in Baghdad. The U.N. designated a new Special Representative to Iraq, who has demonstrated strong initiative and a keen understanding of the situation. The U.N. also dramatically increased its assistance mission, while the Security Council passed a new Chapter 7 mandate for the Coalition to operate in Iraq until 31 December 2008.

Looking to the future and as U.S. forces are withdrawn, we are planning to normalize long-term bilateral relations through a framework agreement that reflects our shared political, economic, cultural and security interests, as well as a Status of Forces Agreement. These agreements will establish authorities and jurisdictions for U.S. and coalition forces operating in Iraq beyond 2008. The documents will allow us maximum flexibility to assist the Government of Iraq in the fight against al Qaeda, develop its security forces and combat harmful influences inside Iraq while, at the same time, protecting our own forces. As Iraq increasingly asserts its sovereignty, we want to continue to assist in developing the Iraqi capacity to secure and defend their country.

III. EXPAND GOVERNANCE AND SECURITY IN AFGHANISTAN

U.S. and coalition forces support international efforts to assist the Islamic Republic of Afghanistan to provide security, improve stability, and enhance development and governance. Within Afghanistan, the NATO International Security Assistance Force (ISAF) commands the security mission while CENTCOM leads the military capacity building and counterterror efforts. These command structures require close coordination between CENTCOM and NATO.

Despite increased violence in 2007, most visibly in the form of suicide attacks, Afghan and coalition forces have degraded the ability of the Taliban and other insurgents to execute coordinated and effective attacks. The coalition has maintained relentless pressure on the insurgents, and as a result, the enemy has shifted most of its effort to targeting police and civilians. The recent increase in suicide attacks is

a concern and may give the perception that the insurgents have grown stronger. In reality, most of their successful attacks are confined to about 10 percent of total districts, while the vast majority of Afghans deny support to the violent extremists.

The successes in Khowst Province are one example. Long considered ungovernable and one of the most dangerous provinces in Afghanistan, Khowst has been turned around by Afghan and coalition counterinsurgency operations. Tangible improvement in governance, reconstruction, development and security have been noted and are good examples for application elsewhere in the country.

The increase in U.S. forces planned for this spring will reinforce our momentum while enabling accelerated growth of Afghan National Security Forces (ANSF). CENTCOM recently concurred with an initiative to expand the authorized end strength of the ANA from 70,000 to 80,000 soldiers. The Combined Security Transition Command-Afghanistan (CSTC–A) is scheduled to complete the fielding of 80,000 ANA personnel by the end of 2010. Meanwhile a Marine Corps Special Purpose Marine Air Ground Task Force will deploy this spring and bolster the ISAF maneuver forces in Regional Command-South.

The ANA has taken the lead in more than 30 significant operations to date and has demonstrated increasing competence, effectiveness and professionalism. Operation Maiwand executed last summer in the Andar District of Ghazni Province is an example of recent progress. Planned, rehearsed, and executed under the direction of the Afghan 203rd Corps Commander, a combined ANA and NATO ISAF task force cleared the entire district and removed a Taliban shadow governor. This well-integrated security operation was quickly exploited with the synchronized application of governance and development efforts consisting of medical treatment for 2,300 citizens, 10 new schools, the delivery of 260 tons of humanitarian aid, and $1 million committed toward additional development. This operation resulted in significant disruption to enemy forces in Ghazni Province and is a manifestation of the growth and maturation of ANSF as well as the spread of governance and development.

The Afghanistan National Police (ANP) are improving, although at a slower pace than the ANA. While police competence has progressed in many areas, corruption, poor leadership, pay issues and equipment shortfalls challenge this organization. A new initiative, led by CSTC–A, called the Focused District Development plan and implemented late last year, shows great promise. This initiative withdraws local police from selected districts, replacing them temporarily with highly trained and effective Afghan National Civil Order Police. The local police then receive 2 months of immersion in a concentrated program of instruction by carefully selected mentors to upgrade their professional performance, equipment and confidence. Local police units then return to their districts as much more capable forces and better able to serve their communities.

Recruiting for both the Army and Police has shown a positive trend. Despite increased targeting of ANSF personnel and high casualty rates, Afghans continue to enlist in large numbers. This demonstrates confidence in the government and their future (as well as a strong need for employment opportunities). Proper training of these dedicated volunteers will take time, and additional U.S. personnel will be needed to fill key shortfalls in training capacity. A battalion of U.S. marines will deploy to support and mentor the ANP this spring in an effort to boost ANP capability.

Setting the conditions necessary for economic growth is essential to long-term security and stability. Afghanistan has come a long way in 7 years. Since 2001, Gross Domestic Product, per capita income and Foreign Direct Investment are all up. There has been considerable growth in Afghanistan's domestic revenues as well as international reserves, which have nearly doubled since 2004. However, Afghanistan still faces formidable economic challenge. The Afghan Government remains overly dependent on foreign aid, with official revenues covering only 20 percent of recurrent costs. Inflation, particularly for food and fuel, is rising. Access to credit is limited, and few Afghans are able to borrow.

Four strategic economic priorities support the counterinsurgency effort. These include embracing free market economic policy, enhancing government resources, addressing inflation and implementing structural reforms. Staying the free market course means resisting costly new subsidies, which serve to reduce resources for other more constructive expenditures in areas like infrastructure, education and health care. U.S. and international community efforts are assisting the Afghan Government move toward a sustainable fiscal policy to generate revenue, manage resources and operate without massive foreign financial support. The international community is also trying to boost economic growth by modernizing the infrastructure, particularly in the areas of electrical power, road construction, water management and agricultural development. Our Provincial Reconstruction Teams are key

elements in these endeavors, and they have brought real improvement directly to the populace. Finally, trade is benefiting, albeit slowly, from growing regional integration. On March 3, Afghanistan is scheduled to join the South Asian Free Trade Area, bringing greater access to and integration with six other regional countries.

Narcotics remain a significant challenge for Afghanistan and the international community. Opium production in Afghanistan increased substantially in 2007. The narcotics trade dissuades work and investment in legitimate activities, provides the insurgents with a lucrative source of funding and contributes heavily to heroin addiction in Central Asia, Europe, and increasingly in East Africa. We will continue to work with the interagency and international partners to reverse this negative trend. Of note, the ANA is standing up a new counternarcotics battalion for the single purpose of poppy eradication. This unit is in training and is expected to deploy this spring to destroy (by plowing under) poppy plants in fields when found.

Our commitment to the Afghan Government and people seeks to shape a future of a moderate and stable Afghanistan as a key regional partner. There is a general sense of optimism and determination among the Afghan leaders and people. They regularly voice their appreciation for our assistance. Enduring success will require additional, well coordinated Coalition resources and support.

IV. DEGRADING VIOLENT EXTREMIST NETWORKS AND OPERATIONS

Whether sponsored by Iran, enabled by Syrian acquiescence or motivated by networks such as al Qaeda and its associated movements, violent extremism is a serious danger to regional and global security. We must identify, mobilize against, and confront this menace as its anachronistic worldview and murderous tactics threaten people and stability worldwide. While our efforts in Iraq and Afghanistan continue, we will use all available methods to build regional and international momentum for moderate behavior while eroding support for violent extremist ideology.

The highest priority in our counterterror efforts is to defeat al Qaeda. Part of this effort, but not an end to itself, is the removal of senior al Qaeda leaders. Since the September 11, 2001 attacks, we and our partners have captured or killed terrorists, diminished safe havens, driven leaders underground, and restricted their operating space. Despite these efforts, challenges continue as our enemies work to reconstitute their networks. Critical to countering these violent extremists is the denial of the sanctuaries, nation-state support and lines of communication that sustain them. These militant Islamist terrorists attract recruits from a large, worldwide pool of disaffected young people. Unfortunately, their tactics and radical ideology remain almost unchallenged by voices of moderation. In response, we will enhance our intelligence capabilities, develop partner nation capacities, strengthen information sharing, disrupt illicit lines of communication, and work to prevent terrorist organizations from acquiring and using weapons of mass destruction. All of these actions will require interagency and international coordination and cooperation.

Equally important to defeating al Qaeda and other extremist groups is delegitimizing the underlying social and political movements that support them. To diminish the radical social movements from which our enemies derive their strength, we must maintain operational pressure on their networks while building capacity in governance and security that help at-risk societies address problems that foster internal and local grievances. This work requires empowering credible experts to expose the flaws and internal contradictions of the enemy's ideology; provide viable, competing alternative worldviews; and contest the intellectual "safe harbors" where extremist ideas incubate.

Defeating extremists and their ideology would be easier if they did not have state sponsors. Iran and Syria have not cooperated with efforts to combat terrorism and promote reconciliation. Their policies and actions threaten the internal security of their neighbors and the collective stability of the region. The Iranian regime provides Shia militia groups in Iraq with training, funding and weapons including lethal Explosively Formed Penetrators (EFPs), a particularly deadly form of Improvised Explosive Device (IED). Iran continues to employ surrogates in Lebanon and Gaza, providing money and weapons to Hezbollah and Hamas, threatening the stability of Lebanon and undercutting the future of Palestinians, as well as engaging in confrontational activity in the Gulf.

Iran's most destabilizing activity has been the pursuit of nuclear weapons technology in defiance of the international community, International Atomic Energy Agency and United Nations Security Council. A nuclear-armed Iran would further threaten regional stability, potentially trigger an arms race and increase the potential for extremists to acquire weapons of mass destruction.

The Syrian Government continues to meddle in Lebanon. Its support for Hezbollah is destabilizing the country, and it stonewalls the investigation into the Rafik Hariri assassination.

Over the past 5 years, terrorists, suicide bombers, and foreign fighters have traveled through Syria to attack Iraqi and coalition forces. The government in Damascus has tolerated the presence and operations of Iraqi Sunni extremists who have fueled the fighting in Baghdad and elsewhere in the country.

In Lebanon, the government is confronted by opposition groups and violent protests, but the Lebanese Armed Forces are maintaining a fragile order. Hundreds of thousands of Lebanese have stood up publicly against assassination and terror, and for their elected government and a peaceful, prosperous future. The international community continues to support the popularly elected government in Beirut and its legitimately constituted and disciplined security forces.

V. STRENGTHENING RELATIONSHIPS AND INFLUENCE STATES AND ORGANIZATIONS TO CONTRIBUTE TO REGIONAL STABILITY AND THE FREE FLOW OF COMMERCE

To increase prospects for long-term stability and security in the region, we are working to strengthen relationships between and among these nations and the United States. We are also trying to influence states and organizations such as the Gulf Cooperation Council to contribute to regional stability and work to ensure the free flow of commerce and positive economic growth.

During the course of my numerous trips to the region, I have developed relationships with most of my military counterparts and many of their political leaders. The foundation of these partnership building efforts is our Theater Security Cooperation program, which helps develop the security capabilities of current and prospective coalition partners, builds and supports effective regional security arrangements and interoperability, and synchronizes efforts with other U.S. Government agencies. More importantly, these programs forge personal relationships between the U.S. and partners in the region, enhancing mutual trust and confidence and facilitating the effective operations of our commands.

The CENTCOM Theater Security Cooperation program is built on a foundation of enduring relationships. The synchronized efforts of all the elements of U.S. and international power are key to success. We are fortunate to have a number of close, reliable partner nations. Five of these countries, Egypt, Jordan, Kuwait, Bahrain and Pakistan, are major non-NATO Allies, and of those, Jordan and Bahrain are Free Trade Agreement partners. Our Theater Security Cooperation Strategy enables regional stability and advances security efforts that protect vital U.S. national interests and helps partners build capacities to combat terror and become self-reliant.

Department of State programs such as Foreign Military Funding (FMF) and International Military Education and Training (IMET) are vital to build enduring security relationships. Attendance at U.S. institutions and courses of instruction by foreign military personnel offers exposure to our ideas, principles, standards and most importantly, our people. The resulting personal relationships have proven invaluable in building long-term trust and access. In my experience, withholding IMET funds inhibits the ability to influence the positive transformation of regional military forces. Additionally, authorities for building global partnership capacity proposed in title 13 of the draft National Defense Authorization Act for Fiscal Year 2009 will give me the tools I need to support our partners in the war on terror more effectively and efficiently than current authorities. Passage of this legislation will allow CENTCOM to use existing authorities to train and equip partner nations' non-military security services in addition to national military forces, and to engage in a wider range of combined exercises, training, and personnel and information exchanges. It will also give more field commanders the authority to spend Commander's Emergency Response Program funds, give rewards for valuable information and integrate a wider range of Department of State capabilities with our military ones. However, it will still require advance notification to Congress, thereby maintaining appropriate levels of transparency and oversight.

In order to facilitate multi-lateral engagement between our partners, I hosted the inaugural CENTCOM Chiefs of Defense Conferences in Tampa, bringing together senior military officers from 19 of the 27 nations in our region. These conferences were very well received and bolstered the stature and acceptance of the Iraqi and Afghan Defense Chiefs. Additionally, the unprecedented engagement between participants reduced suspicion and enhanced trust while cementing personal relationships.

Military exercises enable our troops to operate with partner forces and improve interoperability as well as demonstrate capabilities. Our forces have participated in 49 combined exercises throughout the AOR, including multi-lateral exercises in

Qatar, the United Arab Emirates (UAE), Egypt, and Kazakhstan. Qatar hosted an exercise focused on air defense and consequence management called Eagle Resolve for the third consecutive year. This event has strengthened defense cooperation among many of our regional partners. The UAE hosted three air exercises, two of them at the Gulf Air Warfare Center, which focused on multi-lateral cooperation and interoperability among Gulf Cooperation Council (GCC) members. Egypt hosted CENTCOM's longest standing cooperative exercise, Bright Star, for 13 partner nations. After 25 years, this exercise continues to be relevant and has grown to emphasize strategic level engagement. In Central Asia, Kazakhstan hosted exercise Regional Cooperation, which enhanced interoperability and integration between the various disaster preparedness and consequence management ministries of Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, and Turkmenistan. By bringing together units from various nations to cooperate in response to realistic and challenging scenarios, these exercises hone the skills of U.S. and partner military forces while enhancing regional stability and security.

Following are highlights of the development of key relationships in the region:

Egypt

Egypt is a key ally, strongly supporting the Middle East Peace Process and U.S. regional initiatives. Our close relations greatly aid our efforts in Iraq, Afghanistan, and the war on terror by providing expedited Suez Canal transits for U.S. warships, over flights and access to basing. Egypt has maintained a field hospital and medical staff in Afghanistan since 2003 that continues to provide medical care and training. Egypt has signaled its intent to help combat smuggling into the Gaza strip through the purchase of technical equipment that could assist Egyptian security forces detect and exploit tunnels, a requirement that has assumed even greater importance in light of recent events. Egypt is one of the largest contributors to the United Nations-African Union Mission in Darfur with some 1,200 Egyptian soldiers and police officers. FMF significantly contributes to the modernization and interoperability of the Egyptian Armed Forces, which helps provide stability in the Suez Canal area and the Levant.

The prospects for positive change in Egyptian governance are enhanced by our close interaction on regional security matters. These relations also ensure continued Egyptian support for our regional presence and operations and demonstrate that when we make a commitment, we keep it. For these reasons, I urge Congress to continue its support for Egyptian FMF levels.

Horn of Africa and Yemen

The nations in the Horn of Africa (Ethiopia, Kenya, Djibouti, Sudan, Somalia, Eritrea, and the Seychelles) face border and ethnic tensions, insurgencies, corruption, terrorist infiltrations and poverty. CENTCOM's Combined Joint Task Force-Horn of Africa (CJTF–HOA) conducts operations, training, and humanitarian missions in the Horn of Africa and Yemen to build partner nation military capability, improve quality of life, expand governance, strengthen bilateral relationships, and build partner nations' military capability. Cooperation of these nations with us contributes to building their own capacity to combat terrorism and prepare for other challenges, including natural disasters. CENTCOM is working closely with U.S. Africa Command to ensure our relations continue to strengthen as the new geographic command prepares to assume its responsibilities.

Ethiopia

Ethiopia is a key regional strategic ally and close partner in the war on terror. This strong bilateral relationship was readily evident in the wake of Ethiopia's initial military operations in Somalia to support the Transitional Federal Government against radical insurgents. Ethiopia has also demonstrated strategic importance by its considerable contributions to United Nations peacekeeping missions, such as the U.N. Mission in Liberia and its pledge of 5,000 peacekeepers for the U.N. African Union Mission in Darfur. Our support for the efforts of the Ethiopian military to modernize and professionalize will be critical to the government's ability to address security threats effectively and in conformity with international norms.

Ethiopia has, however, refused to evacuate disputed territory on its border with Eritrea, despite the fact the United Nations Ethiopia-Eritrea Border Commission made its final ruling in favor of Eritrea's claim. Eritrea has denied supplies to the United Nations mission there in order to force it to depart. President Isaias Afwerki's government also sponsors violent extremists in Somalia, and there is evidence it does the same in Ethiopia. Eritrea's treatment of its own people is no better, as Isaias has jailed all political opponents and devastated what had been a relatively healthy economy. As long as Eritrea is aggressive toward its neighbors and

repressive against its own people, the amount of assistance CENTCOM can provide will be severely limited.

Kenya

The just signed power-sharing agreement between President Kibaki and Orange Democratic Movement leader Raila Odinga is encouraging. While we should remain vigilant for signs of a return to political crisis and ethnic violence, I believe Kenya's strong institutional foundations can be a basis for long-term stability. Kenya provides a traditional locale for the U.S. and the international community to conduct relief and rescue operations in regional trouble spots and is a key contributor to regional conflict resolution and counterterrorism efforts. Historically, Kenya has been one of our closest and staunchest partners against terrorism. America's interests are to assist Kenya in countering the terrorist threat, support the processes of political and economic reform, help raise the standard of living, combat health crises, and protect Kenya's resource base.

Djibouti

This small, peaceful, and tolerant Muslim country is an island of stability in a region characterized by tension and violence. Djibouti is a key security partner as it hosts CJTF–HOA and provides refueling facilities for coalition naval vessels. Djibouti is also the warehouse location for prepositioned emergency food relief used by the Office of Foreign Disaster Assistance in times of crisis. As this country undergoes potentially rapid change while developing a new port complex, the continued support for CJTF–HOA in cooperation with other elements of the interagency will be critical to ensure the benefits of growth are distributed in a way that promotes stability and democratic development.

Sudan

In 2007, tension between the ruling National Congress Party (NCP) and the southern Sudanese People's Liberation Movement (SPLM) increased due to the slow implementation of the Comprehensive Peace Agreement (CPA). These tensions culminated in the SPLM temporarily withdrawing from the Government of National Unity in Khartoum. We anticipate additional tension in 2008 due to expected delays in the CPA-mandated national census. In Darfur, the deployment of the U.N.-African Union Mission in Darfur will remain behind schedule due to NCP obstructionism. Multiple attempts to unite the Darfur rebels failed to bring about a cohesive group prior to renewed peace talks, exacerbating insecurity and the humanitarian crisis.

Somalia

Military, humanitarian, and political conditions deteriorated significantly in Somalia during 2007 and could further deteriorate in 2008. Initially fractured in early 2007, the al Qaeda associated Somali resistance, supported politically by Eritrea, have regained control of much of southern and central Somalia. We will work closely with our regional partners to prevent harm to our broader interests, mitigate the humanitarian challenges and support efforts to achieve a political settlement.

Seychelles

Our relationship with the stable, democratic Government of Seychelles focuses on countering coastal security threats and improving disaster preparedness. Through joint exercises with the Seychelles Coast Guard we are working to build their capacity to plan and conduct operations to counter transnational threats.

Lebanon

Since November 2007, Lebanon's already tenuous political situation has worsened. The government and opposition see the stalled Presidential election process and the subsequent cabinet formation as crucial to their interests. The country remains politically stymied as the Hezbollah-led opposition, with its Syrian and Iranian allies, attempt to use the vacuum in the presidency as leverage to control future decision-making in the country. Syria will continue to pressure its allies to refuse any compromise knowing that the election of a Western leaning government will likely lead to the rapid implementation of the Special Tribunal to charge the assassins of former Prime Minister Rafiq Hariri. Damascus fears this will implicate high-ranking Syrian officials and their Lebanese allies. These political battles have grown violent as evidenced by assassinations of political and security leaders. In addition, bombs have targeted high-ranking members of the security establishment as well as U.S. Embassy employees.

A well-armed and well-trained Lebanese Armed Forces (LAF) is a potential unifying force. The multi-confessional LAF, with its members drawn from all of the

country's communities, enjoys broad support from the Lebanese people. The LAF demonstrated resolve and courage during its 102 day fight in the Nahr al-Barid refugee camp last year—a victory that would have been far more costly were it not for the support of the United States and key allies like Saudi Arabia, Jordan, and Egypt. CENTCOM Special Operations Forces enhanced LAF effectiveness by providing training during the months preceding operations at Nahr al-Barid. While addressing the short-term needs of the LAF, we are focusing on its long-term development. The $220 million FMF supplemental approved by Congress in 2007 is contributing significantly to this effort, but we must continue the process and strengthen our bilateral military relationship to resist efforts by Syria, Iran, and their Hezbollah surrogates to undermine the sovereignty of Lebanon.

Jordan

Jordan is a regional leader in security and counterterror training and one of our strongest partners. In 2007, Jordan hosted a large multinational special operations exercise as well as six other military exercises. It also hosts the Peace Operations Training Center, the International Police Training Center, the Cooperative Management Center, and the King Abdullah Special Operations Training Center. Additionally, Jordanian doctors and nurses operate and provide training in much needed hospitals in both Iraq and Afghanistan.

Consistently supportive of our role and presence in the region, Jordan has played a major role in promoting stability and reconciliation in Western Iraq, supporting the Lebanese Armed Forces and training Palestinian Authority Security Forces. Currently, more than 1,000 Palestinian authority security personnel are receiving essential police training in Jordan.

Although it placed enormous stress on public services, Jordanian leaders opened their country to hundreds of thousands of Iraqis fleeing the violence in their own country. Jordanian efforts to improve border security are exemplary and set the standard for the region. U.S. military and economic assistance to Jordan are wise investments for a peaceful, secure and prosperous region.

Arabian Gulf States

We have improved participation and cooperation with the GCC states of Kuwait, Bahrain, Qatar, the UAE, Oman, and Saudi Arabia. Of note, Iraq has participated in GCC multi-lateral discussions and as an observer during exercises. Developing these relationships will eventually lead to greater security and economic opportunity for the entire region. Each of these nations has been a valuable contributor to our mutual security efforts providing essential base and port access, overflight rights and additional force protection for U.S. units in the region.

Our strong partnership with Kuwait is vital to the CENTCOM mission. Kuwait hosts the Combined Forces Land Component Command and provides a staging area for Coalition forces entering and departing Iraq. Military operations in Iraq would not be possible without critical support provided by Kuwait in the form of fuel, electricity, water, meals, waived customs fees, and many other allowances totaling about $1 billion per year. The military-to-military relationship with Kuwait grows stronger through a robust military sales program and an extensive program of combined exercises.

The Kingdom of Saudi Arabia

The Kingdom of Saudi Arabia has achieved significant success with an initiative to cut off funding to terrorists and restrain violence. Saudi leaders have enacted tough antiterrorism laws, established a Financial Intelligence Unit to combat illegal "charities" that ultimately fund al Qaeda and have built indigenous special operations and counterterror forces capacity. They have also made efforts to reform their educational system and have promoted the ideals of tolerance and moderation in their leading mosques and promote rehabilitation programs for security prisoners. Saudi Arabia has been helpful in our efforts to support the stability and independence of the legitimate Government of Lebanon. Our military relationship is based on extensive interaction between armed forces and a robust military sales program that we expect to grow in coming years. It is enhanced by a U.S. advisory presence in the Kingdom and by our training of Saudi military personnel.

Bahrain and the U.S. have enjoyed a close military relationship for more than a half a century. Today, Manama hosts U.S. Naval Forces Central Command. In addition, a Bahraini officer currently commands Coalition Task Force 152 with responsibility for Maritime Security in the Arabian Gulf. Bahrain hosted an Iraq Coalition conference this past October and is a strong supporter in the struggle against terror. In the past year, I attended the Manama Dialogue in Bahrain, and the Forum on U.S.-Islamic Relations in Qatar. These two widely respected fora are strongly sup-

ported by the host nations and allow leaders the opportunity to benefit from extensive engagement on substantive regional issues.

We are grateful to Qatar for hosting the CENTCOM forward headquarters at Camp As Saliyah and our Combined Air Operations Center at al-Udeid Air Base. The excellent military-to-military relationship with the Qatar Armed Forces is robust and mutually beneficial. Access to the airbase at al-Udeid facilitates air operations in the AOR. Doha also provides substantial in-kind support to U.S. forces, significantly offsetting the cost of our operations from there. Additionally, they have participated in the Gulf Security Dialogue meetings with the Departments of State and Defense in order to build infrastructure and systems necessary to improve deterrence.

The UAE has emerged as a staunch coalition partner, contributing to the continued security and stability of the Gulf and the Strait of Hormuz. In addition to access for air assets at the Al Dhafra Airbase, the Emirates provide nearly continuous access for Navy ships in the port of Jebel Ali. It is a leading partner in the campaign against terror, providing assistance in military, diplomatic and financial areas. Our military-to-military relationship ties are a key element of our excellent bi-lateral relations. We expect these relations to strengthen as the UAE serves as a regional example of the benefits of private sector growth and broadened opportunity for individual choice. The Emiratis are leading the Shared Early Warning initiative in the Gulf and have a robust Foreign Military Sales Missile Defense request pending.

Oman is a stable, secure, and cooperative partner. The Sultanate allows the storage of important war reserve material, and its proximity to the Strait of Hormuz is a uniquely vital strategic position. We have had an enduring relationship with Oman since the early part of the 19th century, and they have provided strong support for Operations Enduring Freedom and Iraqi Freedom. Our cooperation with Oman in areas such as education and economic development support Oman's own measured path to economic growth and more participatory governance.

Pakistan

The recent election in Pakistan was encouraging and offers the potential for a peaceful return to democracy and much needed stabilization for this populous country. It is important to note that the Pakistani Armed Forces did not arbitrate these elections, but they did provide the essential security that enabled a generally peaceful process. Senior Pakistani leaders understand the threat of violent extremism to their country and are taking steps to transform their security institutions to be more effective in combating these challenges. The military aid we have provided in all forms has been critical in the fight against extremists inside Pakistan, particularly along the western frontier adjacent to Afghanistan. Pakistan has successfully deployed more than 100,000 troops to the western frontier, directly engaged al Qaeda, the Taliban, and foreign fighters.

Pakistani security forces have captured and killed significant numbers of violent extremists, to include high-ranking leaders of al Qaeda and the Taliban. They have also suffered extensive casualties. Our long-term partnership with Pakistan is central to defeating extremist groups in the region, and it is difficult to imagine success in that struggle without its support and cooperation. We are working together to reduce the tensions stemming from the radical and violent extremist presence in the Federally Administered Tribal Areas. Ongoing initiatives include regular meetings with Pakistan's military leaders, enhanced liaison and communications among our units operating along the Afghanistan-Pakistan border and a Security Development Plan, which includes initiatives to establish a Frontier Corps Training Center, assist the Frontier Corps (FC) in establishing new Wings (battalion equivalent) and improve indigenous intelligence operation capabilities. Advisors will share lessons learned in counterterrorism and counterinsurgency mission sets, and FC personnel will be provided with modern equipment. Also, Sector Headquarters and Border Coordination Centers will be established to improve shared situational awareness and deconflict border operations with coalition forces in Afghanistan.

Pakistan remains a strong partner of the United States, and our support for its counterterror efforts will continue with a variety of focused programs. Our security cooperation funding and bilateral exercise programs help the Pakistani Government conduct counterterror operations, develop its counterinsurgency capacity and enhance its internal stability. In this critical time of democratic change it is vital that Pakistan view the U.S. as a long term trusted partner, particularly in our efforts to defeat common enemies.

Middle East Peace Process

Any discussion of security and stability in the region must include the Middle East Peace Process. Recent efforts to revive this effort are positive. A peaceful two-

State solution that offers justice and security to Palestinians and Israel would negate the widespread perception of inequity in the Arab world.

Central Asian States—Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan

These five nations in Central Asia, are strategically important to the U.S., welcome greater interaction with us and play an increasing role in the global energy market. They reject violent extremists and all, save Uzbekistan with whom we have just reestablished a military dialogue, cooperate with the U.S. in a variety of security initiatives.

Kazakhstan is a valued partner in Iraq and offers the potential to serve as a regional leader for economic growth and prosperity. Kazakhstan is a key player in east-west trade and the potential northern nexus of a trade route that could stretch south to Pakistan, linking the less developed nations in the region with access to international markets in the Middle East, Europe, and Asia. With regard to its security needs, we have been assisting Kazakhstan in refining its defense strategy, modernizing its armed forces, and development of its peacekeeping forces.

Kyrgyzstan is rebuilding political stability after the turmoil of the past few years and hosts a U.S. presence at Manas Air Base, a key logistics node that facilitates operations in Afghanistan. We are seeking new and innovative ways to help develop the capabilities and capacity of Kyrgyz security forces to meet internal requirements and to contribute to regional stability.

Economic woes, an energy deficit and narcotics trafficking challenge Tajikistan, one of the poorest nations in the region. Tajikistan has made progress in building national unity, but much work remains. I am encouraged by Tajikistan's willingness to participate in international peacekeeping efforts, and our security cooperation programs are focused on helping Dushanbe build its capacity and secure it borders.

Turkmenistan is slowly but steadily emerging from the self-isolation of former President Niyazov. President Berdimuhamedov has loosened up internal controls, reached out to neighbors in need and demonstrated a stiff spine by halting gas exports to Iran for non-payment of agreed fees. Turkmenistan has expanded cooperation with us on a range of military-to-military activities and recently approved funding for a U.N. Drug Control program office in Turkmenistan. They have actively assisted our efforts in support Afghanistan operations.

We have reinstituted a security relationship with Uzbekistan after a hiatus of about 3 years following the expulsion of our forces from Karshi-Khanabad airbase, in the wake of the Uzbek Government's response to an attempted extremist takeover of the town of Andijan in 2005. I met with President Karimov in January, and we welcome the opportunity to reverse the deterioration in relations between the U.S. and Uzbekistan, encourage better regional cooperation and reopen a dialogue to address issues of reform and human rights.

Throughout Central Asia, there is an opportunity to positively influence the future development of these countries. We are encouraging greater economic, political, and security cooperation among these five states. Greater sustained diplomatic engagement, military aid and economic assistance would further mutual interests.

VI. POSTURING THE FORCE TO BUILD AND SUSTAIN JOINT AND COMBINED WARFIGHTING CAPABILITIES AND READINESS

Joint and Coalition Operations

Joint and combined warfighting capability and readiness are fundamental to our ability to prosecute ongoing military operations, maintain a credible presence to deter aggression and respond effectively to contingencies. Because we execute nearly all of our activities jointly and in concert with allies, we must cultivate effective interservice and multinational ways of doing business. Existing examples of such integration include the Multinational Headquarters in Iraq, Afghanistan, and the Horn of Africa. Because our region is filled with uncertainty, we must maintain a full spectrum of responsive capabilities through an effective forward deployed force structure, thorough planning and realistic combined training exercises. Other critical capabilities include the following:

A Strong Coalition

Currently there are 41 partner nations with troops in Afghanistan and 31 with personnel in Iraq. They bring important mission capabilities but also significant integration challenges. Blending capabilities of these countries into effective action requires, among other factors, a command and control infrastructure that accounts for remote locations, multiple languages, cultural differences and challenging force protection issues. Our coalition must share classified and sensitive information when appropriate and have the networks and infrastructure to facilitate such exchanges.

Interagency Coordination

Establishment of security and stability in our region requires the application of all elements of national power: military, diplomatic, economic, and information. The military instruments can set conditions for security but other agencies foster lasting change.

We are fortunate to have several U.S. Government entities engaged in the CENTCOM AOR. The Departments of State, Treasury, Justice, and Homeland Security, as well as subordinate agencies including the U.S. Agency for International Development, Diplomatic Security Service, Federal Bureau of Investigation, Drug Enforcement Administration, and U.S. Coast Guard, are actively engaged in our theater. Their efforts are helping to protect critical infrastructure, prevent terrorist attacks on our homeland, train fledgling law enforcement organizations and rebuild damaged or aging infrastructure. There is clearly a need for better integration and more comprehensive application of all the elements of national power.

Flexible Logistics

Strategic airlift, rapid sealift, prepositioned inventories, and access to bases with critical infrastructure are the key logistics components which support operational flexibility. Our primary focus in this area remains the timely deployment, equipping, and sustainment of units engaged in combat operations. As an example, the rapid fielding of Mine Resistant Ambush Protected (MRAP) vehicles to our troops would not have been possible without the highly flexible contingency air and sealift capabilities. We will leverage commercial air and surface distribution across the theater and pursue initiatives to improve theater-wide logistics cost savings and work force reductions. We will continue working with the Joint Staff, Office of the Secretary of Defense, the Department of State, and partner nations to ensure access to the infrastructure we need to support ongoing and future operations.

Adaptable Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C^4ISR) Capabilities

Interoperable, high-volume communications systems are essential to conducting operations across a dispersed command space. Our systems operate near full capacity daily with little surge capability. Because many of our needs must be satisfied by commercial providers, access to them is critical. The largest challenge we face is integration of disparate systems into interoperable and reliable networks. We must embrace policies that enable successful integration and technologies that result in effective interoperability and efficient information-sharing.

Ultimately, our ability to target violent extremists depends on precise and actionable intelligence. We continue to evolve our techniques and procedures to optimize efforts to "find, fix, finish, and exploit" targets. Our adversaries have been agile in adapting to our operations. We continue to improve battle space awareness, seeking greater specificity, detail, and timeliness of intelligence whenever possible. We are aggressively seeking ways to manage shortfalls or capability gaps in imagery intelligence, wide area coverage, sensor integration, signals intelligence, moving target indicators, layered Intelligence Surveillance and Reconnaissance (ISR) architecture, biometrics, counterintelligence, and human collectors. Your support of our intelligence needs is much appreciated, and I solicit your continued funding of these critical items.

Responsive Counter Improvised Explosive Device Program

Insurgents' weapon of choice will likely continue to be the IED, or road-side bomb. They are cheap, effective, and anonymous and have been adapted to include toxic industrial chemicals such as chlorine. While some are crude, our adversaries increasingly use sophisticated technology, including EFPs from Iran. These weapons have killed or wounded thousands of military and civilian personnel in Iraq, and IEDs are becoming increasingly prevalent in Afghanistan.

To counter this threat, and working with the interagency and our coalition partners, we are fielding jammers, specialized route clearance vehicles and equipment and improved vehicle and personnel protective armor. The most effective counter to the IED is targeting the human networks which supply, train, and employ the devices. We have pressed this approach through a comprehensive application of ISR. These initiatives have reduced IED effectiveness. We must continue to develop new technologies, tactics, techniques and procedures. Of particular importance to CENTCOM is continued fielding of MRAP vehicles, and further research and development to improve the detection of mines, IEDs and unexploded ordnance.

Personnel

Sustained operations in the CENTCOM AOR depend on personnel who have foreign language proficiency and cultural awareness competency in addition to military

skills. Retention is a critical issue, and we depend heavily on quality of life enhancements such as Combat Zone Tax Relief, Imminent Danger Pay, and Special Leave Accrual. The Rest and Recuperation program continues to be a success, serving more than 590,000 troops to date. Over the past year, we have conducted a comprehensive review of the manning of our headquarters, which, after 6 years of war, is still highly reliant on temporary individual augmentation personnel. My subordinate warfighting headquarters are also heavily manned with individual augmentees. I am committed to working with the Services and the Joint Staff to properly size and resource all of these headquarters.

CENTCOM is also working to address requirements for low density skills. Our present inventory of language and intelligence specialists (especially human intelligence) and counterintelligence agents does not support current requirements. Language expertise is crucial in counterinsurgency, counterterrorist, and counterintelligence operations and will continue to be in high demand. Contracting language expertise provides interim capability, but in the long run, we need servicemembers and career civilians with the requisite language and cultural skills.

We recognize the importance of co-locating our servicemembers with their families whenever prudent. We further recognize the value is compounded when done so overseas as our families interact with the host nation and strengthen the ties between our peoples. We have initiated the process to authorize our military families to return to areas as reduced threats permit. Before such actions, we will take every precaution to ensure protection and security measures are in place to safeguard our personnel and their families.

VI. CONCLUSION

During this past year the men and women assigned to CENTCOM have fought valiantly in Iraq and Afghanistan, provided humanitarian and reconstruction assistance, and engaged with partners and allies in deterring aggression. They have worked tirelessly on behalf of the American people to provide essential security and stability for millions of others. They have trained and exercised alongside men and women from many other nations, providing experience, advice, mentoring, and example in an effort to increase the capabilities of others to defend and secure their people. The engagement of our service personnel with foreign counterparts is key to gaining the trust of these people and facilitating our ability to influence outcomes in support of U.S. policy objectives. We stand ready to assist those who would work with us to bring lasting peace to this troubled region of the world.

The American people and Congress have provided staunch and steady support for our efforts, and we greatly appreciate your advocacy and assistance. I am proud and honored to represent the men, women and supporting families of CENTCOM. On their behalf, thank you for your support and for this opportunity to testify before you.

Chairman LEVIN. Admiral Fallon, thank you.

Admiral Olson?

STATEMENT OF ADM ERIC T. OLSON, USN, COMMANDER, UNITED STATES SPECIAL OPERATIONS COMMAND

Admiral OLSON. Mr. Chairman, Senator Warner, and distinguished members of the committee: Thank you as well for this opportunity to appear before you to report on the Special Operations Forces. I'm very honored to represent the 54,000 soldiers, sailors, airmen, and marines and government civilians of SOCOM. With your permission, I submit my written posture statement for the record and will limit my opening remarks.

The strong and steady interest of Congress and this committee has helped Special Operations Forces attain global capability and effectiveness. Since your creation of United States SOCOM, now almost 21 years ago, our joint force has proven itself in many well-known and lesser known operations, and it's been a steady presence with our friends and allies.

Throughout the command, its strength has been its extraordinary people, enabled by unique authorities and a dedicated budget. United States SOCOM is charged by legislation to prepare and

provide fully capable Special Operations Forces to conduct operations worldwide. These activities include counterterrorism, counterproliferation of weapons of mass destruction, direct action, special reconnaissance, unconventional warfare, training with foreign forces, civil affairs, psychological operations, and information operations as they relate to special operations.

By direction of the President, United States SOCOM is also the lead combatant command for synchronizing Department of Defense (DOD) planning for the global campaign against terrorism.

So in aggregate, these doctrinal terms define a complex set of tasks that are best accomplished by a specially selected, trained, and equipped joint force with proven skill, discipline, courage, and wisdom. It's a force that must operate with equal confidence and equal effectiveness across the spectrum of conflict from pre-crisis through intense conflict and to stabilization and reconstruction. Such a joint force must be carefully managed to optimize its readiness.

When deployed outside the United States, Special Operations Forces are almost always in support of geographic combatant commanders. They're present in 58 countries today, mostly in small numbers, often with low visibility, low profile presence. Over 80 percent, as you said, sir, of our deployed forces today are in the CENTCOM AOR working for Admiral Fallon, focused on a careful balance of direct and indirect actions to defeat terrorists and violent insurgents and contribute to local stability.

Operational commanders have learned that no other force can accomplish such a broad scope of missions in such diverse operational environments, and so global demand for this force does exceed supply, and I anticipate no decrease in demand even as some United States forces eventually draw down from Iraq. In fact, I expect an increase in demand for Special Operations Forces as local environments transition from a larger conventional force presence to a smaller train and assist kind of activity presence, especially considering the continuing deficit of Special Operations Forces in the other geographic combatant commanders' regions.

To answer this, as a result of program decisions of the last few years, including the QDR in the last Program Objective Memorandum cycle, we are expanding as fast as we reasonably can, as fast as we can reasonably absorb the growth. In the long-term, I estimate that 3 to 5 percent growth per year is about right for Special Operations Forces manpower. If we must expand organic enablers like aviation, like cordon and search forces, like interrogator forces, intelligence analysts, airfield control and the like in order to become more self-sufficient, though, those numbers would increase.

Many of the mobility platforms and much of the equipment used by Special Operations Forces are initially procured by the Services and then modified for Special Operations-peculiar mission requirements. So must of SOCOM acquisition programs must be carefully synchronized with the Services. Recapitalizing our fixed wing transport fleet and our intelligence, surveillance, reconnaissance capability in terms of systems, not just platforms, are our most critical needs.

For these and other programs that deliver Special Operations-peculiar items, speed of process is essential and I'm committed to exploring the scope of my authorities in order to make that system more responsive.

In any case, I'm convinced that Special Operations will be required to at least sustain and perhaps grow its levels of both operational effort and funding for the foreseeable future.

I remain humbled to command such a force, such a capable and versatile group of soldiers, sailors, airmen, marines, and civilians, at this important time, and I also remain in awe of the courage and dedication demonstrated by this force every day.

I thank you for your continued support and I look forward to your questions.

[The prepared statement of Admiral Olson follows:]

PREPARED STATEMENT BY ADM ERIC T. OLSON, USN

Mr. Chairman and distinguished members of the committee, it is an honor to report on the state of United States Special Operations Command (SOCOM).

SOCOM's mission is to provide fully capable Special Operations Forces (SOF) to defend the United States and its interests; and to plan and synchronize Department of Defense (DOD) operations against terrorist networks.

America's Special Operations Forces (SOF) are organized, equipped and trained, and then deployed by SOCOM to meet the high demands of Geographic Combatant Commanders (GCCs) around the world. The range of special operations is wide, the geographic dispersion is great, the quality is exceptional and the results are impressive.

Although most SOF deployed from the United States since the attacks of September 11 have served in and around Iraq and Afghanistan, we clearly understand the enduring value of a global presence. We are proud to be serving in about 60 countries today.

The core capabilities of SOF are in the people who choose to do, qualify for and remain committed to this type of work. Finding, training, and sustaining them requires steady focus. Ensuring they have the equipment, sensors, weapons, and mobility platforms of the kind and quality demanded by their peculiar missions requires willingness to invest in the rapid fielding of both existing solutions and cutting edge technologies even when the relatively small purchase quantities do not optimize production costs.

SOF must be manned, trained and equipped to operate globally with unmatched speed, precision and discipline within a culture that promotes innovation, initiative and tactical level diplomacy. While this Nation appreciates the tremendous impact of SOF's day-to-day engagement with global friends, allies and partners, and the powerful impact of SOF on the battlefield is legend, America also expects SOF to be able to appear in places they are not expected to be, with capabilities they are not expected to have.

To accomplish our missions, we are focused on three priorities, each containing nested objectives.

First, we must deter, disrupt, and defeat terrorist threats to our Nation. We do this by planning and conducting special operations, emphasizing culturally-attuned international engagement and fostering interagency cooperation. The Command's synchronization of the plans and planning to deter, disrupt, and defeat our enemies has great influence on allocation of the Department's resources.

Second, we must develop and support our people and their families. Our great people are the foundation of mission success, and they are national assets. We must maintain our quality, train and educate our force as joint warrior-diplomats, and always care for them and their families.

Third, we must sustain and modernize the force by equipping the operator, upgrading our mobility platforms and further developing persistent intelligence, surveillance, and reconnaissance (ISR) sensors and systems.

These priorities support SOCOM's ongoing efforts to ensure SOF are highly trained, properly equipped and deployed to the right places at the right times for the right missions. Our personnel must be capable of planning and leading a wide range of lethal and non-lethal special operations missions in complex, ambiguous environments. This specific requirement underpins expectations that SOF will continue a military culture of initiative and innovation at every level. SOCOM will con-

tinue to work closely with the Services to ensure that the conventional force enablers upon which we depend remain a part of our future operations.

DETER, DISRUPT, AND DEFEAT TERRORIST THREATS

The enemy threat is complex and patient. SOCOM anticipates no relief from our deployed commitments even when U.S. force levels in Iraq and Afghanistan are reduced. SOF's ability to grow relationships and build partner nation capacity is a fundamental part of the Department's campaign plan against terrorist threats.

We pursue two essential, mutually supporting and often intertwined approaches—direct and indirect. These two approaches integrate the requirement to immediately disrupt violent extremist organizations while positively impacting the environment in which they operate.

The direct approach addresses the immediate requirement to pursue terrorists, their infrastructure and their resources. Despite the positive trends in Iraq, operations to capture or kill terrorists and disrupt their networks remain both urgent and necessary. In the dynamic and ambiguous environments that constitute today's battlefields, the ability to rapidly analyze and exploit information is key to fast sequential targeting. This requires unique skills, specialized technologies and flexible mobility. We understand the necessity of prosecuting targets with speed, precision and discipline.

The indirect approach addresses the underlying causes of terrorism and the environments in which terrorism activities occur. The indirect approach requires more time than the direct approach to achieve effects, but ultimately will be the decisive effort.

In a world characterized by protracted struggles, emerging Irregular Warfare (IW) doctrine calls for a suite of capabilities to prevail against those who threaten us. IW is a logical, long-term framework that assists in both analyzing and applying many elements of national and international power to achieve mutual security objectives.

IW often employs indirect operations to gain asymmetric advantage over adversaries. IW is not a new mission area for SOF. Unconventional warfare, counterterrorism (CT), counterinsurgency, civil-military operations, Civil Affairs (CA), Psychological Operations (PSYOP), and Foreign Internal Defense (FID) are all traditional IW activities and core tasks for SOF. With IW's emergence as a focus area for broader participation across the Department, it increasingly describes activities that both SOF and general purpose forces will employ in their operational approaches.

Theater SOF Efforts—By, With, and Through

Deployed SOF are normally under the command of Theater Special Operations Commanders who work directly for the GCCs. The Theater SOCs have the regional focus that contributes to a good understanding of the people, the cultures, and the issues of their areas of interest.

It is under the Theater Special Operations Commands that permanently deployed and rotational SOF work in other countries to enhance combat skills; establish relationships with counterparts; advise, assist or manage a variety of civil and military projects; contribute to the achievement of U.S. Ambassadors' objectives; or gain the experience that will contribute to future successes.

For example, at the direction of SOCOM-Pacific, SOF assist Philippine forces' efforts to identify and defeat indigenous and transnational terrorist organizations in the southern islands. Building on the model that was effective on Basilan Island in 2002, a Combined Joint Special Operations Task Force works closely with Philippine Army, Marine and Navy units and the U.S. Agency for International Development to provide both humanitarian assistance and military training. SOF also manage information and public affairs plans in coordination with the U.S. country team. The combined effect of these efforts has made central and southern Mindanao and the Sulu Archipelago a much more challenging environment for terrorist activity.

Under SOCOM-Europe, Army Special Forces conducted an exercise during the summer of 2007 involving several Trans-Saharan (Pan-Sahel) nations and our European partners. SOF provided training in regional synchronization, intelligence sharing, planning and coordination for CT related operations. Last year, SOF also participated in Joint Combined Exchange Training exercises in this region. These exchanges enhance SOF skills while building person-to-person and unit-to-unit relationships.

Under SOCOM-Central Command, SOF have continued programs that are building competent and capable Iraqi and Afghan security forces . Iraqi SOF are generally touted as some of the most effective military units in the region.

Under SOCOM-South, SOF personnel train, advise, and assist in Colombia's campaign against the Revolutionary Armed Forces of Colombia (FARC) narco-terrorists.

Foreign Internal Defense

SOF employs its unique abilities to assess, train, advise, and assist host nation militaries to build military capability. In so doing we improve our partner nations' confidence and abilities to detect and defeat violent extremist organizations. In 2007, SOF conducted hundreds of FID missions around the world.

Civil Affairs

CA projects deter support for violent extremist organizations by legitimizing existing governments and fostering a more favorable opinion of U.S. efforts. Simultaneously, programs that address government corruption, poverty, unemployment, illiteracy, and basic human needs build confidence in fledgling governments. While CA units are key to success in Afghanistan and Iraq, they remain equally vital to the conduct of myriad other SOF operations throughout the world.

Working closely with Colombian government and military officials, SOF CA personnel carried out more than two dozen medical humanitarian civic action events. These events treated thousands of Columbian patients in remote areas of the country and solidified that government's legitimacy in undergoverned spaces.

The Civil Military Engagement Program employs Civil Military Support Elements which are scalable, modular SOF teams that plan, coordinate, facilitate, manage and lead programs and projects that support U.S. and host nation objectives. Combatant commanders are increasingly requesting this CA augmentation to enhance their indirect operations.

Psychological Operations

One of the most important components in defeating terrorism includes countering violent extremist propaganda. These efforts are global in scale and are locally implemented by the geographic Combatant Commands. PSYOP forces disseminate truthful information to shape behavior and erode the attraction of extremist ideologies among foreign audiences.

SOCOM's Joint Military Information Support Command (JMISC) includes functional, cultural and geographic experts who bring a combined approach to tackling what has become a tough, entrenched war of ideas. JMISC currently orchestrates a 24/7 multi-media campaign formatted to the cultures and languages of relevant audiences. This provides a factual message as an alternative to the extremist ideology for global audiences.

A most important tool in our ability to build the capacity of partner nations to conduct CT or stability operations is our continued authority to train and equip foreign military forces under language included in the National Defense Authorization Act for Fiscal Year 2008. Sections 1202 (previously known as 1208) and 1206, which expires this year, are authorities that have made a big difference in developing carefully selected counterpart forces. As an authority specific to Special Operations, section 1202 is especially germane.

Synchronization and Planning

In 2005, SOCOM was directed by the Unified Command Plan to plan, synchronize and, as directed, conduct global operations against terrorist networks in coordination with other combatant commanders. While this was widely perceived as granting SOCOM the authority to direct a wide range of operational activities in areas already assigned to the GCCs, we have realized in execution that our greatest value is in synchronizing global war on terror campaign plans and planning. The operations themselves are in almost every case conducted by the GCC responsible for that region, with SOCOM in support. Every day at headquarters SOCOM, and at numerous outstations and agencies around the world, SOCOM personnel are collaborating, coordinating, and planning with other agencies to achieve desired global effects.

The most comprehensive element of SOCOM's synchronization effort is the global collaborative planning process. This effort draws on other Combatant Command capabilities and expertise to develop DOD's global war on terror campaign plan. This plan, coupled with the Geographic Combatant Commands' regional war on terror campaign plans that support it, are dynamic and under continuous review. SOCOM and the DOD Global Synchronization Community have developed structured processes to evaluate and prioritize the many capabilities, operations, activities, resources and forces required for DOD's efforts to deter, disrupt, and defeat terrorism. SOCOM provides real and virtual venues for regular meetings, briefings, and conferences with each of the GCCs, interagency partners, and friendly and allied nations. The primary forum is the semi-annual Global Synchronization Conference.

Because collaboration with our partner nations is so important, several other programs such as the foreign attaché-based Sovereign Challenge and our upcoming International SOF Week improve global cooperation.

SOCOM's Interagency Task Force is a catalyst to rapidly facilitate CT collaboration within the U.S. Government against trans-regional, functional, and strategic level problem sets and opportunities.

SOCOM's International Engagement Program identifies requirements and helps coordinate actions within selected foreign countries to assist, resolve and enhance their CT capabilities and increase overall information sharing.

Future Concepts

The 2006 Quadrennial Defense Review (QDR) identified several initiatives to give the Department greater capability and agility in dealing with the most common and enduring threats of the 21st century. The development of IR capabilities was prominent. SOCOM plays a lead role in developing IW doctrine.

The IW Joint Operating Concept, developed by SOCOM in partnership the Marine Corps, was approved and signed by the Secretary of Defense in September 2007. It is the first step in the promulgation of IW doctrine, organization, training, materiel, leader development and education, personnel, and facilities.

In order to maintain the momentum in IW planning and policy, SOCOM established an IW Directorate (J10) in 2007. The J10 provides continuous focus on IW related issues that cut across operational and programmatic lines.

DEVELOP AND SUPPORT OUR PEOPLE AND THEIR FAMILIES

The Commander of SOCOM is responsible for ensuring the combat readiness of assigned forces. With this requirement comes the need for better defined personnel management authorities and readiness reporting frameworks.

Recruiting and Retention

The ability to identify and recruit the best SOF candidates is a challenge requiring innovation and commitment of resources. Diversity across the force is an operational necessity posing additional challenges to recruiting. Attributes sought by the SOF community include culturally-attuned individuals proficient in foreign languages who physically blend into the operational environment.

Ongoing personnel sustainment and programmed growth efforts directed by the QDR require intense cooperation and support between SOCOM, the Services, and DOD. This concentrated effort has paid dividends—89 percent of the fiscal year 2007 QDR growth was achieved. With support from the Services, the SOF community leveraged a combination of innovative accession programs, revamped training programs, and implemented retention incentives.

SOF personnel have deployed often and suffered many casualties. SOCOM puts great emphasis on sustainment programs that assist families as well as the uniformed member. The SOF Care Coalition project, implemented by my predecessor, has been extremely successful through patient and family advocacy that extends beyond recovery, rehabilitation and any subsequent transition to civilian life. No issue is too large or too small. Care Coalition successes range from minimizing medical and physical evaluation board bureaucracy, ensuring Traumatic Serviceman Group Life Insurance compensation is appropriate, coordinating home repairs for a family whose father was deployed, making certain a SOF warrior's young daughter received the best TRICARE could provide, and providing personalized support for all families caring for their hospitalized wounded warrior.

Although SOCOM is specifically responsible for the special operations force defined by Major Force Program (MFP) 11 authorizations, one of the greatest emergent challenges is the health of our service-provided SOF enablers.

Training and Education

The component assessment and selection programs identify candidates with the potential for entry into the SOF community. The initial SOF qualification training that follows assessment and selection takes up to 2 years to complete, but skills training is continuous thoughout one's career in SOF.

Professional military education remains an essential element to the development, sustainment, and advancement of SOF. One initiative scheduled to begin in 2008 will expand the SOF Interagency Fellow's program to provide post-graduate courses, full degree programs, and independent research opportunities for SOF strategists and long-range planners.

Language and Culture

Language skills and cultural knowledge continue to be key to establishing effective relations with the foreign forces, organizations, and individuals with which SOF will interact. The 1st Special Forces Group language training program was recognized by the Army and DOD as the best of its kind in 2007 but, although we have enhanced all of our language training programs in recent years, we remain underqualified in many key languages and dialects. We will continue to expand our programs in 2008, stressing the need for a few individuals to be thoroughly steeped in select languages and cultures. Our initiatives will include exploration of innovative options to permit such specialization without sacrificing promotion opportunity.

Joint Special Operations University

The Joint Special Operations University (JSOU) is responding to the increased need for strategic and operational level education for our SOF personnel, enablers, and international partners. JSOU will continue to offer a range of academic options that address strategic and operational subject areas. Programs will include traditional courses and seminars; tailored academic electives at the Service professional military education institutions; joint mobile education teams; symposia and academic workshops; individual performance support; and similar activities aimed at the needs of our student base.

SUSTAIN AND MODERNIZE THE FORCE

Budget

The budget and acquisition authorities provided in the original language that created SOCOM have proven invaluable in enabling SOF to be properly trained and equipped.

The fiscal year 2009 President's budget request of $5.727 billion for Major Force Program 11 will permit continued development of capabilities peculiar to special operations. This request will continue our investment in capabilities to improve SOF warrior systems, promote specialized and institutional training, explore and exploit new technologies and refine force structure. Over half of the budget request—$3.7 billion—is for operations and maintenance to sustain SOF operational readiness, to maintain equipment, and to provide for fuel, consumable supplies, civilian salaries, spare parts, and repair of weapons and equipment.

Of the remainder, $1.5 billion is for procurement, and will be used to fund vital SOF-unique modernization and recapitalization efforts in force protection, mobility, weapons, munitions, communications, and intelligence equipment. An additional $361 million is requested for research, development, test, and evaluation to develop SOF-peculiar equipment, to provide technological advances, and to modernize SOF weapons. Finally, $255 million is requested for Military Construction to fund 13 projects in 7 States and 1 project at an overseas location.

We expect our tempo of operations will remain high even when conventional forces downsize in Iraq and Afghanistan. Consequently, the funding we have received in supplementals will still be required to support our efforts. In order to sustain our operations long term, we are working with DOD to pursue a shift of essential supplemental funding to the base budget.

Force Structure

Last year, SOF added 6,443 military and civilian positions. These positions provided needed enhancements to both headquarters and operational force structure.

In fiscal year 2009, SOCOM will add another 1,536 military and civilian billets across the component commands in order to improve readiness and add capacity and capabilities. We will grow to 55,890 civilian and military personnel by the conclusion of fiscal year 2009, of which 43,745 will be Active-Duty military members, 6,870 will be in Reserve components (4,310 Guard and 2,560 Reserve) and 5,275 will be government civilians.

Acquisition Efforts

SOCOM's acquisition organization is a very important factor in resourcing SOF-peculiar requirements. While Federal Acquisition Regulations uniformly apply to the Department, we strive to take advantage of flexibilities that are inherent in these guidelines to quickly provide materiel solutions for the SOF operator. Because our budget authority is limited to SOF-peculiar equipment and modifications, SOCOM must work closely with the three military departments (MILDEPs), because the MILDEPs fund, develop, acquire and provide the basic Service-common vehicles, aircraft, boats, weapons, ammunition and other equipment to SOCOM, which we then modify to SOF-specific platforms, systems and/or equipment.

When a SOF requirement cannot be met using a Service-common solution, SOCOM uses its authority to develop and acquire SOF-peculiar equipment or modify the Service-common equipment to meet SOF needs. SOCOM's acquisition culture stresses assertive risk management, and process efficiencies to steward a system that is often more tailorable, responsive, and agile than elsewhere in DOD.

SOCOM's Urgent Deployment Acquisition process continues to provide a rapid acquisition and logistics response to combat mission needs statements submitted by deployed SOF. Most capabilities developed under this program are delivered to the forces within 6 months to a year after the requirement is validated.

Our total requirements, funding and acquisition sub-processes are still slower and more restrictive than we believe is optimal for this specialized force. During the coming year we intend to explore whether we are using the full extent of our legislated authorities as Congress and President intended when SOCOM was established.

Science and Technology

SOCOM's Science and Technology (S&T) strategy is to selectively invest and leverage available resources with the MILDEPs and other agency laboratories, academia, and industry for the purpose of maximizing SOF capabilities. S&T programs identify and assess emerging technologies for potential insertion into current and future SOF concepts, requirements, and acquisition programs of record. As the strategic, tactical, and geopolitical environments in which SOF operates evolve, so too does the S&T investment focus and support.

The SOCOM Special Operations Technology Development (SOTD), Special Operations Advanced Technology Development (SOST) and Small Business Innovation Research programs work together to synergistically develop, evaluate, and eventually transition key technologies. The SOCOM Locating, Tagging and Tracking efforts are being staffed through the SOTD and SOST programs in collaboration with our program executive officers, the Defense Research and Engineering Directorate, the MILDEPs and interagency partners. Our involvement in several Advanced Concept Technology Demonstrations and Joint Capability Technology Demonstrations allows SOCOM to leverage the resources of other organizations to create robust opportunities for evaluating and transforming mature technologies in a way that SOCOM could not otherwise afford on our limited S&T budget.

Equipping the SOF Warrior

The new combat assault rifles, the MK16 and MK17 and their associated enhanced grenade launcher module, completed development and began limited fielding in 2007. We expect these weapons to be fully deployed by the end of 2009. SOCOM will continue the development of next-generation ammunitions as well as fused-image-capable, clip-on optics for our weapons.

In 2007, SOCOM fielded more than 11,000 supplemental body armor kits, saving lives and reducing injuries by increasing the area of ballistic protection beyond that of previously issued SOF body armor. More than 4,500 sets of the new protective combat uniform were fielded to provide extreme cold weather protection for SOF operators. The Command implemented a product improvement effort to reduce the weight and/or increase the ballistic performance of the modular integrated communications helmet.

The worldwide proliferation of night vision devices has somewhat diminished the technological advantage that the U.S. military possessed during the conduct of night operations. Although the technology gap has narrowed, SOCOM continues to identify, test and field many new night vision and visual augmentation systems. In 2007, SOCOM continued to field advancements in thermal imaging and camera technology by putting into service visual augmentation systems that were smaller and lighter with increased capabilities.

SOF Munitions

Special purpose munitions, such as demolition, breaching, diversionary, and shoulder-fired munitions, are required to accomplish SOF missions. Future developments will upgrade the SOF shoulder-fired systems with the capability to fire within and from enclosed spaces for use in urban environments. We will continue to procure foreign weapons and ammunition to train SOF operators so they will be better prepared to train the forces of our partner nations.

Once munitions are developed and fielded, our logistics personnel assume responsibility for procurement of replenishment munitions to sustain the force. All SOF munitions are intensively managed in order to minimize stock levels while simultaneously providing time-sensitive capabilities required by the Theater Special Operations Commands.

SOF Communications

SOCOM continues to transform its respective capabilities in the areas of communications, information technology, automation of intelligence data and collaboration tools into a single, integrated SOF information environment. Such an information environment enhances operations by permitting robust command and control capabilities at the strategic, operational, and tactical levels and by extending information services to the individual SOF warrior.

As a result, available satellite communications bandwidth is at a premium.

SOF Mobility

SOCOM continues to sustain and modernize the venerable SOF C–130 fleet. We have engaged with the Department of the Air Force to develop strategies for replacing and modernizing the aging MC–130E Combat Talon I and MC–130P Combat Shadow fleets. As an interim solution, 4 of 12 planned MC–130W air refueling tankers were delivered to date, with 4 more scheduled for delivery in 2008. The eight aircraft will help to partially offset those MC–130Es and MC–130Ps. Four CV–22 trainer aircraft and the first three operational CV–22 Ospreys were delivered in 2006 and 2007. Three additional aircraft will to be delivered in 2008, with Initial Operational Capability projected for February 2009.

SOCOM rotary wing programs, in partnership with the U.S. Army, are providing the latest technologies and sustainability upgrades to the current SOF rotary wing fleet. Taken together, these programs for the MH–47s, MH–60s, and the MH–6Ms will improve current capabilities and prepare for future modernization while consolidating the fleet into three common standardized airframes. The MH–47G variant has been deployed since February 2007. The MH–60M program was accelerated and will begin deliveries in 2008. The MH–6M Little Bird is nearing completion of its first block modification upgrade. Meanwhile, the MH–53M fleet is being drawn down for total retirement later this year.

The fielding and deployment of the Advanced SEAL Delivery System (ASDS) in June 2007 moved SOCOM Undersea Mobility capabilities significantly forward. ASDS #1 is now available for deployment as a reliable combat capability based on successful testing, exercises and improvements in reliability. This vehicle enables SOF to perform myriad missions in water space that was previously unreachable. Our other Undersea Mobility efforts such as the wet submersible Swimmer Delivery Vehicle and Dry Deck Shelter will continue to provide capabilities that enable SOF to perform a wide range of specialized tasks. There are on going studies to better define future undersea mobility joint efforts in this area.

SOCOM recently enhanced its surface maritime mobility systems by fielding the advanced forward looking infrared systems for installation throughout its combatant craft fleet. As a result of combat lessons learned, SOCOM has also fielded other improvements on the special operations craft-riverine. As the current models of rigid-hull inflatable boats and the SEAL Delivery Vehicles age, SOCOM will begin developing the next generation of these surface and undersea maritime platforms.

This year, two new classes of vehicles were introduced for SOF ground mobility: the RG–31 medium mine protected vehicle and the RG–33 mine resistant ambush protected vehicle. These vehicles enable SOF to deploy forces across the theater of operations with a level of protection previously unavailable. In 2008, SOCOM will begin fielding a suspension upgrade for our primary ground mobility vehicle (HMMWV variants) in order to return payload and mobility to the platform that was lost with the addition of heavy armor packages. Additionally, the light mobility vehicle, delivering in 2008, will carry 3–5 personnel over all types of terrain and is deployable from multiple aircraft platforms, including the CV–22.

SOF Sensor Systems

Sensor systems that provide persistent ISR are essential elements of SOCOM's operations and force protection. SOCOM has been swiftly fielding persistent ISR capabilities within budgetary constraints and respective Service training program limitations. We have modified existing SOF equipment where available, procured additional manned and unmanned ISR platforms, and partnered with the MILDEPs, Defense Research and Engineering Directorate and the Joint IED Defeat Organization to cooperatively field additional sensors.

SOF Locating, Tagging, and Tracking capabilities are currently providing valuable information regarding hostile force location, movement, and intent while minimizing risk to U.S. personnel. SOCOM, in conjunction with other government partners, will continue to invest in leading-edge technologies for sensors and data infiltration and exfiltration.

Improved laser range finders and designators, hand-held thermal imagers, infrared pointers and marking and illuminating devices are a few of the capabilities de-

livered over the past year. Eye-safe laser range finders and binoculars provided a marked improvement in the determination of enemy target locations. Improved target geo-location accuracy was demonstrated in 2007, providing SOCOM with the world's most accurate self-contained laser targeting geo-locater.

Additionally, SOCOM acquired and utilizes a combination of several manned and unmanned airborne ISR assets to provide the necessary flexibility for supporting the dynamic SOF mission set. Unmanned aerial systems continue to be powerful force multipliers for SOF activities and a key component of almost every operation. The micro unmanned aerial systems, the long-endurance Predator class systems, and the potential ultra-long-endurance unmanned aerial systems, such as the Global Observer JCTD, are platforms that provide force protection to small SOF units and aid in the identification and tracking of individual targets and items of interest. SOCOM also continues to grow our manned airborne ISR capability to complement the unmanned ISR systems. In fiscal year 2007, additional airborne ISR aircraft were procured with supplemental funds, and SOCOM partnered with the National Guard Bureau to rapidly modify and employ Air National Guard aircraft and air crews to augment SOCOM's organic ISR capability.

CONCLUSION

We continue to improve our capability and capacity to conduct all of our assigned missions, carefully balancing the demands of both preceding and responding to the sound of guns. Over the course of SOCOM's 21 year history, Congress has consistently demonstrated strong interest in the command and its people. The joint SOF you see around the globe today is a direct product of your vision, your trust, and your commitment to build the world's premier Special Operations capability. We will prevail against those who threaten us and assist those who don't. The men and women of the SOF will meet your highest expectations. Thank you for your continued support.

Chairman LEVIN. Thank you.

Admiral Fallon, what further reductions in U.S. troop levels do you see for the rest of this year, assuming the current level of violence continues?

Admiral FALLON. Senator, I'm eagerly awaiting General Petraeus' response to some planning guidance that I provided to him recently for his assessment of courses of action. I think there should be little doubt that our desire is to continue to bring our force levels down in Iraq as the Iraqis demonstrate their ability to stand up and take responsibility for security in the country. Those trends are certainly encouraging and moving in the right direction.

But it's critical that, of course, we not lose the ground that's been so hard fought this year in providing the overall stability and security. I don't want to give you a number until I see General Petraeus' input, but I think that we are clearly in agreement in the direction we want to go.

Chairman LEVIN. Admiral, as Senator Warner said, the surge has helped produce a reduction in violence. I think that's clear. Its primary purpose, however, was to give the political leaders the chance to work out political differences. There was recently a statement ballyhooing the decision of the assembly over there to adopt some legislation which would have represented progress. There was a bundle of three bills. One of them was then vetoed by a member of the Presidency Council.

What is the status of the other two bills that were in that bundle? Are they interrelated?

Admiral FALLON. Senator, they were interrelated in the political discussions that enabled the COR to vote and move those forward. But the other two bills, my understanding is that they are still in play and we have every expectation that they're going to go forward. They were linked politically for the purpose of getting ap-

proval through the COR, but now that they're agreed they're independent.

Chairman LEVIN. Are they law?

Admiral FALLON. They should become law once the waiting period expires on those.

Chairman LEVIN. Senator Warner asked a question which I think is a very pertinent one and I want to comment on it and then ask you to answer it. That has to do with the visit of President Ahmedinejad to Iraq. We've shed a lot of blood and our taxpayers have spent a lot of money to give Iraq an opportunity to be independent. Next door is a threat to them. It's called Iran, who is seeking weapons of mass destruction, nuclear weapons, against the wishes of the United States, and providing weaponry which is killing our men and women still.

Then we see their leader, a virulent leader, a vituperative leader, their president, who comes to visit Iraq. I think it's offensive. The Iraqi leaders have every right to invite whoever they want. They're sovereign. But we have a right to express an opinion about it. Have we expressed an opinion about this to the leadership of Iraq?

Admiral FALLON. Senator, I'll address a couple of aspects of that if I could. Certainly, as you indicated, Iraq's a sovereign country. They have the right to do what they choose. The reality is that Iran is a neighbor that shares a long border with them. As with many things in life, there are mixed blessings. It's not all one way.

I would highlight a comment that's alleged to have been made by Minister Bulani, the Minister of Interior, I think yesterday in Iran, in which he was asked what he thought about it, the visit, and as I understand it highlighted the fact that there are many things that are perceived as good coming from Iran, and he highlighted food and other things that are helping make life better for some Iraqis. On the other hand, the point you made: There are lethal weapons, training, support coming over, that are being used against not only our people, but moderate Iraqis. So it's a mixed bag.

From my perspective, we are not going to be able to help to solve the problems inside that country without assistance from outside. In the past year it's been encouraging to note the many countries who have come to begin to assist Iraq in very positive ways. Iran has not been one of those to the best of my insight and observation.

There may be an opportunity here. My understanding from speaking to General Petraeus and Ambassador Crocker on this subject is that we certainly have expectations that the Iraqi leadership in their engagement with President Ahmedinejad would convey to him the necessity of stopping this lethal flow of equipment and beginning to show positive signs that they are willing to work with the Iraqi Government and with us. We've had a series of engagements, the first in many decades, with Iran. We have had one scheduled engagement that keeps being postponed. I think this is a venue in which we might be able to move some kind of a dialogue forward to get them to be more cooperative and helpful in this area.

I have to tell you that it's a difficult picture to absolutely determine where we are. The levels of lethal assistance into Iraq, difficult for us to pinpoint, but there's certainly been a diminution of

activity in the last several months, particularly regarding these IEDs, explosively formed penetrators, the particular version of those, that are obviously coming from, at least our vision, obviously coming from Iran. How much of this is directly a result of decisions made in Teheran and how much of it is due to our own people and their good work in the field, I don't know. But this kind of trend is something that we want to see accelerated and moved on.

Chairman LEVIN. I'm not raising the question of having some kind of contacts with Iran and expressing positions to Iran. I'm talking about inviting that particular president, a vituperative extremist, to Iraq, and I don't think it's a mixed bag at all. That invitation, I don't think it's a mixed blessing. I think it's an unmixed mistake. Not the opening to Iran, not the conversations, not the discussions, but that particular invitation to that particular president it seems to me sends exactly the wrong message to Iran and to the world.

Senator Warner.

Senator WARNER. Mr. Chairman, I join you on that issue of the visit by President Ahmedinejad.

I'm glad that you gave I think a fairly comprehensive answer to the chairman's question, and I would hope that others in the administration would express their indignation about this visit and the comments made by that president, because they go to the very heart of the enormity of the sacrifices of life and limb that we have suffered in trying to provide Iraq the ability to become a strong sovereign nation and a working partner for all the Nations in that region. You, I think, are the only one that I know of that has expressed any opinion thus far. A White House spokesman sort of touched on the question here recently, but I cannot find where anyone else spoke out on it.

Let's turn to NATO. We are sending over two battalions of marines, one to provide a training mission for the Afghani forces, the second to—and I asked this of the Commandant and I think he acknowledged it—is to sort of be a September 11 type force, to be utilized in Afghanistan wherever the situation is tough. These marines are up to that tough fight. You know that.

But I believe those two battalions were needed because of the shortfalls in the commitments made by other nations in forming the alliance that went in under the command of NATO, into Afghanistan. Do you share that view?

Admiral FALLON. Senator, if you'll permit me to double back, lest there be any doubt. My view of Iranian behavior regarding Iraq and their activities is they've been absolutely unhelpful, very damaging; and I absolutely don't condone any of their activities. I have yet to see anything since I've been in this job in the way of a public action by Iran that's been at all helpful in this region, and particularly in Iraq, rather.

To Afghanistan and the marines: As we looked at the situation there and, as Senator Levin indicated, we've been doing some assessment of where we are and what we might be able to do in the future, it seemed to me that we could benefit from an injection of forces there if we could pull them together, to capitalize on the situation we find ourselves in at the end of winter, as we approach the end of the winter here.

I believe that General McNeal ought to be able to take advantage of this significantly capable maneuver force, special purpose Marine air ground task force, that's moving into the country, to give him the flexibility to deal with the Taliban and their al Qaeda allies, to really move us up into security and stability.

We all know that there's been a longstanding requirement from General McNeal for additional maneuver forces from NATO writ large. It's clear that that requirement is not being met, and it seemed to me that from my view we ought to do anything we can to try to help General McNeal and give him the assets that he needs.

At the same time, the other battalion I believe is going to be of great value to us in helping to grow the Afghan security forces in a way that will be helpful to us. This is another shortfall that we've had for some time, that we have not been able to come up with enough people. I think this is going to be very useful and helpful to us, and so I'm anxious to get these folks over there and put them to work.

Senator WARNER. Let's turn to this question of the emerging of the major narco-state as it relates to the poppy production. This has been the football that's been passed around to several countries to deal with, and it has each year increased in size and the flow of funds from this are directly in large measure going into the Taliban to enable them to do the combat missions against NATO and the U.S. forces.

Now, when are we going to see a turnaround in this situation, and what actions? I ask these to you in a very forceful way for your views on this, but it is largely the responsibility I think of the Department of State and the Afghan Government under President Karzai. Therein rests the primary responsibility. But we cannot tolerate this.

It's interesting to note in history that when the Taliban were in control of Afghanistan the poppy production was but a mere fraction of what it is today. So it's literally grown in size as a consequence of the situation to try and liberate Afghanistan so that it can join the Nations of the world as a democracy. In that area we have failed.

What steps are likely to be taken in the future or what steps are you in your position asking of our Government and other governments to end this exponential growth in the poppy production?

Admiral FALLON. Senator, this scourge of poppy production afflicts not only the Afghan people, but, as you indicated, many parts of the world. Why the increase? I think several factors are at play here. Last year the weather conditions they tell me were pretty much ideal for the production of this stuff. The fact that the Taliban are using poppy production as a means to fund their activities is pretty widely accepted.

If we're going to get it fixed, we collectively, ourselves, the Afghan Government, the rest of the world that's trying to assist this government, are going to have to get their act together, I believe, and focus on getting the job done. From what I know and information, there are a couple of initiatives within the Afghan Government to do this. There's a drug eradication operation with people and materials and funding within the Government of Afghanistan.

There's a new initiative. We've been in discussion with the Afghan military and they have decided to dedicate a new battalion, or kandak, as they call it, whose specific and only task will be to work on this drug eradication. They're in training right now. They're getting the materials and the tools to do this, and we expect to be able to put them in the field here in a couple months and actually have them going after those poppy fields that are under cultivation.

As I get around Afghanistan and look at different areas, it's really a mixed bag. Those areas which have been historically most productive here in growing these poppies, are those that are typically the most unstable, the most insecure.

A couple months ago I went around and met some of the governors and made an interesting observation. Those provinces that were particularly well led, strong governors, the poppy production is either nonexistent or minimized. I met with a couple of them who had a problem of significance last year. They've assured me that they've taken steps in the fall, and that's when the initial actions had to be done to prevent the planting of this crop. They've taken actions. I'll be anxious to see what really transpires.

President Karzai and his government for their part have to step up and recognize this is a problem. I realize it's complex, that it's a traditional activity in the country, but it has to stop, and my sense is that progress——

Senator WARNER. I hope they could take a lead on it. My time has expired, but we ought to send a message to President Karzai. I know he's up for reelection in about a year, but he can't sit on his hands and tolerate this situation. He has to move out assertively.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Warner.

Senator Lieberman.

Senator LIEBERMAN. Thanks, Mr. Chairman.

Admiral Fallon, Admiral Olson, thank you for your extraordinary service.

I want to say just briefly, about the Ahmedinejad visit to Iraq, that I share my colleagues' sense of outrage about it. I also want to thank you for, both in your prepared statement and your testimony here this morning, making very clear that there's no doubt in the mind of the American military that the Iranians continue to provide lethal training and equipment to the Iraqis, even though—and this is why I say this—Ahmadinejad when he was in Iraq denied any such behavior by Iran, which is simply a lie.

Admiral FALLON. The facts prove otherwise.

Senator LIEBERMAN. The facts prove otherwise, and I thank you for saying that.

A few questions about Iraq. Again, it means a lot to hear from you, looking back to last year—and I'm quoting you—that, regarding Iraq, you're very encouraged that we're on an upward vector. I appreciate that. I know, as you said, we fought hard to achieve that, so did the Iraqis, and we're fortunate for that.

We're now in the process of pulling down the additional troops, moving out the additional troops that were sent as part of the surge. That withdrawal will be completed in July. Then there'll be the pause.

I wanted to ask you this, and I quote from you again. You said: "It's critical that we not lose the ground that we fought so hard to attain in Iraq." There's been some concern, acknowledging the reality of the stress on our forces as a result of Iraq and Afghanistan, that there'd be pressure to pull more forces down after the pause, based more on the stress on the forces than on conditions on the ground. I wanted to ask you personally, in your role at CENTCOM. My belief, based on what I've heard you say today and before, is that the primary consideration in responding to General Petraeus' recommendation will be that we not lose the ground that we have fought so hard to obtain and win in Iraq thus far. Am I right?

Admiral FALLON. Yes, sir, Senator. I think there may be too much focus on the word "pause" and what that means, what it might mean or might not mean. The reality is that as we go forward to the midyear point this year there is a plan that's been well vetted and very complex, that will continue to draw down those surge brigades as their 15 months in country comes to an end. That in itself is a recognition of this other reality that there's great stress on our force.

Senator LIEBERMAN. Right.

Admiral FALLON. It's not only that these units are going to be withdrawn. We have every expectation that that's going to continue apace. But there are also some other brigade combat teams that are in the process of rotating so that their numerical reliefs will be coming in at the same time. This is an awful lot of activity in a short period of time.

I expect General Petraeus is going to come in and recommend to me and to the chain of command is that it's prudent to make an assessment of where we are. It's not just pulling troops out, but he has a really significantly difficult task, in that as we withdraw these many thousands of troops he has to reset the lines of command and control within the country. It's significantly different now than it was a year ago, because there are many more Iraqi security forces that are now in the field and coming in. They did their own surge this past year, increasing their numbers.

So General Petraeus has this major task of resetting the battlefield here, and that's the focus, to keep the momentum going, to keep the stability and security. It is truly remarkable today to look at the statistical evidence and, as many of you know because you were in there to see it, to actually see the difference on the ground.

Senator LIEBERMAN. It is remarkable, and it didn't happen as an accident. There was tremendous effort by our forces under your leadership and others, and some excellent work by the Iraqis as well.

Let me ask you one final question. Over the last weekend there's been some confusion about a pause ending automatically after 45 days. In other words, there was a story in some of the press based on communication with an unnamed national security official which led some to believe that there would be a 45-day pause and then automatically the troops would begin to come out.

President Bush said that was not his intention, that there would be a review and troops would come out based on conditions on the ground and of course based on recommendations from General Petraeus, yourself, and up the chain of command.

So what was the confusion about the 45 days?

Admiral FALLON. I think the confusion is because this is all speculation. The facts are General Petraeus has yet to come back to me formally with his recommendations and of course I'm going to wait until I see what he says before we decide.

Senator LIEBERMAN. Right.

Admiral FALLON. The reality is that we'll look at the whole situation. I'll be eager to hear what he has to say and to have his input into that. I think nothing is written in stone. Assuming decisions are made, that people are going to be smart enough to recognize that we'll take actions based on the conditions we find. If those conditions change, I expect that there'll be every consideration.

But all of this is speculation. The facts are that he has not come in with his recommendations. I think we ought to just wait a few weeks and see what he has to say, and then we'll be happy to take that and go forward.

Senator LIEBERMAN. I appreciate that, and I find it reassuring, one in that General Petraeus is the key original source of recommendation from the field; two, that conditions on the ground will determine the pace of the reduction in our forces, which all of us want. We spent a lot of time arguing in the Senate about the troops coming home. Everybody wants the troops to come home. The question is are we going to order them out from here or are they going to be brought out by the military and the Commander in Chief based on what's happening on the ground, and I hear you say, of course, the latter.

The one of the three new laws that did not make it because of a veto on that council presumably will be passed before—and that's the provincial election law, which will provide for elections, or at least in its original form, no later than October 1. Very important from everybody I've talked to.

I just want to get a reassurance that one of the factors that you'll consider as you consider the pace of withdrawal of troops is that we wouldn't want to take on any additional risk or vulnerability at a time of the elections when we presume the terrorists would be looking to create maximum disruption.

Admiral FALLON. Senator, the provincial powers legislation in Iraq is a political document. You are much more aware of how this works than I. My understanding is that the process that has been codified by the Iraqi people in their legislation to date affords an opportunity for that legislation to go back and be reviewed and hopefully move forward.

It's complex. There are aspects of this that we're cheering. I personally would like to see elections as soon as practical in as many areas as we can. We deal with risk every day. I think that's the job that has been entrusted to me and I'll certainly seriously consider every aspect of that risk in making my recommendations and decisions.

Senator LIEBERMAN. Thank you very much, Admiral.

Thanks, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Lieberman.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

First of all, let me associate myself with the remarks of Senator Warner in terms of the progress of the surge, and also in your printed statement—I'm not sure you got to it in your verbal statement—talking about the quality of the training in Afghanistan. I'm very proud that—I was over there 3 or 4 years ago, and we turned over the training of the Afghan National Army to the Afghans, and that happened to be the Oklahoma 45th that was over there. So I think that we've been following their progress and they've been very successful.

My three favorite programs that I want to get your opinions on. You did cover them somewhat in your opening and in your written statement. First of all, the train and equip, 1206, 1207, 1208 authorizations, they expire this year. We tried to get reauthorization last time and expanding the authority that goes with those train and equip programs, but were unable to do it, not because there was opposition, but we just ran out of time.

I'd like to have both of you on the train and equip programs give us your candid opinion.

Admiral FALLON. Eric, do you want to step up to the mike?

Admiral OLSON. It's hard to overstate the importance of those authorities, particularly 1206 and 1208, in the world in which I operate. 1208 is an authority peculiar to Special Operations. It is an authorization, not an appropriation. It authorizes $25 million to be spent around the globe on Special Operations train and equip activities. We have grown into 1208 very well and in fact we are approaching the $25 million limit.

Senator INHOFE. I understand that's actually the smallest of the three programs. But you're the one to address that.

Admiral OLSON. It is by a long shot, yes, sir. The realization has struck me that once in it's hard to back out, and so this will have to be an increase in authority over time.

Senator INHOFE. Do you agree, Admiral Fallon, with his comments on the significance of the program?

Admiral FALLON. Senator, I certainly do, and if I could offer an endorsement to an Office of the Secretary of Defense proposal, the building partnership capacity, global partnership capacity initiative, which would propose pulling together the 1206, 1207, and the Commander's Emergency Response Program (CERP) together.

Senator INHOFE. Yes, the other thing I was going to ask you about is the CERP. It's been my opinion is so significant to the commanders out there, and money well spent.

Admiral FALLON. As I look at the progress that's been made in Iraq and progress in Afghanistan, and particularly in the eastern region where U.S. forces are operating in Afghanistan, this is one of the most important and crucial factors in progress in both areas, is this ability to actually use a relatively small amount of funds compared to some other expenditures to directly affect capacity-building with our partners on the ground, to give our commanders the opportunity to actually fix things right on the spot.

It's so different to watch our people in Afghanistan, for example, and their ability to deal with challenges and watch the way other countries do it. I strongly encourage the support.

Senator INHOFE. I see Admiral Olson nodding in agreement. Of course that's the program that needs to be globalized, and I think

you would agree with that. Anyway, that expires also this year, so we need to address that.

Then the third one and the last one is the International Military Education and Training (IMET) program. There was a time when we treated that program as if we were doing countries a favor by bringing their people over and training them and actually requiring Article 98 cooperation before allowing them to do it. I think we recognized in the last authorization bill that it's doing us the bigger favor, so we eliminated that requirement.

Do you see that as a high priority program, the two of you?

Admiral OLSON. Sir, as part of my responsibilities for synchronizing planning in the global war on terrorism we develop and recommend the list of priority countries, 1 through 204 in terms of their importance. As I go through the top countries on that list, I'm struck by how underfunded IMET is in most of those countries. In the places we go and the people with whom we work, having trained in the United States is a badge of honor that is proudly worn, almost a self-selection criteria. It's clear early who has trained in the United States and who hasn't. The power of IMET to bring people to this country, to train them in skills and knowledge at schools and universities, is truly powerful. I think you said it very well when you said we used to think of it as doing something for them, but it truly is doing something very important for us.

Senator INHOFE. It builds an allegiance that stays there. I've noticed this in a lot of the African countries, so I do appreciate it. We need to do that.

Speaking of Africa, with the Africa Command (AFRICOM) coming on I've had extensive conversations with General Ward. Do you think the transition's coming along all right? Just a short answer.

Admiral FALLON. Thanks, Senator. If I could double back, I have to say something about IMET. Of all the programs that are funded by this institution, there are none that I think offer us the potential on leverage to do good for ourselves and people around the world than this program. It's really painful for me to watch the down side of the use of this program in a way to either punish or to try to get the attention of other countries. I understand the rationale behind it, but I have to tell you the damage it does is significant.

Let's take one country, Pakistan. For almost a decade, for reasons that we well understand and appreciate, we had a situation in which we were not permitted to have this kind of engagement with this country. We are paying price for that right now, because we have a large block of the leadership of their military services that, frankly, are dubious of trust with us. As we try to help them face the challenges they undergo today, it's really a challenge.

So I can't say enough for IMET. It's not only the opportunity to train people and make the associations, but when they go back and spread this word it's very helpful.

To AFRICOM, my intention is to take that part of Africa in which we are engaged right now, in the Horn, which is grouped under a command, Joint Task Force-HOA, and to try to take that organization and structure as it exists, to transfer it to AFRICOM, to continue the same kind of good work that they're doing. Every

single one of our ambassadors, every single one of the leaders of those countries in that region, tell me they're grateful, appreciate, and they want it to continue in just that manner.

Senator INHOFE. I think you have the right guy running that over there. He's doing a very good job.

My time has expired, so the last two questions I'll ask for the record if you don't mind. One is your feelings about the African brigades. It's been going very slowly. The East African Brigade in Ethiopia and the West in Ghana with the Economic Community of West African States are doing pretty well, but the other three are not. So I just would like to get for the record something as to what you feel the status is and the significance is.

[The information referred to follows:]

The Eastern African Standby Brigade (EASBRIG) is part of an African Union (AU) initiative to establish five regional standby brigades (north, south, east, west, and central) that can deploy as quick reaction forces in support of peacekeeping and humanitarian relief operations throughout Africa. Britain, France, Canada, and the U.S. are partners in supporting the concept of EASBRIG. Combined Joint Task Force-Horn of Africa (CJTF–HOA) is the implementing agency for U.S. Department of Defense involvement. A truly capable EASBRIG is important to U.S. interests because it would provide a regional peacekeeping and peace support operations capability and would contribute to the creation of an overaching regional security architecture.

EASBRIG currently consists of a limited HQ staff in Addis Ababa, Ethiopia, a Coordination Mechanism (EASBRICOM) and a Planning Element in Nairobi, Kenya. CENTCOM, thru CJTF–HOA, has worked with the AU staff to assist in the development of a training and structural needs assessment of EASBRIG, as well as exploring options, within CJTF–HOA resources, to support EASBRIG capacity building leading to a Headquarter Command Post Exercise.

Senator INHOFE. Admiral Fallon, you and I fought and lost a 3-year battle called the battle of Vieques, and we did the best we could. It was not a partisan thing. It wasn't Democrats or Republicans. But we lost. It's interesting now that the very opposition in Puerto Rico that was there is now coming back saying: We've changed our minds. Well, we were right and they were wrong.

But for the record, I'd like to have you inform us as to the quality of the integrated training that was there before and after and how we're progressing in making up for that vacuum that I think is sorely missed.

Thank you, Mr. Chairman.

[The information referred to follows:]

The loss of the Vieques training facility has had no operational impact for units currently operating within the Central Command area of responsibility. Since the closure of Vieques in May 2003, units are and have been arriving in theater with all training requirements complete. Over the last 4½ years, the Navy and Marine Corps have adapted their training by utilizing combinations of alternate training facilities in order to provide the same training opportunities that were afforded by the Vieques training facility.

Chairman LEVIN. Thank you, Senator Inhofe.

Senator Reed.

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

Admiral Fallon, I know my colleagues have commented on the visit of President Ahmadinejad, but I think his visit and, frankly, the warm response he received in Baghdad, raises a fundamental question about our strategy. Iran now seems to me more powerful than it was 5 years ago, both politically and one might argue also

militarily, working not directly but indirectly through surrogates in Iraq itself, in Lebanon, and elsewhere.

From a strategic point of view, doesn't this question what we've been doing the last 5 years?

Admiral FALLON. Senator, I'm not sure. What we've been doing in regard to what?

Senator REED. To Iran. We've seen them grow. We have invested trillions of dollars in our efforts in the region. Iran, I argued back in 2003, was a much more serious threat to stability in the region and to our interests in the region than Iraq was. Now we've seen them, frankly, become more robust, more politically accepted, and I think it underscores a fundamental strategic fault or flaw that this administration has pursued for the last several years.

Admiral FALLON. Senator, Iran is a complex issue. I would give you maybe a little different view of Iran and their influence and their stature, if you would, in the region. As I talk to countries throughout the region and all of Iran's immediate neighbors, what I come away with is a lot of skepticism, a lot of distrust, a lot of anxiety about them. In my opinion their stature has not grown. To the contrary, countries are taking a very dim view of their engagement.

They know the game. They know that Ahmadinejad gets out, gets a lot of face time. We see other people in other parts of the world that act in a similar manner. But at the core of things, people are concerned, and they are engaging with us—these are the neighbors—to ascertain our intentions, to be able to stand tall, to not knuckle under to any Iranian intimidation or pressure. They're anxious to have us support them.

Nobody's looking for another conflict, but they are certainly looking for support from us in our approach. It seems to me that that's what we ought to be trying to do, and that's certainly what I do in my engagement with these countries.

Senator REED. So how would you assess the influence of Iran in Iraq today versus 5 years ago?

Admiral FALLON. I think the situation is so different in Iraq today than 5 years ago that it's pretty difficult to say, because you'd have to set up the conditions and the conditions are very different.

Senator REED. Would President Ahmadinejad have made a trip to Baghdad 5 years ago?

Admiral FALLON. Speculation: probably not. I suspect the pollsters are out hard at work today asking this same question, what do you think about this, of the Iraqi people. Even in the south, where the Iranians have been working overtime to try to maximize their influence, there's increasing skepticism from every report that I see from our engagement with the people there. They're dubious of Iran's real intentions.

I mean, frankly, practically, most everybody in Iraq has been happy to take their money, and they've been spreading a lot of it around by every account. But they're now realizing that there may be other intentions here, and I'm beginning to sense a significant pushback. Again, I don't know all the factors that are at play, particularly in the south, but I do know that things have kind of gone the other way now, and I think that as people—first of all, as the

Iraqis get more confident in their own ability, my sense is that there's going to be a little bit of—I'm out in front of my headlights here, but every indication I have is that people are realizing that there's no free lunch here. Yes, they like the tomatoes and the potatoes and the mattresses and the other things that are helping, and I've been to the borders. I've watched this incredible amount of traffic coming across.

The Iraqi people welcome the average Iranian pilgrim who wants to come and visit the shrines, and there's a tremendous traffic there and that's an economic benefit, of course, to the people. You can see the interaction with them. But the people are not stupid. They recognize that this is a potential double-edged sword, and it's in our interest to continue to work with the Iraqi people. It's pretty obvious to me, if you look at just the data of responses to questions in the last 6 months, as security and stability have expanded in this country, people have come to realize that the reason that's expanded is because of our engagement with them and not the Iranians. They have not been particularly helpful.

So I think it's in our best interest to continue to engage, to continue to try to build security and stability, and I think the Iraqi people are going to be smart enough to realize what's going on here.

Senator REED. So you aren't troubled by the presence of the Iranians politically or tactically on the ground?

Admiral FALLON. Of course I am. We want to do everything we can, and from the military standpoint we are working overtime with our commanders to try to cut off this Iranian influence in all of its aspects inside of Iraq.

Senator REED. There is about 60,000 Sunni militia in the Concerned Local Citizens (CLCs) that have not been integrated into the formal structure of the security forces there. The Government in Afghanistan, heavily dominated by Shia and Kurds, seem reluctant to do that. What's your estimate of this taking place? Because I think there are many that are concerned that if it doesn't take place in the next few months these forces will become less supportive and cooperative with us. In fact, there was a "strike" in Diyalah a few days ago by CLC forces.

Admiral FALLON. A complex question. Very few free lunches or one-way streets certainly in this country. We have clearly welcomed the initiative of the people to step up and be willing to put themselves and their lives on the line. I think it's impractical to expect that all of these folks are going to be able to be integrated into the Iraqi security forces. In recognition of that, General Petraeus and our team in Iraq have been working to try to have other opportunities available. There are a number of initiatives that are beginning to be under way in and around Iraq to try to provide other opportunities, vocational training and—it's jobs, that's the bottom line. At the end of the day, this is probably the most important thing, the number one issue with the majority of people in the country: Give me some meaningful work and give me a future and we'll think things are getting better.

There are issues to work through. This issue in Diyalah that you mentioned has been resolved, at least for now, by a step by the Iraqi central government to make an adjustment to the leadership

in the security forces in Diyalah that it turned out was acceptable to those CLCs, now called Sons of Iraq, they've seen fit to now go back on the job.

As I was out the week before last in Anbar, went all through the province looking and watching at what's going on, I saw enthusiasm among the people, those CLCs that are so effective. You go to a city like Fallujah now or Ramadi and you walk around in the city, very few American troops are seen, marines in this case. A few more Iraqi soldiers, but many more police and Sons of Iraq. It was interesting to me as I was out and about on this last trip. I started off with a large contingent of marines to look out for my safety, and we got into the city and as we got deeper into the city and just all of a sudden, turned around and the marines kind of faded back and the fellows that were escorting me and pointing things out and providing security were almost all Iraqis, and they were proud of it.

The requests that I got were: Can you please help us to get jobs? We want a future and this is the answer.

I'm sorry, that was a long answer to your question. But I don't believe it's practical to put them all back in the army or the police, and we have to work hard to make sure we have other opportunities.

Senator REED. Thank you. My time has expired.

Chairman LEVIN. Thank you, Senator Reed.

Senator Sessions.

Senator SESSIONS. Thank you, Mr. Chairman.

I think it's interesting that those who want the United States to talk with anybody in the world now feign the greatest concern that Iraq would talk with its neighbor, which is—and having some sort of relationship with Iran is important for their long-term success; wouldn't you agree, Admiral Fallon?

Admiral FALLON. Of course. It's their neighbor. They have to figure out how to deal with them.

Senator SESSIONS. How many miles of border is that? Do you happen to know?

Admiral FALLON. I'd be guessing at the number. It's a long border.

Senator SESSIONS. A long border. At least they have a good bit of contact. So I don't know how to handle this. We tell the Iraqis they have to step up and act like a real country and to solve political problems, and then they try to meet with a country that could destabilize them or could be some sort of halfway decent partner in the future and we jump on Maliki. I am somewhat taken aback by this line of questioning.

Admiral Olson and Admiral Fallon—well, first, Admiral Fallon, let me ask you this. At the 30,000 foot level there's been a good bit of discussion off and on about what kind of military commitment works best in this region. I saw an article I think in the Washington Times quoting I believe Colonel Nagel, who favors a more intensive training of regular army, I believe, in things that relate to nation-building. General Casey says he hopes we don't have another one of these happen again, and certainly we all hope that's true.

But I'm not convinced we won't have a continual demand on the part of the United States as a government to provide leadership to states that could fall into the failed state category and be a danger to the neighbors and us. So I think that is a continual thing.

Frankly, I find that the military performs better than the State Department and other agencies who've been very weak in my view in providing leadership.

I guess what I want to ask you first, and I'll ask you, Admiral Olson, are we configured correctly? Are we thinking further, hard enough in the years to come about what kind of capabilities our military needs in these grey areas between war and peace and reconstruction and stability in the areas that may be very important to us?

Admiral FALLON. Senator, we need a multifaceted approach to this, it seems to me. Many of the skill sets and capabilities that I believe are and will continue to be very effective in this engagement are skills that our people are learning in significant efforts now inside of Iraq, that will be transferable to other places.

The key thing is to be engaged. We need to be there. We need to be visible. We need to gain the trust and confidence of people in each of these countries. My number one objective, big picture, would be to build capacity in each of these nations so that they can look after their own security as the primary instrument of stability in their countries. The extent to which we can do that is of course a factor of their willingness to have us, and that means you have to have engagement to be able to build trust, to be invited to help—because it's their country; they have to invite us in—having the tools available. You've been very generous in providing——

Senator SESSIONS. Let me just ask it a little bit different. My question is a little bit different. Are you satisfied that our budget and plans within the United States military are sufficiently focused on preparing ourselves for situations like Iraq in the future? Have we thought that through sufficiently, and do you have any observations?

Admiral FALLON. I have one observation to start with: that as we look to the future the one thing that's certain is the future will never be exactly as the events we've just engaged in. So we have ourselves in a position now where we've honed and refined the skill set that's very effective in Iraq, that has been demonstrated, and trying to figure out which of these applications really suits Afghanistan. So I think we're in very good shape now for that.

We also have to be mindful that there are other capabilities that might be required in other situations, and I think the challenges for the Services in particular are to try to balance those requirements. Sometimes they appear to be in competition, but what I find is the number one thing is people. If we can train our people to be agile of mind and to be broadbased in their skill sets, so they're very adaptable, they can handle these situations.

So of all the things you could do, the emphasis on people and trying to get and retain the best people, have their skill sets as broad as possible, would be the number one thing. I think we're generally okay, but I got to tell you that from my perspective I'm focused on the execution right now. What I see I like. There are not many things except maybe more of them or a little more flexibility in the

application of the things that you've given us, but generally I'm satisfied that we're in pretty good shape right now.

Senator SESSIONS. Admiral Olson?

Admiral OLSON. Senator, all of the Services are working to build a train and assist capability into their forces. It's access and how you apply it, is what I think is important. Certainly in Iraq and Afghanistan, where we're focused on building an army from scratch, the big Services have a capacity to do that that's very important.

In most of the countries of the world, there is in fact, a limited appetite for that, and where we earn access through a lower profile presence and an enduring engagement, and those are the areas that I am more particularly focused on, where some sort of cultural awareness that builds up over a regionalization over time, a linguistic skill, a maturity of experience, and the personal relationships that then do contribute significantly to building these partner capacities for the purpose of either disengaging from that country as they grow their own sovereign capabilities or because we're going to fight alongside them in some special circumstances at some point in the future.

We're contributing from Special Operations Forces a great number of operational detachments, Alpha, Special Operations A Teams, and a few Navy SEAL platoons, to Admiral Fallon to do that in specialized units across Iraq and Afghanistan. It works well there the way we are doing it in partnership with the big Services the way that they are doing it. The issue is how do you break down big Service units to do this kind of training and will the future structure support sort of taking from the big organizations the specific capabilities that you need to train to specific skills once we get beyond simply building an army.

Senator SESSIONS. Thank you.

Thank you, Mr. Chairman. I would just note that I do think we need to not only think about how to replicate Iraq in the future better, a situation like that, but the other kind of situations we might have and some sort of cadre and training program for a number of persons that could help us be more effective from day one I think might be helpful.

Chairman LEVIN. Thank you, Senator Sessions.

Senator Collins.

Senator COLLINS. Thank you, Mr. Chairman.

Admiral Fallon, many of us are so concerned about the strain that extended and repeated deployments in Iraq and Afghanistan has had on our troops. Last week General Casey testified that we would be able to return to the 12-month deployment, once the number of Army brigades was drawn down to 15. But in reviewing his testimony, it's not clear to me whether he's talking about 15 combat brigades in both Afghanistan and Iraq or just in Iraq. Could you clarify that issue for the committee?

Admiral FALLON. Senator, I can give you my opinion, but I'm not sure. I think you probably need to talk to General Casey to be sure. My understanding is that it's 15 in Iraq, but I defer to General Casey because he's the one that's doing the detailed look at his force structure.

Senator COLLINS. We have had two recent reports, one from the Atlantic Council of the United States, the other from the Afghanistan Study Group, that both warned that we have insufficient military forces in Afghanistan to accomplish the goals, as well as an effort on the economic and diplomatic side that is not robust enough. In effect, both of these reports warn that Afghanistan is on the brink, that we're at a tipping point, and both of them are an urgent call for action.

We are sending 3,200 additional marines into Afghanistan to try to deal with this problem. My concern is that if NATO troops do not step up to the challenge that's outlined in this report and if our NATO allies continue to operate under constraints that make them less effective in dealing with the resurgence of the Taliban, that in fact we're going to end up with another enormous effort, imposing still more strain on our troops, and that it will be impossible for us to go back to a normal deployment length of 12 months and to stop repeatedly sending back the same troops after insufficient rest periods.

Based on your assessment, what do you see as the demands for additional American troops in Afghanistan?

Admiral FALLON. Senator, I'll start by saying that I'm not as pessimistic as some of these reports and studies seem to indicate the situation is in Afghanistan. Regarding the use of U.S. forces, we've taken steps and the President's approved the deployment of two marine units, one to address the need for maneuver forces under the NATO command, under International Security Assistance Force. There's been a longstanding request to have two more brigade-size forces for General McNeal.

Now, there's been another request to have more trainers working for General Cohn, who works for me, to provide for the training of the Afghan security forces. We're sending units to address both of these issues, not in the full numbers that have been desired, but I think that they're going to be very helpful this year.

The challenges that General McNeal faces in the ability to use the existing forces in Afghanistan are well known. The caveats and conditions under which these forces are used in my opinion provide some significant tactical limitations. They are what they are and, there are many efforts being made to address that issue with the other countries of NATO, to try to get more responsiveness and more flexibility in the use of those troops.

I expect that this year this influx of troops ought to have some significant results. I don't think that the situation in Afghanistan is going to be in the long term solved by a huge influx of additional forces. I think that we need to get people focused on executing the specific tasks in Afghanistan that are going to be helpful to returning this country. It's different than Iraq, very different, in many ways. Our forces have been very successful, particularly in the past year, working in the eastern regions where we have primacy and basically responsibility. What I see is the kinds of engagement with the local populations—we learn a lot of lessons from Iraq in this regard—that basically provide stability and security, but encourage them through the instruments like CERP that you've made available and through other means, and the engagement with the international community, to help build their future—schools, develop-

ment, water, power, management, all these things that are essential to daily life. This combination of factors in a focused, flexible manner has been what's given us the results in the east and we have every expectation we'll be able to build on that this year.

Senator COLLINS. Thank you.

I want to turn briefly to Pakistan. Obviously, the recent violence in population, the increase in car bombings, the assassination of the former prime minister, combined with the election changes in which a strong ally of our country, President Musharraf, and his party was resoundingly rejected, call into question what the impact will be on cooperation with the United States in the hunt for Osama bin Laden and for Taliban and al Qaeda leaders, particularly in the Federally Administered Tribal Areas (FATA) of Pakistan.

How do you see these recent events affecting the cooperation that the United States desperately needs from the Pakistan Government?

Admiral FALLON. My first comment would be that I find it impossible to separate Afghanistan from Pakistan. There's a border out there between the countries, but the reality is that you have a significant Pashtun tribal ethnic reality that spreads into significant parts of both countries. The Pak leadership now understands that, I believe, the principal threat to their long-term security and stability are the same folks that are operating out of the FATA, that are a problem for us in Afghanistan. So we have a lot of common ground here.

Certainly there is a lot of swirl and change in Pakistan. I think it remains to be seen how this is going to work out. The good news is there's a process, there's a democratic process that has provided an election, and there is maneuvering going on and the political actions now to try to form a new government, which we certainly hope will be supportive of stability in that country, which will be helpful to us and the region in the long run, and also that they'll continue to support us in our endeavors to address the terror threat and the leadership of those networks that we believe emanate in the FATA.

We have had, I believe, significant engagement of a positive manner with the Pak military. General Qiani, the new army chief, whom I've had the pleasure to meet, I think is very aware of the responsibilities he has to not only help, as the army is the dominant institution in that country to provide internal security, but he very well recognizes the threat that's posed by these extremists, and the same kind of behaviors that we see in Afghanistan now spreading into other areas of Pakistan. They're going to have to deal with it.

From my perspective, we want to stay engaged. We want to encourage them to work with us as they have in the past and to a greater extent, so that we can leverage our relationship to help them help themselves and to help us in the process. I think it remains to be seen. It's certainly a critical time for this country of Pakistan and certainly for us. For our part, it seems to me the priorities for us are to encourage them to work toward solutions that are going to be politically acceptable and that are going to give their people the best chance for security for the future.

Senator COLLINS. Thank you.

Admiral FALLON. Thank you.

Chairman LEVIN. Thank you, Senator Collins.

Senator McCaskill.

Senator MCCASKILL. Thank you, Mr. Chairman.

I want to focus in for a minute on the money being spent, and I want to particularly focus in on the money being spent in Pakistan. I think that there have been a number of reports, as we've had with the moneys in Iraq also, of fraud, waste, and abuse in terms of military aid to Pakistan. I know that we are spending $80 million a month on the combat support operations, the coalition support funds program, which supposedly reimburses Pakistan for conducting military operations to fight terrorism on the Afghan border.

My concern is as I look at all the materials on this, I know that the U.S. embassy is supposed to verify that Pakistan has in fact incurred these expenses in support of combat activity on the Afghan border, and that I know the expenditures are sent to CENTCOM, where they are supposedly evaluated and the claims are looked at and then reimbursement is forwarded on to the Pentagon, the Office of Management and Budget, and to Congress.

But the Pakistan military provides no receipts and many officials now believe that these invoices are being inflated. I think another concern obviously is that a senior military official has said that this aid, this $80 million a month, a total of $5.7 billion which we have provided, is really being used on a weapons system to potentially be involved with India; that Pakistan is focusing these moneys on something other than the goal that we want them to be working on, which is obviously the tribal unrest and terrorism that is obviously in play along the Afghan border.

I would certainly like your take on this and what procedures can you put in place or your staff put in place to get a handle on these reimbursements, to make sure that they are going onto fighting terrorism in these tribal areas, as opposed to some long-term strategic goal that the Pakistani Government has in terms of the threat they feel from India?

Admiral FALLON. Ma'am, I'll take this one to start with. The first comment I would make is these coalition support funds which are made available by Congress are intended to reimburse partner nations for their logistic and military activities in support of our operations in Iraq and Afghanistan, Operation Iraqi Freedom, and Operation Enduring Freedom specifically.

I can tell you what I've done in the 10 months or so that I've been in charge of CENTCOM. I can't tell you what went on in the past, but I can tell you we're paying a lot of attention to it now—and trying to make sure that these moneys are being used for the purposes for which they were intended. This is very complex and the support that the Paks provide to us is extensive. I can tell you, frankly, that we would be very hard-pressed to be able to conduct our operations in Afghanistan today anywhere near the scope that we conduct them without this significant assistance from Pakistan.

The Paks I believe understand that the challenge—I don't know what it was like in the past, but they certainly understand now that the threat that they face is really the same threat that we're

facing in Afghanistan. It's the same people and I think many of the same intentions.

The process by which we look at these expenditures and try to validate the purpose for which they are being spent is one in which there's no rubber stamp. We are looking very carefully at these things and as I look at the way things appear to have gone in the past and how they go now, we have in many ways slowed down the process. This has created some friction with the Paks because they submit these vouchers, if you would, outlining what they say they have spent the money on and we're scrutinizing them very carefully.

In the past year, my folks tell me we've only approved about 80 percent of those requests that have come in, as we try to drill into them and find out what's really being done.

That said, I think it's only fair to recognize that the Paks are heavily engaged. They have lost several thousand people killed and wounded to these insurgents that are up along the border there. They have been engaged certainly in the past year that I've been watching them to a much greater degree than they were in the past. They have moved a significant number of forces. Somewhere well over 100,000 troops have now been moved from the east, where traditionally they have been focused on a perception of an Indian problem, and they are increasingly engaging in the west.

In operations in the Swat Valley, for example, where they were I think surprised to see insurgents and terrorists take over that area, they have fought to push them back out of that valley. It's been painful to watch and painful for them to endure, but they've been successful.

So I see a lot of activity. North Waziristan, South Waziristan, they're actually moving. I think that in the big scheme of things there's little doubt that in the past they were focused on India as the big threat to the country. I think they see things differently now. They've taken steps. It is different now than it was 6 months ago and certainly a year ago, and they're working in this area.

People make all kinds of accusations. For example: No money should be spent for F–16s because that's a big weapon system. In fact, they have a significant need for close air support to help their troops that are engaged on the ground. They don't have the capabilities we do. So they are trying to use every one of their means to try to address this issue.

The fact of the matter is their capabilities need a lot of work. That's part of our engagement here, is to help make them more productive, make them more effective in their engagement.

So we're looking very hard at this money. I understand it's a large amount of money and we would like to have it spent in the right way. But they do a lot of things every day. Every single aircraft that flies into Afghanistan from the south and east, and that's the vast majority of them, have to overfly Pakistan. They have to have support, they have to be deconflicted and so forth. So there are lots of things on these lists of charges and requests for reimbursement that the Paks submit that I think have a basis. How much exactly is stuff that we have to go through. But we're working on this process. We're working very hard with our own people

in Islamabad to make them more aware of the need to be very careful in scrutinizing this. We're working on it.

Senator MCCASKILL. Is it your sense then, Admiral, that since you have taken over that you're comfortable that we are in fact drilling down and getting receipts and actually getting documentation for what they are requesting in terms of this $80 million that we're spending on a monthly basis, which is a lot of money for the American taxpayers?

Admiral FALLON. Yes, it certainly is. I'm not going to say that I'm comfortable with any of this. I'll tell you that we're certainly giving it good close attention. The idea that you have a receipt for every flight hour that's expended or the repair costs of the helicopters or whatever I think is a little difficult to do. But we are certainly engaged with the Paks in this and I think we're in a lot better shape than we were in the past, and we're going to keep at it.

Senator MCCASKILL. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator McCaskill.

Senator Martinez.

Senator MARTINEZ. Thank you, Mr. Chairman.

I want to thank Admiral Fallon and Admiral Olson for being here today. I thank you both for your service, and the troops that serve under you. Again I want to tell you how proud I am that both of your commands are headquartered at Tampa, FL, in the great Sunshine State. We're proud to have you there.

Admiral Fallon, earlier you answered some questions about Iranian influence in the region and I was intrigued by your comments because it did appear to me that you suggest that their influence vis-a-vis the area of influence that they could possibly project, their neighborhood, you indicated they were viewed with skepticism, distrust, with a dim view, and their influence was not increased, but in fact there was great concern about them.

My question is then, it appears that their neighbors and the neighbors of Iraq—you suggested that those neighbors were concerned also about our commitment, and that you were asked repeatedly by these neighbors about our commitment. I guess my question to you is, given the fact that things have dramatically improved on the ground from a year ago, that in fact levels of violence are greatly decreased in Iraq, would it be fair then to say that our continued presence in Iraq has added stability to the region, and that in fact these neighbors feel better about the fact that we continue to be committed than they would feel if we in fact had not maintained that commitment, but had in fact withdrawn precipitously?

Admiral FALLON. Senator, as with most of these issues, there's more than one side to the story. I think it would be fair to say that many of the countries in the region were not particularly pleased with us, directly related to the level of violence in Iraq in the past years, directly related to the continuing instability and the concerns about where this all was going. Now that the forces in Iraq have made substantial progress, they like it a lot better and now they're concerned the other way. Probably the majority of that concern is in the other direction, that they don't want us to pull out and have this thing drift back into a more chaotic state again.

So it's the battle of perceptions. I think it really highlights how important it is to have consistent messaging, based on behavior on our part. There is concern about our commitment and as many of these countries look at the way we have engaged periodically and then seemingly gone into periods where we have not seemed to have focused on their region and their countries, they begin to doubt us.

It's like anybody else. They want to be loved, they want to be engaged. They want to feel that we are going to be with them all the time.

Now, we have requirements from our side, too. We want to be with them, but we want them to behave in a manner that's going to be helpful to their own people and to us in the region. So as with most things, you have to look at the entire thing from all the angles. But today there's pleasure, increased confidence that the situation in Iraq is improving. I believe that countries would like to see us engaged, to remain engaged in the region. Certainly the concern about Iran demonstrates that. They want us to do it in constructive ways. So I think it's in our interest to continue to stay there in some number, in some form, and stay engaged.

Senator MARTINEZ. In terms of continuing the low level of violence, I don't think there's any question that it was very important that the Mahdi Army and Moqtada al-Sadr made a commitment to continue their ceasefire. Can you tell me how we deal with an individual that is as volatile as this individual, who has such deep hatred of the United States, and yet seems to be in such an influential position as it relates to the level of violence in Iraq, and how we will move to a more permanent level of stability?

Admiral FALLON. The short answer is, because we don't have direct engagement with this individual, Moqtada al-Sadr, we rely on those Iraqis that deal with him, not just the Government of Iraq and those clerics with whom he deals, and that's how we try to convey our messages, which are it's in the interest of not only his group but the rest of the people of Iraq to continue this so-called freeze, to continue to focus their energy in non-kinetic ways, in ways that are not going to incite levels of violence.

I believe that as the Iraqi people see the benefits of people not resorting to force of arms they are liking things a lot better and that becomes a pressure in itself. So it's the Iraqi people working with the Iraqis and these leaders of these groups to influence them to act in reasonable and appropriate ways.

Senator MARTINEZ. Thank you, Admiral.

Admiral Olson, recently, in fact Saturday, the Colombian Government struck a great success in their continuing fight against the Revolutionary Armed Forces of Coloumbia (FARC), a terrorist group that has been responsible for now over 3 years, I guess, the kidnapping of 3 Americans, in addition to over their history over 100 Americans who have been kidnapped by this group over time. I know that your Special Operations Forces have been engaged in training in Colombia as well as other missions, including humanitarian missions, as you mentioned. Could you speak to us about your work in Colombia? It looks to me like your training has taken hold because this operation on Saturday seems to have been a pretty neat deal.

Admiral OLSON. Yes, sir. We do have a longstanding engagement with the Colombians, as you're well aware. Our presence in Colombia has ranged from 200 to 500 people as it's ebbed and surged over the last several years. Under the rules of the engagement, we are in a train and assist role. We do not conduct operations with the Colombians, but we do train and advise and assist, and we say goodbye to them as they go off on their operations and then we welcome them back as they return.

This has been a successful engagement. It is conducted largely by Army Special Forces, but we have had marines and Navy SEALS down there conducting that engagement because so much of their transportation is dependent on the riverine system within Colombia. So it's been a good partnership.

I second your thought that this operation that was successful this past weekend against the number two FARC leader was at least in large part a manifestation of that relationship. In fact, one of the Colombian soldiers I'm told who was killed in that operation is one on whom one of our Special Operations leaders down there had pinned a U.S. medal not too many years ago because of the value of the relationship that we had built with that particular Colombian soldier.

So this is a continuing effort for us. I think that we should be encouraged by the level of Colombian activity against the FARC in particular. They had gone many years without having this kind of success. Now they've had several successes over the last couple of years.

Senator MARTINEZ. I would conclude by just following on that comment. The fact is that the Colombian Government is a democratically elected government. President Uribe was elected with an overwhelmingly positive vote by their people and it is distressing to see that neighboring governments seem to be intent upon destabilizing the Colombian Government and situation by providing assistance to the FARC.

It's interesting that in this operation apparently some very direct and clear evidence of this destabilizing influence of neighboring governments came to light, which I think many of us have suspected for a long time, but it's pretty clear that that in fact took place.

I'm proud of your people standing on the side of a democratically elected government against those who through violence would seek to destabilize.

Thank you.

Chairman LEVIN. Thank you, Senator Martinez.

Senator Nelson.

Senator BILL NELSON. Thank you, gentlemen, for your service to our country, and its especially a privilege that we have your two headquarters located in our State.

Admiral Olson, you need two modified C–27s as a gunship and you also need some more Ospreys to do your role. You want to tell the committee about that?

Admiral OLSON. Sir, two separate issues. I'll address them separately. The C–27 we're discussing as a prototype for what we call Gunship Light. The AC–130 gunship has proven very powerful and in high demand in Afghanistan and Iraq with its surgical strike ca-

pability from an orbital flight. We are soon to experience a degradation of that fleet due to the center wingbox issue that has struck the entire C–130 inventory. The Air Force solution for the next generation gunship is several years away, at least fiscal year 2015, 2016, perhaps 2017.

So we're looking at a lighter version of the C–130. If you take a C–130 and put it on a copy machine and push the 50 percent button, you get a C–27. It's a twin engine. It looks a lot like the C–130. This is an integration effort to determine the art of the reasonable with respect to mounting guns on a C–27, flying it in an orbital pattern to provide quick response, primarily to troops in contact or where troops may be expected to be in contact, with the surgical precision that we've come to expect from the AC–130.

I've talked to the Chief of Staff of the Air Force about this. It would be an exaggeration to say that we are moving forward together on this, although we are supportive of the goals of the effort, and he has spoken about that as well. But with the acquisition authorities that I am granted as the Commander of SOCOM, we are striving to move forward with a prototype development of that C–27.

The V–22 Osprey is our next generation rotary wing lift, at least for the Air Force component of Special Operations. We have come to depend on the MH–53 Pave Low fleet, the last one of which will be retired in October of this year. We have an inventory of 31. We're building towards an inventory of 50 CV–22s, largely to replace that capability. It's a Special Operations-modified version of the V–22. We pay about one-quarter of the cost, the Air Force pays about three-quarters of the cost, as we make the SOF-peculiar modifications to it.

In my view that airplane is being delivered to us at too slow a rate. There are opportunities in the production line to accelerate that and so we are seeking some funding in order to do that.

Senator BILL NELSON. Admiral Fallon, you may have gone over this while I had to go and just give a speech, but let me quote from your comments: "Looking to the future and as U.S. forces are withdrawn, we are planning to normalize long-term bilateral relations through a framework agreement that reflects our shared political, economic, cultural, and security interests, as well as a status of forces agreement."

Then you go on to say: "As Iraq increasingly asserts its sovereignty, we want to continue to assist in developing Iraqi capacities to secure and defend their country." That's what the military does and it does it very well, our military.

Every presidential candidate has some version of a withdrawal that they have laid out on the table for the American people to consider. Will political reconciliation occur in your opinion, and do you see any evidence that it's occurring other than what you've stated in your testimony here, the 2008 national budget, the provincial powers, amnesty, the de-Baathification law, provincial powers laws, and so forth? Look over the horizon for us.

Admiral FALLON. We certainly have every expectation they're going to continue down this path to stability and enable us to do what I believe the vast majority of our people would like, and that

is to be able to withdraw the bulk of our combat forces and let the Iraqi security folks take over in their own country.

This will be enabled by continued political development in the country. It's painful to watch sometimes. But I see things that go on almost on a daily basis. When I got here last year, I went out and tried to make a point to meet the leaders throughout Iraq, particularly those in the central government, and, frankly, came back with mixed opinions of folks. My opinion at that time, after meeting them for the initial go-around, was that most were very narrowly focused based on their backgrounds from political parties. Recognition that the people in many of the key positions were there precisely because they weren't really powerful, because those were the deals that were brokered.

It's been encouraging to watch the development of these people from Prime Minister Maliki on down, to see them take responsibility, and increasingly we're seeing the results of that. It's not a straight line and I don't think it's going to be. There are things that are frustrating. This is a different culture than ours and, frankly, it's a different political process and philosophy in this country. But it's coming along.

I'll give you one example. There was an impasse in this legislation and there were a number of items teed up: the budget, the Provincial Powers Act that Senator Levin already talked about, the amnesty legislation. They all appeared to be stymied and as we watched they'd take one after the other and weren't making progress. They got innovative. They bundled them, put them all on the table together, and in the process found ways to make the political accommodations that got them all passed, amazingly, in one day. It was kind of astounding. All of a sudden it was, how'd they do this?

So I think we have to continue to engage them, continue to point out to them the cost of this in terms of blood, sweat, and tears on the part of our people, which is very substantial, the resources that we've devoted to this country.

They're working on it. They're taking responsibility in my view, whether it's in the political process, whether it's in the recognition—it seems to me they are more aggressive now in going out and addressing issues away from the capital, and this is essential to me. If they can't figure out how to get people in the provinces the basics that they need, we're not going to be successful, nor they. But increasingly I see them paying attention to it.

I give you another couple of examples. I was out in Anbar 2 weeks ago and it was pointed out to me by the marines out there that they had a problem on the border, one of the border crossing points with Syria. The issue was that the Iraqis out there, Sunnis most of them, all of them actually in this area, had been attending to business and they were having to do it out of their own resources, and the central government had not seen fit, or at least that was the story, to pay these guys and to provide them the other resources they needed. It was gnawing at them. Just this weekend, got a report. They actually sent a delegation out, addressed the issues, paid the arrears, and people were moving forward.

I mentioned this thing in Diyalah the other day with the Concerned Local Citizens/Sons of Iraq. It was gnawing at them and it

was starting to cause the compromise to come apart. They took appropriate steps to fix it in the budget.

They are increasingly taking responsibility financially for themselves. The lines have crossed. They are spending this year three times more on their security than we will spend. Where 3 years ago we were spending the bulk of the money, they are now spending the vast majority of it, and the trends are in the right direction.

They were particularly not effective in using their own resources for their own people. That's increased I think 55 percent or so is the data this year. It's still got a long way to go. But they are getting better at their own budget execution.

Anyway, day after day, slowly but surely, it's generally moving in the right direction. It has to continue. Part of the role of our folks that are engaged out there is to keep beating the drums to ensure that they don't lose sight of the fact that they have to continue to make progress.

Thank you, sir.

Senator BILL NELSON. Thank you, Mr. Chairman.

Chairman LEVIN. On the question of the Iraqi resources, you say now being spent more and more to support their own troops. The Iraqi oil ministry goal for 2008 is to produce 2.2 million barrels of oil a day. Now, the exports that we know of have revenues that are estimated $41 billion in 2007 and according to the current rate in 2008, extrapolating that rate would give us an estimate of $56 billion of oil exports for 2008.

How much of that oil revenue is Iraq spending for its own security and economic development?

Admiral FALLON. Senator, this year the number's about $9 billion in security. The number for us is about $3 billion. In total development, I don't have it off the top of my head, but I know that when we were out there the week before last that their intention was to bump a surge amount, if you would, of $10 billion additional into development.

The trends are increasingly for them to increase and take over responsibility. In the big scheme of things, this year the lines crossed in development resources. As I recall, the number now is total that they've invested is about $51 billion versus $48 billion for us since 2002. So they're working on it. They have a long way to go.

Chairman LEVIN. Since 2002, that's about 6 years or 5 years, and that's about maybe $7, $8 billion a year. But I'm talking $40 billion in oil money, oil revenues from exports last year, and perhaps $56 billion this year. How much of that is just being stashed away in foreign banks, do you know?

Admiral FALLON. A lot of it's in our banks, the vast majority.

Chairman LEVIN. Why should that money not be spent in Iraq, on Iraqi projects?

Admiral FALLON. Senator, it should be. The facts are that their ability to institutionalize and effectively distribute those funds is lacking. It's increasing. It's getting better. As I indicated, it's double this year, the expenditure rate, than the year before. This is not going to happen overnight. We have to continue to engage with them.

I think it illustrates a real important fact here. While we couldn't be where we are without security and stability provided through the military, the major issues in their long-term viability are not military. It's government and development of those institutional processes within the country that are going to enable them to actually be effective in this business.

Chairman LEVIN. I can't accept the answer that they're not capable of administering their own revenues. They have a budget which is approximately this amount, and it's totally unacceptable to me that we are spending tens of billions of dollars on rebuilding Iraq while they are putting tens of billions of dollars in banks around the world from oil revenues. It doesn't compute as far as I'm concerned and I think that we ought to get an accounting from our either Inspector General or our Government Accountability Office of those oil revenues, and we'll be sending a letter to one or the other to do just that. I take it you wouldn't have any objection to that?

Admiral FALLON. Senator, I'm with you on this one. I think it's not just sitting in the banks trying to get somebody rich on interest income. It's because they're in a holding position now until they can figure out how to effectively disburse this money.

There's another dimension to this that I find pretty fascinating. Because of the tradition in this country with Saddam and his henchman and the way they took all resources and used them for private funds, the Iraqi leaders at every level appear to be highly sensitive to the image of corruption, not that there isn't that that goes on, but to the perception that they might somehow misuse these funds, the National funds.

So we find what I consider are very extraordinary actions on their part, risk avoidance, if you would, in taking what seem to me to be appropriate, prudent decisions to go ahead and get with the program. It's the checks and balances kind of thing.

But clearly we'd like to see them take a more active role, spending more of their money, and so we end up spending less of ours, no doubt about it.

Chairman LEVIN. If they can't figure out how to spend their own money and if the fear of being perceived as being corrupt is the reason, they sure can transfer those resources to us. We'll administer them the way we administer our own funds, for their reconstruction. I mean, we're putting a lot more money into reconstruction up to now than they have.

Admiral FALLON. But that's changed. They are putting more in now.

Chairman LEVIN. It's changing, but that money, which is sitting somewhere in banks, can be applied to reconstruction, if necessary through our administration. Some of us voted when this war began to have the future delivery of Iraqi oil to fund the cost of this war. We had a vote on that issue. In fact, it was represented by some people that the Iraqis would pay for the cost of this war.

The least they can do, instead of stashing that money in banks, is have that money go to current reconstruction projects. So we're going to press that issue in the way that I indicated, and there may be other ways to do it as well.

Admiral Olson, let me get to some of the questions that I had in my opening statement that I'd like to address. Kind of working

backwards, do your special operators have sufficient Predators and other assets to conduct aggressive search and seizure missions against al Qaeda and Taliban leaders in and around Afghanistan and in Iraq? Do you have enough of those type of assets?

Admiral OLSON. I'd like to give you a yes or no answer, Mr. Chairman. It's a balance of what Special Operations should provide and what should be provided by the rest of the theater. There are now 50-something orbits, is the term, flown over Iraq, most of which are provided by CENTCOM, some of which are provided by SOCOM. We're providing on the order of 11 or 12 of those.

In total, that's not sufficient. If the question is are there sufficient Predators, there aren't. But I'm not convinced that a dollar for intelligence, surveillance, reconnaissance capability is best spent on Predators at this point. It's a very complex system, with bottlenecks in training the operators, training the intelligence analysts, developing the hangars and the ramp space and the bandwidth and developing the full motion video sensors. That is all part of the ISR system.

So the short answer is we have insufficient capability for ISR in total.

Chairman LEVIN. What is your shortfall? On ISR what is your shortfall?

Admiral OLSON. Sir, the most severe shortfall is manpower now. It's trained operators of the systems and trained intelligence analysts to evaluate and distribute the information that is gathered through the surveillance.

Chairman LEVIN. Do you have a dollar shortfall? You've given us a list of dollar shortfalls.

Admiral OLSON. Yes, sir.

Chairman LEVIN. Could you total them up for us?

Admiral OLSON. Sir, the shortfall that I've presented is on the order of about $300 million in short-term funds, and that's balanced across leasing capability, buying capability, investing in training capability. There are air space management challenges. There's a lot that goes into this. But with $300 million I believe that I can reasonably enhance the Special Operations capability as our share of the much larger development of the total military capability.

Chairman LEVIN. Have you requested that money in the budget?

Admiral OLSON. Sir, we're in discussion with your staff.

Chairman LEVIN. No, no. I mean in the administration's budget.

Admiral OLSON. No, sir, we did not.

Chairman LEVIN. Why was that?

Admiral OLSON. Because we were depending on Service capability to provide for that shortfall. We have long supported a stated requirement for 30 continuous orbits in Iraq. That's a CENTCOM requirement, supported by U.S. SOCOM. We internally have grown at a rate that we believe we reasonably could, in order to support our share of that total shortfall. But I did not submit in my budget request the funds to make up for the entire military shortfall.

Chairman LEVIN. Senator Webb.

Senator WEBB. Thank you, Mr. Chairman.

Admiral Fallon, Admiral Olson, I apologize for having had to step out of here. As so often happens up here, we have two very impor-

tant hearings going on at the same time, and I'm at the bottom of the food chain here, so I had to wait longer than I thought I would at the other one before I could ask my questions.

I also wanted to make sure that I reviewed the questions that had been asked of you so I wouldn't be redundant here.

I have two areas that I would like to get some clarification on. The first is, how would you describe the center of mass of al Qaeda activity in your region, Admiral Fallon? Where would you put that?

Admiral FALLON. The first word would be "distributed." These guys are pretty clever. They've figured it out. They leverage the technology today and they recognize the inherent danger of pulling all the folks in one spot.

We have a working assumption that the most senior leadership resides somewhere in the Afghan-Pak border area, probably in the FATA. But we have lots of evidence that indicates that they have established nodes, if you would, in lots of other places in the region. It seems that the CENTCOM region, for better or for worse, mostly for worse, I think, seems to be attractive to them. That's not surprising because we have more poorly governed or lawless places, I suspect, than most in the world. So they tend to come to these areas and take refuge there and try to operate, and using the technology to communicate back and forth.

Senator WEBB. Recognizing that they are mobile, would you say that the center of mass of their activities is Pakistan?

Admiral FALLON. Again, I don't have a body count. I think there are a couple of things that are pertinent here. One is they have lots of allies and allied groups, and these affiliated organizations sometimes maybe present the appearance of mass, but I suspect that there are fractures and fissures and different views among these folks.

I think this offers us an opportunity in some respects. The fact that they are distributed in different countries means that they have to communicate somehow, some way. When they talk one way or another or move, it gives us an opportunity to use regional assets, not just U.S. but the countries in the region, to help us in identifying and hopefully capturing these people.

Senator WEBB. Just to say editorially, one of the problems I've had since day 1 with what we did in Iraq is that we took probably the greatest maneuver force in the world and locked it down in a strategic mousetrap, occupying these different cities, while the people we ostensibly were going after remained mobile. So we have a situation here where a huge portion of our military is essentially in a classic holding action for political reasons while this mobility is occurring over us.

The question I want to get to because I'm running out of time is a little different. It's something that Senator Warner and I have discussed at some length. There are two agreements now that are being negotiated at the executive branch level between our Government and the Iraqi Government pertaining to the future relationships, long-term future relationships that we are going to have in Iraq. There is some great concern, particularly on this side of the aisle, that we are going to be placed in a position as the Government changes one way or the other after November, where because of the reliance of the Iraqi Government on some of these terms that

are being negotiated and because of sort of a lack of clarity with us here in the congressional branch about what is being done, where we will be kind of ineluctably drawn into a long-term relationship while it hasn't been properly debated.

Are you familiar with the differences between these two agreements that are being negotiated? I'd like your thoughts on that.

Admiral FALLON. Yes, sir, I think I'm pretty tuned in to this, and I'm very, very focused on it because it's essential. The reality is that we have to have in place the appropriate protections for our troops, and not just for their personal protection, which is essential, but to enable them to be effective in operating in Iraq. Come December 31 of this year when that U.N. Security Council resolution expires, we're going to be in a different ballgame.

We have a critical task in front of us to figure out. The two, from my view, they're different, but they're very complementary and essential, and you have to have both. What we're trying to do here in what's called the strategic framework agreement is to frame expectations with the Government of Iraq about our mutual vision of the future. What is it we expect to have in the way of a relationship between the countries? Certainly a lot different than the one that's been in place for the last couple of years.

So that's the key aspect of the SOFA. Certainly we have to for our part, I believe, affirm for the Iraqis their sovereignty. This is their country and they want to have a future, and they want to be able to make decisions about their security. At the same time, we want to ensure that our interests are protected, and most importantly those interests are our people, that they can actually continue to do what they do.

We would like to be able to continue to work against this extremist threat, the terrorist threat, the al Qaeda network that remains in Iraq. We want to be able to deal with the challenges that we face.

At the same time, there's another aspect of this and that's the detail of just the physical presence of people in another country, as you're well aware. We have SOFAs, for example, with dozens and dozens of countries around the world. They're individually negotiated and they cover the interests and specifics of various nations.

It's essential that we have a replacement for the U.N. Security Council Resolution. We have a process to do these things that is well tested. I don't believe that we have any intention of putting ourselves in a position where we are making an international agreement such that it would necessitate Senate review of this or anything along those lines. These are essential agreements that should be made at the executive level and I think that's clearly our intention from my view of what we're trying to do in this duality approach, if you would.

Senator WEBB. We may have some disagreement on that with respect to the umbrella agreement. We had a meeting yesterday with some people from the administration on this. When I say "we," I'm saying among this body. There are people who are concerned that that first agreement is not a security agreement. When you talk about long-term relations with a country, it's essentially a national agreement. It's committing the country and that sounds an awful lot like a treaty.

We have always operated under some sort of umbrella, particularly when we're putting people into harm's way, whether it's international compacts like NATO or bilateral security agreements like the Philippines, Japan, et cetera. So we, those of us who are concerned, may want some further clarification on this.

Recognizing that the clock is ticking, that actually is one of the reasons that the concern level up here and that the level of sincerity perhaps from the administration both have come into question.

Admiral FALLON. Senator, from my perspective I can pledge to you that we'll be as open as we possibly can. There's every intention to keep you informed. I think from my discussions with the folks that were up briefing you yesterday that's certainly their intention as well, to keep you well informed and to keep your confidence.

Senator WEBB. I hope we can shed some more light on this. I have great respect for the job that you've been doing and hopefully we can get this into the open air. If we don't, it's going to become a campaign issue; I can promise you that.

Admiral FALLON. We have highlighted a couple of agreements with countries around the world. We have many agreements. In my previous assignment out in the Pacific, we've reached agreement with countries on similar things. One that comes to mind, very important for us, was a SOFA-equivalent with Singapore. It was an executive agreement to codify expectations with that country.

But back to the key point here, the intention is to be very open, very forthcoming, to alleviate any concerns in this regard.

Senator WEBB. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Webb.

Senator Warner.

Senator WARNER. Thank you, Mr. Chairman.

I want to commend my colleague, Senator Webb, for taking this initiative. I feel just as strongly as he about these agreements.

Now, the SOFA follows the pattern of military agreements we've had with many nations, and that's to protect our individual soldiers, airmen, marines, and sailors for their personal activities in carrying out the missions assigned by the President. Second, we would not want the strategic framework agreement in any way to tie the hands of the next president, whoever that may be, as he or she directs the future missions of our country on behalf of not only Iraq, but indeed Afghanistan, too, because this is a pattern.

Lastly, I don't know whether this rises to the level of advise and consent. Senator Webb said a treaty. I'll leave that to perhaps our colleagues on the Foreign Relations Committee. But I do think it's important, Mr. Chairman, that Senator Webb and I recommend to you that we have a hearing on this at the appropriate time, and that there be the maximum amount of transparency. Now, any negotiation requires a certain amount of confidentiality between the negotiators, but at the present time get it all out, so that there's no hidden agenda in the minds of the American people or in the minds of the Iraqi people about where the two nations want to go.

So I urge you also that we move out on this thing, because I would think it would be helpful to have it wrapped up in the next 90 or 120 days and therefore not become drawn into good old-fash-

ioned politics of America as we elect our next president and it become or could be distorted or whatever.

I want to turn to this problem of the rest of the United States Government. Throughout the years this committee has pushed for the administration to get more of the departments and agencies of this Government involved in Iraq. I think that's slowly come to pass. But do we have a similar situation in Afghanistan, Admiral Fallon? Now, there there's some question about the security, personal security of people of other agencies and departments coming over to perform their functions. But it is essential. You stressed the need for jobs in Iraq. I stress the need for jobs in Afghanistan if we're going to have a strong and stable sovereign country.

Admiral FALLON. Senator, I couldn't agree more. In fact, as I look at Afghanistan the priorities for that emerging country are in other than military things—electrical power, roads, water management, agricultural development. These are the things that are really going to turn this into an ongoing concern.

There's a fact of life in this business of the interagency and their personnel. DOD and our military forces are by nature expeditionary. We are used to deploying, used to going out in the world and engaging. Our rotational forces are out there all the time. The other institutions of this Government are focused historically domestically, with the exception of the Department of State. Secretary Rice has had an initiative to substantially ramp up the number of people in the Department of State. It's going to take a while to do that.

I am anxious to get more people to engage in these things because not too many of them are there.

Senator WARNER. Good. I mentioned also the Department of Agriculture. If we're going to come to grips with this insidious, frightful problem of the growing poppies and the increased revenue there—from flowing into military operations to support the Taliban, we have to help that agricultural base develop alternatives. Let's hope that that can really be on the top of everybody's list.

Admiral FALLON. Yes, sir.

Senator WARNER. Admiral, I noted with a great deal of pleasure that the U.S.S. *Cole* deployed into your region. One of your 24 countries is Lebanon. We all remember the events of the 1980s, to include the tragic bombing of the marine barracks that killed 241 marines. I remember Senator Tower and I went out there within 48 hours, I believe, of that tragic incident to make our assessment.

What's the intent of the deployment of the U.S.S. *Cole* and what's the likelihood that that deployment structure will stay in place for a while?

Admiral FALLON. Senator, the deployment is really sent as a signal. In my opinion, it's designed to let folks know that we are certainly very interested in this part of the world and particularly in activities within Lebanon. It's been frustrating to me to watch. I visited Lebanon back in September for the first time in several decades, in fact since I was back there in 1983, the last time. There had not been a senior military officer visit.

I was well received by the government, the leadership there, the defense minister. It's clear that they want to engage with us. But

meanwhile we've watched now this political impasse drag on and on where—the inability to get a president. It's very clear that outside actors are influencing this in Lebanon. The message here is that we are watching with keen interest, that we are not actively putting our fingers into this thing, we're not trying to destabilize anything, but we want to demonstrate through our presence that we are committed to helping Lebanon to move forward and hopefully resolve their crisis.

I'm very anxious to get our people engaged in helping the Lebanese armed forces to be more confident and more able to provide security and stability. As they demonstrated in the refugee camp activities this last summer, they have a lot of challenges. We want to be more engaged.

Senator WARNER. I think sending the U.S.S. *Cole* is quite a symbol. As we all remember, that ship and its crew suffered a tragic incident when a terrorist rammed it and exploded. We repaired that ship and she's back on the line.

Are there other ships accompanying it in this force or is it a single ship?

Admiral FALLON. I believe that there will be other ships that are going to operate in the area, sir.

Senator WARNER. I would hope that would be the case.

My last question, Mr. Chairman. There's been the assertion that the Afghan situation should be separated from the Iraq situation. They are coupled in that it's a common effort to enable two nations to achieve strong sovereignty, but I think Secretary Gates again very wisely said the Europeans have a problem with our involvement in Iraq and project that to Afghanistan, and do not understand the different kind of threat.

I assume you associate yourself with that analysis by the Secretary of Defense, and I thought you'd share with us your own views here.

Admiral FALLON. Senator, both Iraq and Afghanistan are stability challenges in my region. Each is unique; many circumstances that are different. I can't explain all the thought processes within the heads of the people in the various countries that are involved here, but I can tell you that we need help in Afghanistan. There are lots of folks who have raised their hands and said, we aim to be of assistance here. It seems to me we have to figure out a better way to get people to be committed to working together in a really complementary and effective manner if we're going to be successful.

Senator WARNER. There's no reason why they can't supply some of the non-military aspects of the recovery in Afghanistan.

Admiral FALLON. I think we're a little cautious to say, look, here's how it works and how it's effective. Our example in the east bringing to bear those other instruments that you've made available to us in the way of moneys and ability to operate to help people in their daily lives, it seems to me these are very obvious examples of how things could be more effective than they are now. Removing caveats and allowing troops to really have their value on the ground is critical. I just don't understand what people are thinking about in this except for the risk aversity of things.

It's very different in Afghanistan. For example, the drumbeat today is things are really going to heck in a handbasket and there's

no doubt about that the IEDs, the suicide bombings, are up significantly from a year or 2 ago, but the scale of violence in Afghanistan is a fraction of what it is in Iraq. I'm not trying to sugar-coat this at all, but it needs effective engagement.

There are lots of folks there. If we could get everybody to put in a solid effort without all these caveats, I think we'd be a heck of a lot further down the road.

Senator WARNER. Is Iran trying to project along its border, particularly in that segment of Afghanistan, it's own influence and destabilizing some of the efforts that we and NATO are trying to achieve?

Admiral FALLON. No doubt that the Iranians are influencing Afghanistan. In many ways it's positive. I've had this conversation with President Karzai. They have provided a lot of assistance to Afghanistan.

Senator WARNER. "They" being——

Admiral FALLON. The Iranians.

Senator WARNER. Recently have provided economic assistance?

Admiral FALLON. Yes, sir. In the west, in Herat and that area, there's substantial Iranian investment and activity. The cost of that——

Senator WARNER. Do you view that as positive?

Admiral FALLON. That's positive. What I don't like is the flip side of it, that we found several instances last year in which it was pretty apparent that they were trying to provide lethal assistance of a similar kind——

Senator WARNER. The IED type?

Admiral FALLON. Haven't seen much evidence of that, but we've seen other things. Now, it's not on a scale of what's going on on the other border, but it's still unhelpful. Now, what else we don't know remains to be seen. It could be a very positive influence. In some ways it is. The flip side of it is as you know.

Senator WARNER. Mr. Chairman, I think our witnesses have shared very superb professional perspectives on your responsibilities in that AOR. I compliment you and your troops under you.

Chairman LEVIN. Thank you, Senator Warner.

Senator McCaskill?

Senator MCCASKILL. Thank you, Mr. Chairman.

It is my understanding—and please correct me if I'm wrong—that we have approximately 85,000 Sunnis on the payroll on a monthly basis in Iraq?

Admiral FALLON. Closer to—this is the former Concerned Local Citizens, called "Sons of Iraq" now?

Senator MCCASKILL. I'm just curious how many Sunnis we have on the payroll. I don't know what we call them or what they're doing. I just want to figure out what is the number of Sunnis that we are paying every month with American tax dollars.

Admiral FALLON. Senator, I think you're focused on those volunteers that have helped us with local security. The answer is about 90,000 total and I'm told that about 80 percent of those are Sunnis, about 20 percent Shia. So the number is probably closer to 70–75,000.

Senator MCCASKILL. They're receiving somewhere between $200 and $400 a month from us?

Admiral FALLON. I don't know exactly what General Petraeus and his folks are paying them, but they're certainly receiving a salary.

Senator MCCASKILL. Is it the sense that this is making a big difference in terms of stability?

Admiral FALLON. Huge difference, a very positive difference.

Senator MCCASKILL. Have we thought about paying 90,000 Afghans a month? How about 90,000 Pakistanis a month?

Admiral FALLON. The situations are different in both countries. I don't think you can take this—we have looked at this. A lot of people have said, well, this thing worked over here, let's get it going in Afghanistan. It's very different in many respects.

The lesson's not lost on us. We're trying to figure out how to work with the indigenous people, with the tribes. I would tell you that right off the bat my experience and knowledge here in Afghanistan tells me that it's much more complex. Many more tribal affinities, local tribal affinities. Many of them don't particularly get along with the folks over in the next valley. So we've benefited immensely in Iraq in places where there's large tribal influences that cover big swaths of territory, folks have cooperated with one another. We think this is going to be a significant challenge in Afghanistan.

I'm open to any suggestion that would help us move forward, but I don't think that we can just take this template and plop it down over top of either of these countries.

Senator MCCASKILL. How are we going to get out from underneath this payroll? It's so frustrating. I think the amount of money—and by the way, I was kind of facetious when I talked about Afghanistan, but the Atlantic Council has said only 10 cents of every dollar we're spending there is getting to the Afghans.

I'm curious also for your take on what kind of measures do we have in place to make sure these taxpayer dollars that we're spending in Afghanistan in fact is getting any kind of efficacy in terms of our goals in Afghanistan, and what's the long term? If we're doing this, whether it's 75,000 or 85,000 Sunnis that we're paying every month with American money, when do we stop paying them?

I know some have characterized that payroll as—I know our military has performed there very well under General Petraeus as it relates to security. But clearly this amount of people on the payroll has also greatly contributed to what has occurred in terms of more security, and I don't know how we get out from under that.

Admiral FALLON. Senator, we are very grateful for the willingness of these folks to step up and assume responsibility at the local level. It's been extraordinarily helpful in achieving the stability gains that we've made. We recognize that this is not a long-term solution, that we will have to have a way to transition these folks to some future employment, and that's what it's really about. It's about jobs and that's what they want.

Some of these folks have been already and the plan is to continue to try to transition them into the Iraqi security forces, the army and the police. Many will not be able to do this, for a lot of reasons. So we're looking at other alternatives. Some of them are already under way. There are several trials that are involving a couple

thousand of these people now to get them retrained through vocational schools, through other economic opportunities.

The answer here in my opinion is as the economic activity levels increase in Iraq this is really the solution. General Petraeus and his commanders are certainly aware of this. They know that we have to have long-term solutions. Again, these are not all military. We have to have help from the development agencies and others.

I'm encouraged by the beginnings of investment from outside private money into Iraq and the future of this country, and that's the real answer, giving them alternatives. So we know we have to transition them. We're working to try to effect those transitions as best we can.

Senator MCCASKILL. But we have the same challenge in Afghanistan in terms of alternatives to poppy.

Admiral FALLON. Of course.

Senator MCCASKILL. I understand the tribal differences and I understand it's not quite as static as Sunni, Shiite, Kurd as in Iraq, that it is more complex in Afghanistan. But if what we're doing in terms of spending money in Afghanistan has not been successful—and 10 cents on the dollar is certainly not successful—it seems to me that we need to roll out the full employment plan in Afghanistan.

Admiral FALLON. I can't vouch for 10 cents on the dollar, but I can tell you that there are certainly a lot of people that are intensely focused on trying to make Afghanistan a success. I would look at their security forces. We are actively and very positively, I believe, engaged in trying to make this force—not only allow it to grow, but to grow in a manner that they're really going to be capable of providing security. That's coming along.

The real answer is in economic development. But this country is very different than Iraq. For starters is the literacy rate. It's in the 30 to 35 percent range. That means you have limited options when you start talking about economic opportunities. You have to start somewhere. The good news is there are millions of youngsters that are in schools now and that's a really positive sign.

So there's no easy answer to this, this business in Afghanistan. At the end of the day it's a very different culture than ours, too, and they're going to have to come up with Afghan solutions to many of these challenges. We can advise them, we can be there to help provide security and stability, which we certainly are, and to encourage them. I get citizens around the country sending me, almost on a weekly basis, ideas about things that we might be able to try in Afghanistan, and I'm anxious to listen to them. Some of them I think are actually pretty worthwhile. We do what we can to give these over to our development folks and say, what can you do to help us?

We're working the problem. We have to have stability and security as an underpinning, but we know that the real future in Afghanistan is economic development and we're committed to try to help.

Senator MCCASKILL. I worry that the economic development is going to take so long, and that sometimes what we try to do militarily is so expensive. Believe me, it's weird that I would be sitting here pitching for lining up folks and putting them on the payroll

paid for by the American taxpayer. But if in fact the problem with the poppy and the problem with all the tribal fighting in Afghanistan and the resurgence of a lot of the terrorist elements in that country and the Taliban is because of dire poverty—it took years for us to figure out how to begin to stabilize in Iraq, and the formula seems to be not only a good strategy, obviously, by the military, but the fact that we are now signing up people and giving them money every month. It seems to me that it's time for an analysis as to how the employment plan may cost out in terms of a cost-benefit analysis in terms of the money that we're spending.

Clearly it doesn't appear that we're getting NATO to step up to do what they need to do to help us. If it's just a matter of us stretching even more thinly our boots on the ground in the Middle East, it's weird that I think that this might be a good idea, because if somebody would have told me I would be pitching this idea I'd say this is not what I would normally be doing.

But I would certainly ask that you take a look at that in terms of just lining people up and paying them like we are the Sunnis in Iraq.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator McCaskill.

Do we have any idea how much it would cost us to pay farmers in Afghanistan—these are the poorest folks—not to grow poppy? Do we have any idea? I'm not talking about the drug lords and the places, the heroin labs and the precursor folks. I'm talking about just those farmers. Do we have any idea, to pay them 100 bucks a month, what it would cost us?

Admiral FALLON. No, I don't, Senator. But it seems to me that just paying them money is not the answer. The answer is to give them a future, give them some viable——

Chairman LEVIN. I agree. We give them seeds and give them something else to grow. But do we know how much it would cost?

Admiral FALLON. No. We're working on it. What I'm sensing is these people have been there for a long time. They're hardy, they're tough. They've managed to eke out an existence and thrive to an extent. There are more people in Afghanistan than Iraq. But they've been in a box. They've been destabilized, they've been oppressed by the Taliban, other challenges.

We're working on it. Educate them, give them an opportunity.

Chairman LEVIN. Let me tell you what I sense after talking to a whole lot of folks about this issue. The people who are making the money in Afghanistan are not those farmers. They're making a little more than they'd make growing other crops. The people who are making the money are drug lords, drug czars, people running chemical labs. But we don't go after the drug lords.

Now, why don't we go after the drug lords? As I understand it, the order that our forces are operating under is that they seize narcotics and destroy labs that they come across in the course of their normal operations, but they do not have an order to seek and seize and destroy those narcotics labs, which if you could do that you address the problem.

Why do we not have an interdiction mission in Afghanistan?

Admiral FALLON. Senator, I think it's not we don't have a mission. We're trying to focus on stability and security for the people

of this country, and in the process of course, if they have an opportunity to engage the drug trade, they're going to do that. But I've seen an increase in the last several months of, as we become more effective in engaging in this country, of starting to get at these what I consider the more lucrative targets, not working at the farmer and his field end of the thing, but into the area where they get the refined drugs.

One of the things I spend time doing as the regional commander is engaging the other countries, and particularly those to the north to try to come up with arrangements with them to be more effective in interdicting this supply. They have some of the same questions and challenges. This stuff's coming out of Afghanistan; why can't you guys be more effective in this?

I think we'll work on it. It's not that our people are turning a blind eye to this. You know they're working on it. We'll just have to look and see if we can be more effective.

One of the problems is the corruption issue. It's traditional here in this country and as we engage with President Karzai and the leadership we make every effort to try to influence the right decisions, to get rid of those people that are identified as corrupt and that are supporting this drug trade and get them replaced. I think there's no straight line, but in Helmand Province, the most problematic, certainly by most measures the most prolific drug producing province, the governor has just been replaced. President Karzai has put in a new man. He's been effective in two other provinces, and hopefully this is the kind of move that's going to provide the kind of backbone to knocking this stuff off.

Again, my experience as I get around the country, in those provinces where the governor and the leadership have taken a strong stand against it then the results follow. So we'll continue to encourage this kind of activity.

Chairman LEVIN. Secretary Boucher told this committee in a recent hearing that the U.S., our Government, preferred to have Afghan forces seize the drug lords and the heroin labs and the precursor materials. Then he also acknowledged that Afghan forces have only had some success with small and medium traffickers and not a lot of success at the bigger levels.

Then we had a meeting with the British chief of defense, Sir Jock Stirrup who asserted that the coalition should set a goal of having two to three high-value drug lords locked up by the end of the year.

What about it? Why not adopt that? We basically know who they are. Some of them are pretty high up in the political support of the Government of Afghanistan. Why do we not just tell the Afghan Government basically, these drug funds are being used to support the Taliban, which are out after our men and women, they're killing us, they're killing your troops? Why not have an interdiction mission flat-out going after these laboratories?

Admiral FALLON. Senator, I would be very pleased to take on the drug labs. I think this is where we're probably going to have much better payoff, again, than working down the food chain. I'm happy to take that on. I'll be happy to talk to our commanders and look at it.

I also acknowledge that there's another reality in this country, and that is that it's very complex. Governance, effective govern-

ance, relies on the allegiance of many, many tribal entities, and I think finding someone who is completely lily-white pure in this area and still being effective in trying to get the allegiances required to move forward is a challenge. I think President Karzai is acutely aware of it. Again, they make decisions every day. I see more of them that are in the right direction than the wrong direction. So we'll keep at it.

Chairman LEVIN. Will you get back to us on that issue when you talk to your commanders, when you take on that mission of going after the laboratories? Will you, after you have those discussions, let us know what the outcome is?

Admiral FALLON. Sure.

Chairman LEVIN. Thank you.

There's a terrorist target that was reportedly attacked in southern Somalia the other day. Do you know what the outcome of that strike was?

Admiral FALLON. Senator, I'd prefer to do that in a closed session. We'll be happy to share what I have on it.

Chairman LEVIN. That's fine.

There's a program in Afghanistan which I briefly talked to you about yesterday called, in my office, called the National Solidarity Program. Assistant Secretary of State Boucher again endorsed a program, this program, the National Solidarity Program. It's within the Afghanistan Ministry of Rural Rehabilitation and Development. It provides block grants directly to locally elected community development councils. They identify the development projects in their own communities at very small cost in each community, and there's 16,000 community development councils in Afghanistan. Apparently there's been like $400 million in payments to those community development councils, which have financed more than 30,000 sub-projects in these communities which have improved infrastructure, markets, services.

Would you take a look at those and tell us from your perspective whether or not they've been a success? We think they've been a very important place where some progress at a local level, much freer of corruption, the progress has taken place. But I'd like your take on it after you've had a chance to review that.

Admiral FALLON. Yes, sir.

[The information referred to follows:]

I believe the National Solidarity Program (NSP) to be a valuable initiative, and I support its intent. The Islamic Republic of Afghanistan established the NSP in 2003 to empower the grassroots of Afghan society. It does this by facilitating local governance via Community Development Councils (CDCs) in more than 20,000 villages across all 34 of Afghanistan's provinces. CDCs identify and prioritize community projects and take ownership over each program by contributing a minimum of 10 percent of cost for each project. The NSP has supported approximately 34,000 community projects with most oriented on improving infrastructure such as irrigation and roads. Other projects have improved access to electricity, safe drinking water, clinics, and better sanitation. The Ministry of Rural Rehabilitation and Development implemented the program, which has received approximately $410 million from an international consortium of donors. The World Bank is the largest financier. This has been sufficient to run the program, without direct support from U.S. forces in Afghanistan.

Chairman LEVIN. The question has been raised about these two negotiating tracks which we're on, and this will be my final ques-

tion. Do you know who are negotiating those two agreements with the Iraqis? Is the military involved in those negotiations?

Admiral FALLON. Yes, sir. Ambassador Crocker has the lead for the entire effort in Baghdad. Ambassador Loftus from the Department of State is specifically the SOFA negotiating agent. Of course we're involved in them. I've met Ambassador Crocker all the time. I met with Ambassador Loftus and had a good chat. I have somebody from my headquarters plugged into his staff. I understand he's either downrange in Iraq now or headed down there. So it seems to me that there's a very close relationship here between the interested parties.

Chairman LEVIN. Secretary Gates told us that there will be no security commitment made to Iraq in those agreements. Is that your understanding?

Admiral FALLON. Yes, sir.

Admiral OLSON. Mr. Chairman, I know we're not allotted any time in this, but if I can ask for 1 minute to fully address the question you asked on Predators and ISR.

Chairman LEVIN. Absolutely.

Admiral OLSON.—because I'm uneasy that I left a sense that we're not being as aggressive as we can be and that we didn't put it in the President's budget, which we did. We are pressing ahead with the purchase——

Chairman LEVIN. I'm sorry. I'm confused. You said that the money which you had not asked for, that you in fact did ask for; is that what you're——

Admiral OLSON. No, sir. There is $300 million on top of what we asked for in the President's budget, and I think that's where the confusion factor was. We did include in the President's budget a significant amount of money for purchase and lease of total capability. I meant to say that we are beholden to the Services for recruiting and providing people, bandwidth, all of that. We've also become dependent to a large degree on the global war on terror supplemental for funding the day-to-day costs of operating our Predators, on top of what's included in the President's budget as well, to continue the pace of operations and in fact grow it, as we already have in our budget. It will require a sustainment of that level of effort.

But the $300 million specifically was after we submitted the President's budget we were asked specifically: If there was more available could you spend it? We did a further analysis and determined that there is some burden that we could take on from the services for an additional $300 million of MFP–11 money.

Thank you, sir.

Chairman LEVIN. So it's not that you relied on a supplemental for that $300 million?

Admiral OLSON. Sir, we have ISR funding in the supplemental, we have ISR funding in our President's budget. This would be in addition to the supplemental.

Chairman LEVIN. So there was no signal to you from the administration that you should not include that request to them?

Admiral OLSON. Sir, these are new items that was based on additional analysis after we submitted the supplemental.

Chairman LEVIN. So the answer is there was no signal then from the administration?

Admiral OLSON. That's correct, sir.

Chairman LEVIN. Again our thanks to both of you. It's been a long hearing, and we appreciate your work and your commitment to your missions; and to all the support that you get, we're grateful to them and to your families. We'll stand adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR DANIEL K. AKAKA

LEVELS OF VIOLENCE

1. Senator AKAKA. Admiral Fallon, I am pleased and encouraged about the falling levels of violence across Iraq, and the prospects of a better future for the Iraqi people. However, I am concerned about other factors that may be contributing to the reduced number of attacks other than what can be attributable to the U.S. surge in forces last year. To what degree do you figure that the nation-wide ceasefire order from Shiite cleric Muqtada Al-Sadr has played in reducing violence throughout the country, and especially around Baghdad?

Admiral FALLON. Muqtada Al-Sadr's 29 August 2007 "freeze" order, which he renewed for 6 months on 22 February 2008, has certainly contributed to reduced violence levels, particularly the intra-Shia violence in the southern provinces. However, it is important to note elements of the Jaysh al Mahdi, especially the Iranian-backed Special Groups, continue to conduct attacks against the coalition in violation of the "freeze" order. Sadr's "freeze" added to other factors—most notably the U.S. surge, the disruption of al Qaeda in Iraq, more effective Iraqi security forces, and the success of local Sunni security initiatives—to create a synergistic effect that has reduced violence levels in Baghdad and the surrounding areas. Thus, Sadr's "freeze" order has been one factor among many with contributed to lowering levels of violence.

TROOP LEVELS

2. Senator AKAKA. Admiral Fallon, assuming the number of attacks remains manageable enough, and that increasing numbers and capabilities of the Iraqi security forces will allow the United States to continue the withdrawal of military forces after the summer "pause", what prospects do you give for long-term stability between Sunni and Shia factions within Iraq at the reduced troop levels?

Admiral FALLON. We are optimistic, despite the uncertainty in Iraq, that the positive trends we have observed will continue in the next year and that the prospects for long-term stability between Sunni and Shia are excellent. The reduction in civil sectarian violence in Iraq during the past year has been significant, and has allowed Iraq's Sunni and Shia to focus on a shared adversary, foreign-inspired terrorist-extremists. The increasing, albeit slow progress on Iraq's political front demonstrates Sunni/Shia cooperation in a manner that fosters stability and non-violent resolution of political competition in Iraq. The growth of localized Sunni security institutions, particularly tribal security organizations, has encouraged Sunni cooperation and reconciliation with the Government of Iraq. By giving Sunnis a greater stake and greater control in the self-governance of their own communities, the Sunni security initiatives are creating greater long-term stability between Sunni and Shia factions in Iraq.

OPIUM PRODUCTION

3. Senator AKAKA. Admiral Fallon, recent reports before this committee have highlighted the importance of addressing the opium production problem in Afghanistan as a prerequisite to coalition success. What is being done to compensate Afghani farmers for giving up their poppy crop growing, both financially and in terms of protecting them and their families from retribution by the Taliban insurgent forces, for cooperating with coalition objectives?

Admiral FALLON. The State Department's Bureau for International Narcotics and Law Enforcement Affairs serves as the lead implementing agency on narcotics issues in Afghanistan. Their partner for Alternative Development in Afghanistan is the United States Agency for International Development.

The military role in this effort is clear; development activities can not occur where there is not sufficient security. The NATO led International Security Assistance Force has integrated counternarcotics into the broader security strategy and routinely incorporates development activities as follow-on to security operations.

The challenges of implementing the Alternative Development program are daunting. Economic growth in Afghanistan is hampered by massive infrastructure deficits, a shortage of skilled human capital, insecurity, corruption, weak legal and regulatory regimes, and poor access to seaports, among other factors. Despite the significant progress made, given Afghanistan's incredibly low starting point, years of work remain in order to build a modern and regionally competitive Afghan economy.

QUESTIONS SUBMITTED BY SENATOR BILL NELSON

IRAN

4. Senator BILL NELSON. Admiral Fallon, is the President of Iran's claim that, "Iran now rivaled the United States in terms of influence in Iraq" realistic?

Admiral FALLON. Instead of attempting to quantify President Ahmadinejad's claim, I think the focus should be Iraq is a sovereign nation. As such, they have the right to diplomatically engage with their neighbors; including Iran. The reality is that some Iraqi politicians have characterized President Ahmadinejad's recent visit to be a positive step in developing good relations with a neighboring Muslim state.

In the bigger picture, Iranian activity throughout the area of the Arabian Gulf is not helpful. Iranian support for terrorism and the export of sectarian violence beyond its borders is a destabilizing and troubling influence. Iran is emboldened in their recent behavior and actively seeks to play a more assertive role within Iraq, such as in their support for Shia extremists. As a direct result of the visit, Ambassador Crocker expressed hope that Iran would now deal in a more positive, constructive manner with Iraq's Government and people, and stop assisting groups that damage Iraq's stability and security. In addition, he also hopes Iran's visit would send a clear message to Iraq's Arab neighbors that they need to engage more with Iraq because they too have vested interests that may be in danger if they continue their current diplomatic inertia. The U.S. Mission in Iraq will continue pressing these key Arab neighbors to open embassies and send ambassadors to Baghdad.

EQUIPMENT NEEDS—AIRCRAFT FULL MOTION VIDEO CAMERAS

5. Senator BILL NELSON. Admiral Fallon and Admiral Olson, is there another Service organization besides Special Operations Command (SOCOM) that could acquire and maintain the aircraft you require to fulfill Central Command (CENTCOM)'s operational requirement for aircraft with full motion video cameras?

Admiral FALLON. All Service components and the Joint Improvised Explosive Device Defeat Organization are capable of, and are actively acquiring and fielding, manned and/or unmanned platforms for the purpose of intelligence collection using full motion video (FMV). As stated, in testimony by Admiral Olson, the immediate Intelligence, Surveillance, and Reconnaissance (ISR) shortfall, in regards to processing, exploitation, and dissemination (PED); is manning and intelligence exploitation. It is critical that ISR systems be developed and fielded with consideration to the entire system, end-to-end, to include theater bandwidth and communications architecture integration.

Admiral OLSON. The Services have large airborne ISR FMV programs that can provide the detailed information needed by Special Operations Forces (SOF). However, Service platforms were designed for different target sets. SOF unique target sets require far more persistence and a different degree of stand-off than that needed by the target sets the Service common ISR platforms were designed for. Additionally, Service common ISR FMV programs are currently insufficient to cover the service common demand in the CENTCOM, leaving very little to cover any other Geographic Combatant Command (GCC) theater demands.

Navy programs include P–3/EP–3 and Broad Area Maritime Surveillance (BAMS). The P–3 fleet is aging and replacement does not begin until 2012 for P–3 (P–8) and 2018 for EP–3. BAMS is still in the research and development (R&D) stage.

Army programs include the Extended Range Multi-Purpose (ERMP) Unmanned Aircraft System (Warrior) and Guardrail. The Guardrail is also aging. The Warrior is FMV capable but has a limited ability to disseminate its data and is not yet available in sufficient numbers.

Air Force programs include Predator, Global Hawk, U–2, RC–135, Senior Scout, Scathe View, and E–8 Joint Surveillance and Target Attack Radar System (JSTARS). Only the Predator and Scathe View are FMV capable; the current planned Predator and Scathe View inventory is insufficient. The Air Force is reportedly making plans to substantially increase the size of the Predator fleet. SOCOM encourages this development as it brings needed capability to the current Operation Iraqi Freedom/Operation Enduring Freedom (OIF/OEF) fight and to the post OIF/OEF environment.

Airborne FMV ISR must be thought of as a whole system (pilots, sensor operators, exploiters, architecture, etc.). Airborne FMV ISR sensors collect data; PED and then converts that data into intelligence. Service common PED is designed to convert collected data into intelligence to support conventional force needs. Operational experience has demonstrated that Service common PED does not meet SOF needs.

Based on lessons-learned, SOF has developed its own PED capability/capacity with SOF unique tactics, techniques, and procedures. Experience consistently shows that SOF ISR, or Service ISR supporting SOF combined with SOF unique PED, leads to dramatic increases in actionable intelligence. Conversely, experience shows that lack of SOF unique PED support makes ISR dramatically less effective. Current SOF unique PED capacity is insufficient.

Distributed Command Ground Systems (DCGS) is the current exploitation program for the Services; in addition, some of the Services heavily leverage combat support agency (CSA) exploitation capabilities. There are substantial differences between the DCGS programs. The Air Force DCGS combines manpower, systems, equipment, and facilities to provide a PED capability and capacity for ISR assets. The other Service DCGS programs are mostly equipment-centric. The current Under Secretary of Defense for Intelligence (USDI) led DCGS efforts are focusing on improving interoperability and data sharing among the DCGS programs. Discussions about improvements in interoperability have not been accompanied by discussions on growing PED capacity. Similarly, discussions on Service common ISR growth are not being matched by discussions on Service common PED growth. It is important to note that SOF unique PED does rely heavily on intelligence generated by Service common ISR and PED. Furthermore, SOF units in the field often receive time-sensitive direct support from conventional ISR and PED. SOCOM needs conventional force ISR and PED support to remain in place; they are a critical enabling capability for SOF. SOCOM encourages the Services and the combat support agencies to increase their Service common PED capacities and align them with the projected Service common ISR growth.

Due to its unique target set and insufficient Service common ISR and PED, SOCOM has grown and is growing its SOF unique ISR and PED capability and capacity to meet SOF needs. The global war on terror requires far more ISR and PED than was ever envisioned. Based on sheer volume alone, SOCOM will not be able to grow all the SOF unique ISR and PED necessary to meet the SOF demand. SOCOM will grow its fair share and make SOF-peculiar modifications to Service capabilities as required, but it continues to look to the Services and CSAs to expand their ISR and PED support for the global war on terror.

6. Senator BILL NELSON. Admiral Fallon and Admiral Olson, are you looking into this?

Admiral FALLON. CENTCOM through the Joint Force Management and Joint Urgent Operational Need (JUON) processes has consistently documented operational needs (including theater SOF requirements) for Aircraft (both manned and unmanned platforms) with FMV capability. Currently there are eight open JUONs that have FMV as a critical component. The acquisition of additional platforms with FMV capabilities along with requisite PED capabilities will greatly enhance the warfighter's ability to track and target enemy activities. The Joint Requirements Oversight Council (JROC) is currently investigating FMV solutions, as persistent ISR is CENTCOM's number two issue on the Integrated Priority Listing (IPL).

Admiral OLSON. The Services have large airborne ISR FMV programs that can provide the detailed information needed by SOF. However, Service platforms were designed for different target sets. SOF unique target sets require far more persistence and a different degree of stand-off than that needed by the target sets the Service common ISR platforms were designed for. Additionally, Service common ISR FMV programs are currently insufficient to cover the Service common demand in the CENTCOM, leaving very little to cover any other Geographic Combatant Command (GCC) theater demands.

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7. Senator BILL NELSON. Admiral Fallon and Admiral Olson, do you believe that Congress should fund this requirement on the supplemental?

Admiral FALLON. Yes. The acquisition of full motion video has been validated as an urgent need at various levels throughout the Department of Defense (DOD). Currently there are eight open Joint Urgent Operational Needs that involve full motion video capability. The acquisition of additional full motion video capabilities will greatly enhance the warfighter's ability to track enemy activities, resulting in successful operations while significantly reducing American and Coalition loss of life.

Admiral OLSON. The Services have large airborne ISR FMV programs that can provide the detailed information needed by SOF. However, Service platforms were designed for different target sets. SOF unique target sets require far more persistence and a different degree of stand-off than that needed by the target sets the Service common ISR platforms were designed for. Additionally, Service common ISR FMV programs are currently insufficient to cover the Service common demand in the CENTCOM, leaving very little to cover any other Geographic Combatant Command theater demands.

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PAKISTANI TRAINING MISSION

8. Senator BILL NELSON. Admiral Olson, do you have plans for SOCOM to provide trainers to the Pakistanis in order to better develop their capabilities for irregular warfare operations in the tribal regions?

Admiral OLSON. [Deleted.]

9. Senator BILL NELSON. Admiral Olson, are the Pakistanis willing to accept the level of help that is really needed to meet the challenges they face?

Admiral OLSON. [Deleted.]

10. Senator BILL NELSON. Admiral Olson, are the local recruits that Pakistan plans to use for this new mission likely to be reliable?

Admiral OLSON. [Deleted.]

ASSESSMENT OF INDIRECT MILITARY ACTIONS

11. Senator BILL NELSON. Admiral Olson, what is your assessment of our Government's performance in meeting the challenge of those indirect military actions required to defeat the terrorist threat throughout your area of responsibility?

Admiral OLSON. At this juncture, we have not yet sufficiently met the challenge of effectively and efficiently implementing the indirect military actions required to defeat the global terrorist threat.

This correlates with our analysis that highlights the need for an increased emphasis on the indirect approach at this time. Within this indirect approach, DOD should

increase endeavors to enable our Partner Nations (PNs) to help us further reshape the environment around our enemies to reduce their capacity and popular support. In addition, DOD needs to bolster its participation and contributions to the whole-of-government effort, specifically with regard to a reinvigorated strategic communication campaign.

From a strategic perspective, we need to prevent the emergence of new violent extremist threats, particularly those that pose strategic threats to the U.S. and our PNs. To date, we have demonstrated success in this endeavor. Yet, existing extremist groups continue gaining support and now seek to align themselves with better known "brand names," in an effort to increase their legitimacy among their current and likely constituency. The creation of al Qaeda in Iraq (AQI) and al Qaeda in Magreb (AQIM) are prime examples of this trend. Increasing our ability to support the development of capable governments in countries with at risk populations, and the development of a PN-focused network capable of delivering culturally effective messages that deter the emergence of new generations of extremist organizations, is vital to long term success in this venue.

Meanwhile we have had mixed results in isolating threats to the regional or local levels, as many VEOs remain as strategic threats. The outcome of the global effort to deprive terrorist organizations of the assets and resources needed to wage war over the long-term has been limited. Unfortunately, DOD support to United States Government and PN actions has neither denied a sufficient number of extremists their access to funds nor their freedom to acquire resources and to recruit adherents and operatives in the global market place.

On the other hand, DOD has been effective in defeating threats once they are isolated, particularly in Iraq and Afghanistan. VEOs, such as al Qaeda, have felt the effects of DOD action manifested in significant losses and in precipitating their retreat to sanctuaries as opposed to openly operating among the populace. Yet as fast as we eliminate or capture enemy leaders and fighters, sufficient numbers of recruits and support flow into these organizations. This reality demonstrates the limitation of the direct approach—eliminating enemy combat elements which can be replaced is not enough to achieve long term victory. We must employ additional indirect actions to nullify the extremist networks' strategic capability and capacity to generate and project power.

Likewise, we must prevent the reconstitution of VEOs, such as the Taliban in Afghanistan. Success depends on the establishment of a PN network that refuses to support extremist organizations or to permit their populations to support terrorism. Many nations continue to develop counterterrorism (CT) capabilities. DOD, however, has been limited in its progress to enable PN CT programs.

While DOD deems enabling PNs to combat VEOs as the decisive military effort in the ongoing struggle, a comprehensive and integrated strategic communication campaign is also critical to countering the appeal of the extremist ideology. DOD must continue working with the U.S. Government lead, the Department of State, to help develop and implement this program. Still, this effort is complicated by the likelihood that almost any publically revealed strategic communication effort linked to DOD will lack legitimacy in the eyes of many targeted populations. As such, DOD and the U.S. Government must also work with PNs to spread the anti-VEO message by amplifying moderate voices that speak out against terrorism.

Finally, to sufficiently meet the global challenge of implementing those indirect military actions required to defeat the terrorist threat, DOD will most likely need to realign resources. Operations designed to remove our enemies' freedom to act and move within vulnerable populations may require a more persistent application over several years. Due to the less tangible nature, the longer approach and the increased challenge of measuring success in these types of operations, patience will be required to reap success.

[Whereupon, at 12:30 p.m., the committee adjourned.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2009

WEDNESDAY, MARCH 5, 2008

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

POSTURE OF THE UNITED STATES AIR FORCE

The committee met, pursuant to notice, at 9:35 a.m. in room SH–216, Hart Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Lieberman, Akaka, Bill Nelson, E. Benjamin Nelson, Webb, McCaskill, Warner, Inhofe, Sessions, Chambliss, Graham, Dole, Thune, Martinez, and Wicker.

Committee staff members present: Richard D. DeBobes, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Jonathan D. Clark, counsel; Madelyn R. Creedon, counsel; Creighton Greene, professional staff member; Peter K. Levine, general counsel; Michael J. Noblet, professional staff member; and William K. Sutey, professional staff member.

Minority staff members present: Michael V. Kostiw, Republican staff director; Gregory T. Kiley, professional staff member; David M. Morriss, minority counsel; Lucian L. Niemeyer, professional staff member; Sean J. Stackley, professional staff member; Diana G. Tabler, professional staff member; and Richard F. Walsh, minority counsel.

Staff assistants present: Fletcher L. Cork, Kevin A. Cronin, and Brian F. Sebold.

Committee members' assistants present: Jay Maroney, assistant to Senator Kennedy; Frederick M. Downey, assistant to Senator Lieberman; Darcie Tokioka, assistant to Senator Akaka; Christopher Caple, assistant to Senator Bill Nelson; Andrew R. Vanlandingham, assistant to Senator Ben Nelson; Jon Davey, assistant to Senator Bayh; M. Bradford Foley, assistant to Senator Pryor; Gordon I. Peterson, assistant to Senator Webb; Stephen C. Hedger, assistant to Senator McCaskill; Sandra Luff, assistant to Senator Warner; Anthony J. Lazarski, assistant to Senator Inhofe; Todd Stiefler, assistant to Senator Sessions; Clyde A. Taylor IV, assistant to Senator Chambliss; Lindsey Neas, assistant to Senator Dole; Jason Van Beek, assistant to Senator Thune; Brian W.

Walsh, assistant to Senator Martinez; and Erskine W. Wells III, assistant to Senator Wicker.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody.

This morning, we welcome Secretary Wynne and General Moseley back to the committee. As we do on these occasions, let us ask both of you to extend, on behalf of the committee, our gratitude to the men and women of the Air Force, and their families, for the many sacrifices that they have made, and will continue to make on behalf of our Nation. Thanks to both of you for your careers of leadership and service.

A number of critical issues confront the Air Force. Although not at the same operating tempo as the Army and the Marine Corps, the Air Force faces the difficult challenge in balancing its modernization needs against the costs of supporting ongoing operations in Iraq and Afghanistan. We understand that you, General Moseley, have said that you require something like an additional $20 billion per year, beyond the budget request, to maintain and modernize the Air Force. We also know that each of the other Services are facing their own modernization and readiness challenges. So, we'd like to hear from both of you this morning about the risks that will, in your opinion, face future Secretaries and Chiefs of Staff if additional resources are not provided, but also whether you requested additional funds from the administration when discussing your budget with them.

We know that the Air Force is providing forces to the Central Command (CENTCOM) war efforts in a number of traditional roles, but it is also providing airmen in support of land-component tasks and the so-called in-lieu-of (ILO) missions. According to the witnesses' prepared statements, there are more than 6,200 airmen currently performing that mission in the theater now. I think we should hear from the witnesses about what systems are in place to cushion the impact of these ILOs being where they're at on the organizations who are giving up these airmen for those ILO deployments.

On the acquisition front, one of the challenges facing the Air Force is in space systems. All of the Air Force space satellite systems are in the process of modernization and replacement, and all have seen substantial cost growth and schedule delays. In many instances the initial cost and schedule predictions were unrealistic, and in others the technical risk was greater than thought or not well understood, and others suffered from poor management or execution. Some of these programs are showing improvement, but most are not out of the woods yet. As a result, space program costs have increased substantially overall.

Another challenge facing the Department is the potential closure of several production lines and what effects those closings might have on meeting warfighting requirements. The production program that has had the most prominent discussion of the past several years is that of the C–17. Two years ago, Congress added 10 C–17 aircraft to the fiscal year 2007 supplemental request. Then, last year, the Air Force budget for fiscal year 2008 did not include any funding to keep the C–17 production line open. Congress au-

thorized procurement of eight additional C–17s in fiscal year 2008, but no funds have yet been appropriated for those aircraft.

General Moseley has been quoted as saying that he would like to retire C–5A aircraft and buy more C–17 aircraft. In fact, you've requested 15 more C–17s on your unfunded priority list, at a cost of approximately $3.9 billion.

At one point, the Air Force had been discussing a so-called 30–30 option, wherein 30 C–5As would be replaced by 30 new C–17s. The analysis supporting the Reliability Enhancement and Re-engining Program (RERP) certification of the Under Secretary of Defense reviewed that very option, but rejected it because it would not meet requirements.

So we should hear from you this morning, General Moseley, about whether your unfunded priority list for buying more C–17s is part of a plan to retire C–5As or whether they would be added to the airlift force, and whether you made your case for the C–17s to the Department of Defense (DOD) for inclusion in the fiscal year 2009 budget request.

On the C–5 modernization program, the Air Force's RERP has recently been granted a waiver under the Nunn-McCurdy process. It was invoked when that effort ran into cost problems. The program has now been scaled back to a total program of performing that re-engining on the 49 C–5Bs and 2 C–5C aircraft in the fleet, and dropping the C–5A aircraft from the program. Does dropping the C–5As from that program result in having insufficient strategic airlift capability?

So, in summary, we need to hear about the Air Force's plans for airlift modernization and sustainment.

Another program facing production shutdown is the F–22. The fiscal year 2009 budget for F–22 includes neither funds for advanced procurement of additional aircraft in 2010, nor money to pay for line shutdown charges. We think the Air Force's view is clear on this. General Moseley's unfunded priority list for fiscal year 2009 includes almost $500 million for advanced procurement for 24 aircraft that would be produced in a later fiscal year. However, others within the DOD hold the view that the currently approved program of 183 F–22 aircraft is enough to meet the needs of the warfighters. So, the committee needs to hear more about those differing views this morning.

On the tanker issue, the Air Force has not provided, yet, any details describing the basis under which the winner of the competition was selected. We appreciate that the Air Force leadership took special measures to ensure transparency with Congress in the tanker acquisition process leading up to the selection of the winning contractor team. I believe that the Air Force is following appropriate procedures in waiting to provide details of the decision to Congress until the Air Force has briefed the participating contractors, and we would welcome any comments or clarification, as appropriate, this morning.

Underlying all of these major acquisition concerns is an acquisition management issue. Secretary Wynne, when you came into this job, you recognized that you would have to take significant steps to build up the acquisition workforce and to restore confidence in the Air Force acquisition system after the abuses and poor deci-

sions, that were previously documented, on the tanker lease program. We talked last year about that effort. But, again this year, we'd like to hear from you of any progress on that front.

In the operational arena, the Air Force has been challenged to review the procedures under which it manages and protects access to nuclear weapons. We all know about the incident of the B–52 carrying nuclear weapons from Minot Air Force Base (AFB) to Barksdale AFB, when standard nuclear weapons handling procedures were violated. It would be useful to hear what the Air Force has done, both in making corrective actions and in holding accountable those responsible for the failures involved in that incident.

So, we look forward to hearing your testimony this morning on these and other issues that face the Air Force. Again, we're grateful for your service and for your presence here this morning.

Senator Warner.

STATEMENT OF SENATOR JOHN WARNER

Senator WARNER. Thank you, Mr. Chairman.

Mr. Chairman, it's interesting, the Air Force celebrated its 60th birthday in September, and I judge that you and I have sat here for 30 years, half the life of the Air Force, working on these budgets. [Laughter.]

Chairman LEVIN. Well, we don't look that old. The Air Force sure looks that old, but we don't look that old. [Laughter.]

Senator WARNER. This budget poses a challenge. The chairman pointed that out. But, I certainly want to recognize the tremendous contribution that the men and women in uniform, and your large civilian component, are performing on behalf of this Nation all over the world. You should take great pride in it.

I checked, the other day. You've been in the CENTCOM area for 17 years taking an active role from the first Gulf war to enforcement of Iraq no-fly zones all during that interregnum period with the Navy, and now Operations Enduring Freedom and Iraqi Freedom. Those deployments, in addition to operations in Bosnia, Kosovo, and elsewhere throughout the world in support of humanitarian efforts, have made the maximum use of the Air Force air expeditionary concept. I don't think there's a Senator around this table that hasn't ridden in the aircraft operated by the Air Force, particularly the old C–130s, the Air Guard, a magnificent part of your organization. All of us remember the flights, every hour on the hour, into Bosnia and Sarajevo, back in that stressful period of time. In our visits to Iraq and Afghanistan, it's usually the old workhorse, the C–130, that takes us around.

It's interesting, this morning I was reading, with great interest, the acceleration of China's budget. I stopped to think; the role of the Air Force in balancing the interests of the United States in China and that region is really critical.

You have a few problems in here, and the chairman touched on them, but I'd like to add a few of my own views.

We're back again with the Joint Strike Fighter (JSF) Program, and we simply have the funding for the single engine. This committee has taken the lead, I think I have been in the forefront of that, to provide for the competition and the reliability, which history points out is essential to a program of this magnitude, and

particularly where we have, now, a number of foreign partners in it, and that could even grow.

Consequently, I think we have an obligation to this contract and the foreign participation to make sure we have that two-engine. I don't think there's any contract that I can think of in the history that I've been affiliated with the Pentagon, which is quite a few years, with that large a participation by other nations in buying in and sharing in that program.

So, that's a challenge that the committee will have, and I feel pretty confident the committee can work that out, as it has in years past.

Now, the chairman very carefully pointed out about the conflicting messages with your C–17s and the C–5s and he went all through the C–17 production line. I've been on this committee with all of us working it out. But, the plain fact of the matter is, the C–17 is one of the finest aircraft that we've ever produced, and we have to continue, somehow, to make this aircraft available.

Similarly, with the F–22, this conflict between "it's not in the budget, but there's no shutdown," leaves us up just to work with you to figure out how we're going to go through that.

I'm going to read this carefully: "Continuing on the theme of the budget being incomplete, the Air Force has submitted an unfunded priorities list of items that did not make it into the final budget request, that totals $18.7 million." Despite the fact the Air Force budget has grown by nearly 35 percent in constant dollars since 2001, the Air Force's unfunded list this year is 4 times the size of the Navy list, 5 times as large as the Army, and 10 times the Marine Corps.

I guess if you don't ask, you don't get, but we're going to have to work our way through that in an equitable manner as it relates to the other components, that is, the Army, the Navy, and the Marine Corps.

So, we will carefully follow your testimony today. The chairman mentioned our concern about the nuclear weapons handling incident.

As we increase the end strength of the Army and the Marine Corps, how do you intend to adjust your end strength?

The new cyber command is of great interest to me, and, I'm sure, others.

The interesting thing that you told me, Mr. Secretary, is about the use of alternative fuels to help alleviate the energy crisis. I hope you have an opportunity to discuss that.

So, we're looking at this budget like the old song, "We're coming in on a wing and a prayer," and it's going to take a lot of praying to work these things out for your folks.

I also want to add my thoughts about this tanker contract. If you'll recall, there's a reprogramming action that worked its way through Congress, and the two committees in the House approved it. The Appropriations Committee in the Senate approved it, and then myself and others, I was chairman at that time on this committee, we felt that that contract wasn't correct. The rest is history. We've lost a lot of time. I join the chairman in saying that we will work in reviewing with you how you performed the steps under the law to reach your conclusion, but I want you to know, I feel very

strongly that Congress should not get into the business of trying to rewrite a contract, particularly one of this magnitude and complexity, as it might suit other members. So, I intend to support the contract; nevertheless, we'll look at it carefully. But, I'm confident, once we've finished that exam, we can go forward with this contract.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Warner.

Secretary Wynne.

STATEMENT OF HON. MICHAEL W. WYNNE, SECRETARY OF THE AIR FORCE

Secretary WYNNE. Thank you very much, Mr. Chairman and members of this committee. Thank you for the opportunity to testify on behalf of America's Air Force.

Thank you, as well, for your support on our improved readiness, via retirement and recapitalization. We're working hard to see this through. Today, we urge you to quickly pass the pending supplemental, as it will help.

Across the total force of Active, Guard, Reserve, and civilian, we are America's strategic shield in air, space, and cyberspace. We are contributing to today's fight with increasing ordnance drops, and we stand watch at the missile fields; we stand ready in the nuclear field; and we are an effective air superiority and strike force to both deter and dissuade any opponent who may consider our forces to be stretched in the global war on terror.

We're gratified to hear that role reaffirmed by the Chairman of the Joint Chiefs of Staff in a deliberate message to those who might seek to dissuade or deter us from our own options in the future. This is why we seek to move forward, and not backward, into fifth-generation fighters, into new expeditionary tankers, and into new long-range strike assets. I can report to you that we did complete the award for the new KC–45 air refueling tanker. This tanker decision is a major step in the Air Force's critical recapitalization and modernization effort. It is why we seek to modernize space assets, as the executive agent for space, and not see further fragmentation of the management of this now vulnerable area. It is why we have established the cyberspace command and see this as a warfighting domain in which we need to dominate to remain a net-centric force for the future.

Clearly, beyond the global war on terror, we must not lose America's asymmetric advantage in strategic forces. Your Air Force has been in the fight for 17 years, as you acknowledge, and yet has, over the same 17 years, seen underfunded modernization. We thank you for initiatives to restore fleet management to the United States Air Force, a responsibility we don't take lightly. When General Moseley and I came to our posts, we set about a strategy to restructure our Air Force, to truly develop a lean and efficient Air Force in order to husband the resources for investment. We worry about the industrial base and the need to look after any open line. I am pleased to report to you that the Department and the Air Force have indicated a desire to essentially not close the F–22 line, and to develop a long-range threat asset. It is to these that we would like to apply the saved resources over the near term while

the F–35 proves itself through rigorous tests and is effectively capped on production. We ask that you agree with an approach for the F–22 aircraft, while we work to restore our readiness with younger aircraft.

The F–35 and the F–22 are complementary. The F–22 is bigger, faster, planned to fly higher, and can carry more air-to-air weapons internally. Also, with less than 20 penetrating bombers in our current fleet, it is time to develop an alternative, as well. We have talked about being underfunded, but, here, have worked to offer a balanced budget, prioritized to best defend America, and we will continue to do that over the Future Years Defense Program.

The Air Force research laboratories are well engaged in technology development, expanding the opportunities for energy alternatives, while reducing our demand in our fleet and at our bases, also on unmanned flight, in propulsion, in material science, as well as in human effectiveness.

As regards space, at Kirtland AFB, a branch of the Air Force research laboratory is creating inherently defensive space assets. In cyberspace, career development, including the Air Force Institute of Technology, and also warfighting schools are keys. Combat commanders and agencies partner with us in this increasingly contested domain.

I have worked in space for almost two decades, and have worked in commercial and classified space as a supplier and a customer. We need consolidated leadership to maintain our current strategic advantage. Congress asked for a relook at responses to the Space Commission, and we should really consider what's in the report. The Air Force is undergoing back-to-basics, as well as back-to-blue, complementary efforts to restore a steady demand and a knowledge base to execute on that demand. I recommend we keep the executive agency exactly where it is, which is in the Air Force shop.

I have engaged airmen in both theaters of operation, and they have asked about the continuation of our presence and the continuation of the ground-force tasking, referred to as ILO tasking. My answer is, they performed so well that our Army colleagues don't want to give them up. They do perform well, many winning Bronze and Silver Stars. Your Air Force is currently protecting the sovereignty of these fledgling nations, and, until their air forces can do that, I would not be surprised to see our Air Force requested to remain. This is why we are reexamining our force structure, though we have prioritized, right now, recapitalization in the President's budget.

I again thank you for the privilege of leading the best Air Force in the world. Every day, our airmen earn the respect of our friends and enemies. We worry about their quality of life as we seek efficiencies and as we implement joint basing, but we never worry about the sense of mission they bring to the task.

I will not have the privilege to represent them in this setting for the force posture again, and I hope I have reflected their pride in service, as I have felt, myself.

I'm ready to take your questions.

[The joint prepared statement of Secretary Wynne and General Moseley follows:]

JOINT PREPARED STATEMENT BY HON. MICHAEL W. WYNNE AND GEN. T. MICHAEL MOSELEY, USAF

1.0 EXECUTIVE SUMMARY

The United States Air Force provides the Nation with a powerful deterrent force in times of peace, and it sets the conditions for joint and coalition victory in times of war. For over 17 years, since Operation Desert Shield, the United States Air Force has been engaged in continuous combat operations. Our airmen have maintained constant watch, deployed continuously, engaged America's adversaries directly, responded to human crises around the world, and provided the Global Vigilance, Global Reach, and Global Power to secure our Nation.

Global Vigilance

The ability to gain and maintain awareness—to keep an unblinking eye on any entity—anywhere in the world; to provide warning and to determine intent, opportunity, capability, or vulnerability; then to fuse this information with data received from other Services or agencies and use and share relevant information with the Joint Force Commander.

Global Reach

The ability to project military capability responsively—with unrivaled velocity and precision—to any point on or above the earth, and provide mobility to rapidly supply, position, or reposition Joint Forces.

Global Power

The ability to hold at risk or strike any target anywhere in the world, assert national sovereignty, safeguard joint freedom of action, and achieve swift, decisive, precise effects.

Global Vigilance, Global Reach, and Global Power constitute America's edge—America's asymmetric advantage that shapes the global security environment. Global Vigilance, Global Reach, and Global Power are vital to our National Security Strategy, as conveyed through the decision superiority they allow, the military options they provide, and the influence they command. However, in a world of increasing uncertainty, volatility, and accelerating technology, America's edge will become a fleeting advantage if we fail to maintain and hone it.

The United States Air Force executes its missions globally. Its warfighting domains cover the entire planet, offering a unique perspective. Every day, America's airmen demonstrate a non-negotiable commitment to offer and deliver sovereign options for the United States in, through and from air, space, and cyberspace.

Our Air Force strategic imperatives articulate why these sovereign options are necessary to maintain and strengthen our National security and global stability. The Air Force is redefining air, space, and cyber power through cross-domain dominance—our effort to integrate all of our capabilities to exploit the natural synergies across these warfighting domains.

This statement articulates the major elements of our Air Force Posture—our strategy for fulfilling our role in defending the Nation and its interests; our contributions to winning the global war on terrorism; our most critical efforts and concerns; and our top priority programs. We will continue to pursue specific programs and initiatives to safeguard and strengthen America's military advantages and to address major concerns and risks.

Three overarching Service priorities serve as the organizing principles for all of our efforts: Winning Today's Fight; Taking Care of Our People; and Preparing for Tomorrow's Challenges. The Air Force's top acquisition priorities specifically begin to address our critical recapitalization and modernization needs—the new Tanker (KC–X); the new Combat Search and Rescue Helicopter (CSAR–X); modern space systems to provide capabilities vital to our joint warfighters; the F–35A Lightning II; and a new Bomber we intend to field by 2018.

We will continue our efforts to modernize and protect America's vital air, space, and cyberspace capabilities. We strongly recommend extending the existing C–130J production line. We are also concerned with preserving America's aerospace industrial base. Additionally, we seek relief from restrictions on the retirement of aging, worn-out aircraft which are increasingly unsafe, unreliable, and obsolete. The Air Force is highly engaged in national efforts to assure sustainable energy, and we will continue to push the performance envelope on fuel efficiency and renewable energy technologies. We are committed to the Joint Basing initiative and want to work through the transfer of total obligation authority and real property control without impacting command authorities, reducing installation service support, or negatively affecting quality of life. Finally, we will continue our practice of recruiting and re-

taining the world's highest quality airmen. We will build upon our successes in achieving Total Force Integration (TFI) of our regular, Guard, Reserve, and civilian airmen.

America looks to its airmen to provide dominance that spans the air, space, and cyberspace warfighting domains. They need your support today to defend the Homeland and to prepare for tomorrow's threats and challenges. Full funding and support for America's airmen will ensure America's continued freedom of action; reassure our allies; strengthen our partnerships; reinforce our sovereign Homeland defenses; dissuade and deter adversaries; and set conditions for joint and coalition success across the entire spectrum of conflict and crisis.

We guard the Nation—providing the Global Vigilance, Global Reach, and Global Power that underwrite the security and sovereignty of our Nation.

2.0 STRATEGIC IMPERATIVE

The mission of the United States Air Force is to deliver sovereign options for the defense of the United States of America and its global interests—to fly and fight in air, space, and cyberspace.

Today the United States stands at a strategic crossroads. This junction is characterized by a global economy accompanied by a diffusion of technology, new and increasingly complex economic and international relationships, competition for resources and influence, and the changing conduct of warfare. From the early days of the 20th century, the United States has played a leading role in preserving and protecting international stability, particularly as the number of democratic nations grew. This leadership led in large part to the current world order and provided the backdrop against which countries like Japan, India, and China initiated their unprecedented economic growth. We cannot abdicate our position of political and military leadership without grave consequences.

2.1 Challenges

Today's confluence of global trends already foreshadows significant challenges to our organization, systems, concepts, and doctrine. We are at an historic turning point demanding an equally comprehensive redefinition of American air power. The future strategic environment will be shaped by the interaction of globalization, economic disparities, and competition for resources; diffusion of technology and information networks whose very nature allows unprecedented ability to harm and, potentially, paralyze advanced nations; and systemic upheavals impacting state and non-state actors and, thereby, international institutions and the world order. The following are salient features of this increasingly complex, dynamic, lethal, and uncertain environment:

- Violent extremism and ethnic strife—a global, generational, ideological struggle
- Proliferation of weapons of mass destruction and empowering technologies
- Predatory and unpredictable regional actors
- Increasing lethality and risk of intrusion by terrorist and criminal organizations
- Systemic instability in key regions (political, economic, social, ideological)
- Unprecedented velocity of technological change and military adaptation
- Availability of advanced weapons in a burgeoning global marketplace
- Exponential growth in volume, exchange, and access to information
- Surging globalization, interconnectivity, and competition for scarce resources
- Dislocating climate, environmental, and demographic trends

The consequences of not being adequately prepared for a conflict should a military peer arise would be severe and potentially catastrophic. We must maintain our focus on deterring potential peer adversaries from using military threats to narrow our diplomatic options, or from embarking on militarily risky courses of action. The rapid development and proliferation of high-technology weapons, combined with innovative operational concepts, is likely to make these global and regional engagements particularly challenging, since power balances will be dynamic and the risks of miscalculation and misperception high. Therefore, maintaining deterrence will require a sophisticated, competitive strategy that assures we maintain required military capabilities for today and make sustainable, affordable investments for tomorrow.

Even if we continue to successfully dissuade and deter major competitors, their advanced equipment is proliferating worldwide. We are bound to confront these weapons systems wherever America engages to promote and defend its interests. We

must also vigilantly monitor adversary breakthroughs and maintain leading edge research and capabilities in fields such as cybernetics, nanotechnology, biotechnology, electromagnetism, robotics, energy conversion technology, and advanced propulsion. We cannot assume the next military revolution will originate in the West. Indeed, the hub of innovation in science and engineering education has shifted eastward. Therefore, we must anticipate innovative combinations of traditional and new concepts, doctrines, weapons systems, and disruptive technologies.

> Given this spectrum of threats, the United States must field an Air Force capable of assuring our allies, dissuading and deterring potential adversaries, and, if necessary, defeating those who choose to become our enemies.

2.2 The Role of the U.S. Military

It is always better to deter hostile intent or win without having to fight. Today, the U.S. military does this by shaping the international environment with the potent tools of assurance, dissuasion, and deterrence. The principal role of the U.S. military is to defend our Nation and our National interests. Rooted in overwhelming capabilities and plainly linked to the National will, two powerful tools we exercise in this role are our assurance to allies that they need not bow to violent threats and our deterrence of potential adversaries. Our armed services accomplish this role by providing a solid foundation of military strength to complement the tools of peaceful diplomacy. None of these tools alone can sustain our position of international political and economic influence. However, we must be prepared to provide our leaders with critical elements of U.S. military power to use in proper combination and in an integrated manner to address potential threats to our Nation and our interests.

2.3 Sovereign Options

In response to current and emerging threats, the Air Force has implemented a strategy based on providing policy makers with sovereign options for our defense, covering the spectrum of choices that air, space, and cyberspace capabilities offer for solving problems. We use this strategy for sovereign options to guide how we organize, train, and equip our forces. In peacetime, these options include such expedients as: supporting the containment of aggressive states or usurping elements of their sovereignty as a means short of war to compel positive behavior; signaling opponents of our commitment by moving forces into contested regions; and providing humanitarian aid—to both our allies and potentially hostile populations—to assure them of friendly U.S. intentions. In war, Air Force capabilities provide decision-makers with a range of options, from supporting Joint and Coalition actions in conjunction with allied land and sea forces to direct strikes against enemy centers of gravity to accomplish strategic and tactical objectives. These options provide the country with credible and scalable counters to the full range of potential enemy actions and support our goals of assurance, dissuasion, and deterrence. These sovereign options are enabled by the asymmetric advantage the U.S. possesses in air and space technology and the way our preeminence in air, space, and cyberspace increases the power of all U.S. and coalition forces.

Through aggressive development of technology and operational concepts, the U.S. enjoys leadership in space, and in recent decades has achieved the ability to gain air supremacy against enemy air forces and air defense systems. The history of warfare, however, shows such advantages to be fleeting and fragile. Air and space preeminence is the key to the ability to accurately strike targets within enemy states or enable friendly ground or maritime forces to rapidly dominate their respective domains. While U.S. air and space preeminence has transformed the way the U.S. fights, allowing joint and coalition forces unprecedented freedom of action in all domains, the Nation cannot rest on its laurels. Future preeminence is not guaranteed; instead, it must be planned, paid for, developed, and fielded.

More than the ability to win wars, sovereign options increase the Nation's strategic flexibility in determining when, how, and where to engage an enemy. War is not a matter of convenience. When war is thrust upon us, we must have the strategic depth to shape the conditions of conflict. From 1991 to 2003, the use of no-fly zones allowed the U.S. to contain the aggressive actions of Saddam Hussein. When his aggressive acts drew us into open conflict, the determined use of air power as part of a joint force crushed Iraq's conventional armies. A similar fate met the forces of al Qaeda in Afghanistan. When the Taliban were removed from power in 2001 by a combination of air power working with Special Forces and indigenous Northern Alliance troops, we disrupted Osama bin Laden's plan to operate his global terrorist network from the relative sanctuary of the Afghan frontier. In the insurgencies that followed these operations, air, space, and cyberspace power contin-

ued to prevent insurgents from massing into guerrilla armies, thus diminishing their power and providing friendly forces time and territory to establish stability.

The Air Force's ability to be simultaneously dominant in air, space, and cyberspace, has formed the foundation from which we provide sovereign options to policy makers. Our ability to operate across these domains and defeat our adversaries in each allows the Air Force the ability to multiply the power of Joint and Coalition forces or to act alone to achieve national objectives. Our Air Force combines capabilities in the domains of air, space, and cyberspace to deliver Global Vigilance, Global Reach, and Global Power to the Joint force.

2.4 Cross-Domain Dominance

No future war will be won without air, space, and cyberspace superiority. Accordingly, the Air Force must be better postured to contend with both today's and tomorrow's challenges. To promote and defend America's interests through Global Vigilance, Global Reach, and Global Power, the Air Force must attain cross-domain dominance.

Airmen appreciate the interdependence of the air, space, and cyberspace domains—actions in one domain can lead to decisive effects in any and all domains. Cross-domain dominance is the ability to maintain freedom of action in and through the air, space, and cyberspace despite adversary actions. It permits rapid and simultaneous application of lethal and non-lethal capabilities in these three domains to attain strategic, operational, and tactical objectives in all warfighting domains: land, sea, air, space, and cyberspace.

Through cross-domain dominance, the Air Force contributes to joint freedom of maneuver in all warfighting domains. This, in turn, allows the Joint Force Commander to achieve desired outcomes across the full range of military operations, from humanitarian relief to preventing war via dissuasion and deterrence to inflicting strategic paralysis on implacable opponents. Without the Air Force's ability to present this spectrum of capabilities to the Joint Team in peace, crisis, and war, U.S. national security would be at risk.

2.5 Implementing the Strategy

The Air Force currently provides joint and coalition forces with an air bridge to the rest of the world and dominance on the battlefield. This hard-won capability to dominate air and space will only persist in coming decades if carefully nurtured.

The technology race continues. Today, opponents are studying our operations in Iraq and Afghanistan and are rapidly developing counters to aging U.S. air and space superiority technology. These adaptive competitors are translating lessons from recent conflicts into new warfighting concepts, capabilities, and doctrines specifically designed to counter U.S. strengths and exploit vulnerabilities. They are advancing in all domains. For example:

- "Generation 4-plus" fighter aircraft that challenge America's existing "4th Generation" inventory—and, thus, air superiority—with overwhelming numbers and advanced weaponry; sophisticated integration of electronic attack and advanced avionics; emerging low-observable technologies; and progressive, realistic, networked training.
- Increasingly lethal integrated air defense systems that threaten both our airmen and aircraft, and could negate weapons used to suppress or destroy these systems.
- Proliferation of surface-to-surface missiles with growing range, precision, mobility, and maneuverability that are capable of delivering both conventional and non-conventional warheads.
- Proliferation of unmanned aerial systems (UAS) capable of conducting low observable, persistent, intrusive missions in both lethal and non-lethal modes.
- Resurgence of offensive counterspace capabilities, including anti-satellite weapons, jamming, and blinding.
- Increasing ability of even marginal actors to surveil the disposition of U.S. and allied assets through widely-accessible, commercially-available means.

In the coming years our advantage will significantly diminish if we do not keep pace by fielding new 5th Generation fighters, modern bombers, and modern satellites in sufficient numbers to counter the development of advanced anti-air and anti-space technologies and the inevitable export of those capabilities to potentially hostile states and non-state actors. We must provide our airmen with the most exceptional tools for battle in order to sustain a durable and credible deterrent against our adversaries.

Equally worrisome is the rapidly shrinking aerospace industrial base. Historically, America's strength and ability to capitalize on advances in air and space technologies hinged largely on its vibrant and diverse aerospace industry. This advantage has deteriorated over the last decade.

Beyond advantages in technology and operational concepts, America's commitments abroad require an expeditionary Air Force that can engage forward in peacetime and fight forward in wartime. While long-range bombers and missiles are the ultimate guarantor of U.S. security and power, expeditionary presence reflects U.S. power and is the indispensable source of local and regional assurance, dissuasion, deterrence, and, ultimately, sovereign options. Engaging forward in times of peace and fighting forward in times of war are hallmarks of U.S. national security strategy. Therefore, the Air Force must have sufficient resources and capability to continue to maintain a sustainable, rotational base. We must retain sufficient manpower and force structure to project influence.

The mechanism to accomplish this is the Air and Space Expeditionary Force (AEF) that provides Joint Force Commanders with a trained and ready air, space, and cyberspace force to execute their plans. U.S. influence flows from permanent and expeditionary basing and serves to assure allies of U.S. commitment while deterring our adversaries from threatening U.S. national interests. The Air Force works with combatant commanders and partner air forces to secure basing and counter potential anti-access strategies. We continue to develop new ways of projecting power without exposing vulnerabilities, and we design systems that facilitate reach-back, thus maximizing forward capability while minimizing forward footprint.

The Air Force can provide Global Vigilance, Global Reach, and Global Power only so long as it possesses robust capabilities in such areas as air dominance; global strike; space superiority; intelligence, surveillance, and reconnaissance (ISR); missile defense; special operations; air mobility, and cyberspace superiority. Today, electronic communications constitute and connect all joint and coalition capabilities. In an information age, this network allows us to find our opponents, process the information, route it to where it is needed, and guide our munitions to their targets. Cyberspace vastly increases our capabilities but also presents a potential vulnerability our adversaries could exploit. Our enemies also increasingly use and depend on cyberspace systems. Safeguarding our own capabilities while engaging and disrupting the use and purpose of our opponents' capabilities is thus increasingly critical to modern warfare.

If the Air Force is to fulfill its crucial role, we must develop and maintain technological leads in the areas of air-superiority, anti-access penetration, and long-range reconnaissance and strike capabilities to hold at risk targets around the world. We must also field sufficient strike and full-spectrum mobility assets to assure dominance for the Joint Team. We must continue treating space as an operational domain by creating architectures and systems that allow us to provide the appropriate situational awareness and communications capability, giving strategic and tactical advantage to leadership at all levels. We must design and develop a force structure to operate in cyberspace to our benefit while holding adversaries at risk. While doing so, we will continue our series of cross-Service initiatives to enhance interoperability and avoid unnecessary duplication of acquisition, manning, and operations.

3.0 WIN TODAY'S FIGHT

We remain committed, first and foremost, to fighting and winning the long global war on terror, sustaining our current operations, and providing strategic defense of our Nation. We also continue to adapt our ability to deter adversary activities, detect enemy locations, and defeat them through direct or indirect actions when required—anywhere and at any time.

America's airmen are key to joint success and have proven their capabilities applicable and adaptable across the entire spectrum of conflict. They are the most battle-tested force in our history. Today's global war on terror missions are only the latest in a succession of over 17 years of continuous combat and expeditionary operations, beginning with our initial Operation Desert Shield deployments in August 1990; continuing with years of persistent conflict in Southwest Asia, Somalia, the Balkans, and Haiti; and through ongoing operations in Iraq, Afghanistan, and around the world. The past 17 years have clearly demonstrated success at any point along the spectrum of conflict requires air, space, and cyberspace superiority.

3.1 Maintain Global Vigilance, Global Reach, and Global Power for America

We are the Nation's premier multi-dimensional maneuver force, with the agility, reach, speed, stealth, payload, firepower, precision, and persistence to achieve global

effects. Dominance of air, space, and cyberspace provides the essential bedrock for effective Joint operations.

Today's Air Force provides the Joint Force Commander a range of capabilities that set conditions for success. Our airmen currently fly an average of over 300 sorties daily as part of Operations Iraqi Freedom and Enduring Freedom (OIF/OEF). These sorties include Intertheater and Intratheater Airlift; Aeromedical Evacuation (AE); Aerial Refueling; Command and Control (C2); ISR; Close Air Support; and preplanned strike.

Our airmen operate on a global scale every day; Air Force engagement in the Central Command (CENTCOM) area of responsibility (AOR) is only the "tip of the iceberg." The complete picture of Air Force engagement includes airmen deployed to contingencies outside of the Continental United States (OCONUS), forward deployed in Europe and the Pacific, and employed from their home stations as they execute global missions.

Furthermore, the Air Force is the only Service flying Operation Noble Eagle (ONE) missions, which have been continuous since September 2001. America's airmen fly fighters, tankers, and Airborne Warning and Control aircraft during daily Air Sovereignty Alert operations. America's airmen also command and control these aircraft, maintaining vigilance and protection of America's air corridors and maritime approaches in defense of our Homeland.

Since 2001, the Active Duty Air Force has reduced its end strength by almost 6 percent, but our deployments have increased over 30 percent—primarily in support of global war on terror. Approximately 26,000 airmen are deployed to over 100 locations around the world to fight in the global war on terror at any given moment—fighting our enemies in their own backyard so they cannot come to ours. In addition, approximately 208,000 airmen—178,000 regular Air Force airmen plus 30,000 Guard and Reserve airmen—fulfill additional combatant commander (CCDR) requirements, missions, and tasks 24 hours a day, 7 days a week. In other words, approximately 41 percent of our Total Force airmen—including 54 percent of the regular force—are globally contributing to winning today's fight and are directly fulfilling CCDR requirements everyday.

Whether controlling satellites, flying unmanned aerial vehicles (UAVs), standing strategic missile alert, or analyzing intelligence information, airmen directly engage America's adversaries and affect events worldwide every day.

3.1.1 Intelligence, Surveillance, and Reconnaissance

ISR is the foundation of Global Vigilance, Global Reach, and Global Power. It cuts across all domains and affects almost every mission area. Today, ISR efforts make up the majority of the operations required to achieve our security objectives. These operations range from finding the enemy, to deconstructing its network and intentions, to making it possible to deliver weapons or other effects on target, to subsequently assessing the results of those efforts.

ISR is the linchpin of our Effects-Based Approach to Operations (EBAO). It is impossible to accurately predict the effect of operations on an enemy system without good intelligence; nor can one assess the outcome of delivered effects without detailed surveillance and reconnaissance. Intelligence requirements for an EBAO and effects-based assessment (EBA) are much more demanding than the old attrition-based model. The increased intelligence detail necessary for EBAO/EBA makes focused reconnaissance and persistent surveillance operations ever-more crucial.

The Air Force has demonstrated its commitment to the importance of ISR by establishing a 3-star Deputy Chief of Staff for ISR, the Air Force ISR Agency, and formed a global organization for the processing of ISR data from a variety of sources. These initiatives demonstrate the Air Force has shifted the way it manages ISR capabilities from a Cold-War platform perspective to a 21st century holistic capability-based approach.

3.1.2 Strike

In addition to our ONE missions over the Homeland, America's airmen fly daily OIF and OEF missions, keeping a watchful eye on America's adversaries and providing lethal combat capabilities that take the fight to our enemies. In 2007, America's airmen conducted nearly 1,600 strikes in Iraq and Afghanistan. In Iraq alone, Air Force strikes increased by 171 percent over the previous year, while in Afghanistan strikes increased by 22 percent. These increases clearly demonstrate the applicability, flexibility, and prevalence of Air Force combat options in ongoing OIF and OEF counterinsurgency operations.

Engaging directly is only a small portion of what the Air Force provides. To meet current and future challenges, we must maintain a credible deterrent that convinces potential adversaries of our unwavering commitment to defend our Nation, its allies

and friends. One prominent example is our ICBM force—the U.S. nuclear arsenal continues to serve as the ultimate backstop of our security, dissuading opponents and reassuring allies through extended deterrence. Besides continuing the recapitalization of our fighter force, we must also modernize our bomber and ICBM forces.

3.1.3 Space

Space superiority, like air superiority, has become a fundamental predicate to joint warfighting. Indeed, America's space superiority has completely transformed the way America fights. America's airmen currently operate 67 satellites and provide command and control infrastructure for over 140 satellites in total, providing the Nation persistent global communications; weather coverage; strategic early warning; global Positioning, Navigation, and Timing (PNT); signals and ISR capabilities—all vital to joint success.

Space superiority relies on assured access to space, and Air Force launch programs continue to provide this capability. In 2007, we extended our record to 56 straight launch successes, including deployment of two new Global Positioning System (GPS) satellites. Also in 2007, we successfully launched the first operational Evolved Expendable Launch Vehicle heavy lift rocket. This rocket deployed the final satellite in the Defense Support Program constellation of ballistic missile warning satellites.

3.1.4 Airlift

Airlift is an Air Force core competency, and our airmen prove it everyday. Air Force airlifters—both Intertheater and Intratheater—have become absolutely indispensable to Joint Forces in Iraq and Afghanistan as well as to crisis response planners and responders in the wake of natural disasters both at home and abroad. The Air Force gives America an air bridge—a strategic asset providing operational reach—making possible the deployment and employment of joint combat power and humanitarian relief.

Airmen provide the Nation's ground forces with the tactical, operational, strategic, and logistical reach to rapidly deploy, deliver, supply, resupply, egress, and evacuate via air anywhere in the world. In Iraq, Air Force airlift delivers approximately 3,500 equivalent truckloads of cargo in an average month, taking more than 8,600 people off dangerous roads and providing the Army and Marine Corps the flexibility to reassign those vehicles and associated support troops to alternate missions and safer routes.

3.1.5 Aeromedical Evacuation

Air Force Aeromedical Evacuation (AE) is a Total Force, combat-proven system contributing a unique, vital capability to the joint fight. AE and enroute care are built on teamwork, synergy, and Joint execution, providing soldiers, sailors, marines, coast guardsmen, and airmen the highest casualty survival rates in the history of warfare. Casualties treated in our deployed and joint theater hospitals have an incredible 97 percent survival rate.

Since late 2001, we have transported more than 48,500 patients from the CENTCOM AOR to higher levels of care. We continue to refine this remarkable capability and the enroute care system built upon our expeditionary medical system.

3.1.6 Joint Force Land Component Tasks

Of the approximately 26,000 airmen currently deployed in the CENTCOM AOR, over 6,200 are performing tasks and missions normally assigned to the land component—also known as "In Lieu Of" (ILO) tasks. Airmen currently fill other Services' billets in some of their stressed skill areas and are taking on tasks outside Air Force core competencies. Since 2004 we have deployed approximately 24,000 airmen in support of such ILO tasks, and we expect a steady increase in that total.

In addition to the 6,200 airmen currently deployed supporting ILO taskings, over 1,000 airmen are "in the pipeline" for ILO Task training at any given time. Within the Joint Team, airmen provide the Joint Force Commander distinctive skills. While complementary, these skills are not interchangeable amongst the team, thus airmen require ground-centric combat training to accomplish ILO taskings. This training increases personnel tempo for our airmen, but, more importantly, ILO tasks and training consumes critical training time, resources, manpower, and in some cases reduces overall proficiency in Air Force core mission areas. In many cases, Air Force career fields already at critical manning levels are further affected by unit deployment rates of as high as 40 percent, primarily filling ILO taskings. Such high deployment rates from units cannot be absorbed without putting at risk the critical missions and capabilities the Air Force provides our Nation. This situation creates additional risk to the critical missions the Air Force performs and capabilities the Air Force provides our Nation.

3.2 Strengthen Global Partnerships

Fighting and winning the global war on terror requires commitment, capability, and cooperation from our allies and partners around the world. We depend on them to secure their territory, support regional stability, provide base access and overflight rights, and contribute a host of air, space, and cyber power capabilities as interoperable coalition partners.

So America's strategic partnerships are more important than ever. Our Air Force will strengthen and broaden international relationships, capitalizing on the global community of like-minded airmen while attending to interoperability between allies and partners. Building these relationships not only expands, extends, and strengthens Global Vigilance, Global Reach, and Global Power, but also leverages the Air Force's value as an engine of progress and, thus, as a potent instrument of America's diplomacy in an increasingly interconnected world.

The Air Force strives to develop synergistic, interoperable air forces utilizing a capabilities-based approach. Foreign Military Sales and Direct Commercial Sales allow our partners to operate common systems with the Air Force while providing a vehicle to expand relationships with our international partners. Some recent examples of mutually beneficial agreements include Australian, Canadian, and British selection of C–17 Globemaster III airlifters; international participation in the F–35A Lightning II Joint Strike Fighter (JSF) program and the Advanced Extremely High Frequency (AEHF) satellite communications program; British Royal Air Force procurement of MQ–9 Reaper UAVs; and Australian participation in the Wideband Global SATCOM (WGS) system. Future opportunities for partnerships—with platforms such as UAVs, C–17s, C–130Js, and the new C–27—can open doors for greater interoperability, personnel exchanges, common doctrine, and training.

In addition to integrating international partners into the most robust combat training scenarios, we maintain our commitment to the pursuit of partnerships for greater global cooperation, security, and stability. We recently held the 3rd Global Air Chiefs Conference in Washington, DC, which gave over 90 international air chiefs the opportunity to learn, understand, and share concerns and issues with fellow airmen from around the world. We are also making strides to improve language expertise and cultural understanding through deliberate development of airmen in the International Affairs Specialist program, expanding Military Personnel Exchange Program, and cultivating skilled and knowledgeable attachés.

The Air Force's approach to operations, interoperability, and training exemplify our global, international, and expeditionary perspective—built on the shared traditions of airmanship that transcend geographic boundaries.

4.0 TAKE CARE OF OUR PEOPLE

Any organizational renaissance begins with people. We must prepare our airmen for a future fraught with challenges, fostering their intellectual curiosity and ability to learn, anticipate, and adapt. Because our expeditionary airmen must be prepared to deploy and ready to fight, we are revitalizing the world's most advanced training system and expanding their educational opportunities. While we enrich our airmen's culture, leadership, training, education, and heritage, we will also continue to care for their families and provide for their future.

Our airmen are our most precious resource. They must be well-trained and ready for expeditionary warfighting responsibilities. Fiscal constraints dictate that we continue to carefully shape the force. Additionally, within the context of rising costs, we remain committed to providing the highest possible quality of life standards and charting out a career full of education and training for each airman. We will continue our emphasis on recruiting and retaining the world's highest quality airmen. Additional Air Force high priority efforts serve to reinforce a warrior ethos throughout our Service, provide proactive force health protection, and encourage Air Reserve Component (ARC) volunteerism.

Spanning six decades of Air Force history, particularly over the past 17 years, our airmen have proven themselves as the global first responders in times of crisis—taking action anytime, anywhere. The foundations for this well-deserved reputation are the quality and frequency of the training and education we provide and our commitment to the highest possible safety and quality of life standards.

4.1 Shape the Force

Ultimately, we must produce a Total Force that is sized and shaped to consistently meet current and future requirements—balanced against the compelling need to maintain high quality of life standards—to meet the global challenges of today and tomorrow.

During the 1990s, while engaged in continuous combat, the Air Force suffered a 7 year "procurement holiday." Today, fiscal constraints have tightened as energy and health care costs have continued to increase dramatically.

In late 2005, the Air Force reduced its end strength by 40,000 Active Duty, Guard, Reserve, and civilian Full-time Equivalents (FTEs) in order to self-finance the vital re-capitalization and modernization of our aircraft, space, and missile inventories. End strength reduction by 40,000 FTEs over a 3-year period was our only viable alternative to preserve the required investment capital.

Our Force Shaping efforts have placed us on a path to meet our end strength targets. However, personnel changes of this magnitude come with a degree of uncertainty and difficulty for our airmen and their families. We are making every effort to use voluntary measures to shape the force with the right skills mix, increase manning in stressed career fields, leverage new technologies, and refine our internal processes to reduce workload and reduce or eliminate unnecessary work through Air Force Smart Operations 21.

We have reduced our Air Force end strength using a methodology that has preserved a strong expeditionary capability. Our AEF construct provides an enterprise view of Service risk that synchronizes our resources and assets to support our global requirements. However, reducing Air Force end strength further, coupled with ILO taskings for the foreseeable future, carries considerable risks of "burning out" our airmen in several critical expeditionary career fields as well as limiting our future national options to meet global mission requirements in an increasingly volatile world.

4.2 Ensure Highest Quality of Life Standards

Our "People" priority demands we ensure the quality of life we offer our airmen meets the highest possible standards. Because the nature of our Air Force mission demands a highly educated, trained, and experienced force, we recognize the direct linkages between quality of life issues and their impact on our recruiting, retention, and, ultimately, our mission capability.

4.2.1 Housing and Military Construction

Air Force investments in housing underscore our emphasis on developing and caring for airmen. Through Military Construction (MILCON) and housing privatization, we are providing higher quality homes faster than ever. With the fiscal year 2009 funding, we will revitalize more than 2,100 homes through improvement or replacement. We are on track to meet our fiscal year 2009 goal of eliminating inadequate housing at overseas locations.

MILCON is an essential enabler of Air Force missions; however, due to fiscal constraints, we must reduce funding and accept greater risk in facilities and infrastructure in order to continue our efforts to recapitalize and modernize our aging aircraft and equipment. However, our new construction projects are state-of-the-art, incorporating energy efficient features and sustainable designs. We have prioritized the most critical requirements to support the Air Force and the Department of Defense (DOD) requirements. Our MILCON plan supports these priorities by focusing on new mission beddowns, training, and depot transformation, as well as dormitory and child care center upgrades.

4.2.2 Joint Basing

The Air Force has a long and successful history of working toward common goals in a Joint environment without compromising Air Force principles and the well-being of our people. Joint Basing initiatives are no exception. To guarantee success, each Joint Base should be required to provide a suitable setting to all of its assigned personnel, their families, and other customers within the local communities our bases support.

To accomplish this, we advocate establishment of a common Joint Base quality of life standard. Our airmen, soldiers, sailors, marines, DOD civilians, and their families will benefit from efficient, consistent installation support services. Such standards will ensure the Air Force and our sister Services continue to provide all personnel with the level of installation support services they deserve. As we work with the Office of the Secretary of Defense and our sister Services, we will ensure all Joint Basing initiatives contribute to the DOD's ability to perform its mission. We will also safeguard against potential negative impacts to the Joint and Air Force approach to mission performance.

To do this, we will have to work through the transfer of TOA and real property without eroding the local installation commander's prerogatives relative to satisfying mission and training requirements, optimizing installation resources, tailoring installation services to local needs, and prioritizing MILCON funding. We will also have to work through the transfer without reducing the combat capability our bases

generate, installation service support standards, or the quality of life for servicemembers, their families, and other customers of these Services.

We look forward to establishing a base realignment and closure-envisioned executive agency agreement involving local leaders and the local unit commander. Such an agency, combined with elimination of duplicate offices and administration of centrally agreed standards, would improve efficiency while safeguarding mission requirements and quality of life for families and servicemembers. We believe the natural, direct feedback and tension between a service provider and a paying customer is the best model to drive efficiency and cost savings.

The Air Force remains committed to ensuring that all bases, joint or otherwise, maintain their capability to perform their missions and meet our quality-of-life standards. We want joint bases to be so efficient and effective that an assignment to a joint base would be a highlight for every servicemember.

4.3 Recruit, Train, and Retain Highest Quality Airmen

The Air Force is the "Retention Service"—we recruit, train, develop, and retain the best America has to offer. Our emphasis on retention stems from the high technical and operational expertise required of our personnel. The high morale, cohesiveness, and capability of the Air Force are due to our efforts to retain a highly experienced, educated, and skilled force.

The Air Force has never lowered its recruiting standards. We continue to recruit and choose the best America has to offer from our diverse population. Our recruiting and retention figures remain impressive, clearly indicating our success to date and the effectiveness of the Air Force's holistic approach to quality of life, recruiting, and retention. This success reaffirms our commitment to long-term family support efforts, education, and training.

While we recruit airmen, we retain families. We believe our airmen should never have to choose between serving their country and providing for their families. Quality of life and family support are critical elements of our overall effort to retain high quality airmen. As part of our efforts to maintain high quality of life standards, we are concerned with the hardships facing our Air Force families resulting from the frequent moves our airmen and other servicemembers make throughout their careers. We applaud ongoing congressional and interstate efforts addressing such issues as transfer of educational credits for military members and dependents, professional certifications for military spouses, and economic support for military families coping with spousal income disadvantages.

Additionally, Air Force training initiatives continue to evolve, improving our ability to develop and retain the world's best air, space, and cyberspace warriors. We are concentrating our efforts to reprioritize Air Force professional education opportunities to reflect a balance between winning today's fight and preparing for tomorrow's challenges.

Tuition assistance continues to be a strong incentive that helps ensure we meet our recruiting and retention goals. We believe voluntary education, facilitated with tuition assistance, not only aids in recruiting and retention, but further reinforces national strength and richness by producing more effective professional airmen and more productive American citizens for the Nation, both during their enlistment and their eventual return to civilian life.

Within the last 2 years we have taken several initiatives to "intellectually and professionally recapitalize" our airmen. We are developing leaders with the management acumen, cultural sophistication, international expertise, and language skills to successfully lead a diverse, globally engaged force. Air Education and Training Command and Air University are leading our efforts to reinvigorate the world's most advanced educational system for airmen by expanding our full-spectrum educational opportunities.

Finally, we optimized and expanded our training regimes to take advantage of more modern methods and broader scope in our live exercises. Red Flag exercises now offer two venues, Nevada and Alaska, with varied environments; take advantage of Distributed Mission Operations technologies; include Total Force airmen from the Regular and Reserve Components; and offer the full range of integrated operations, offering realistic training for warriors from across the Services, Components, and our international partners.

5.0 PREPARE FOR TOMORROW'S CHALLENGES

In addition to taking care of our airmen and training them for the full-spectrum challenges we expect this century, it is also our responsibility to ensure our airmen have the weapons and equipment necessary to provide for our Nation's defense.

The U.S. cannot take advantages in air, space, and cyberspace for granted. Today, we are already being challenged in every warfighting domain. The Air Force is ac-

tively formulating innovative operational concepts to anticipate, adapt to, and overcome future challenges. We are transforming our thinking from considering the space and cyber domains as mere enablers of air operations to a holistic approach that recognizes their interdependence and leverages their unique characteristics. We will continue to push this conceptual envelope and expand the boundaries of existing tactics, techniques, and procedures to fully exploit the synergies of cross-domain dominance.

But we cannot hone America's edge without modernizing the Air Force's air, space, and cyberspace capabilities. We are therefore pursuing the biggest, most complex, and most important recapitalization and modernization effort in Air Force history. These programs will gain and maintain militarily important advantages for our Nation for the coming decades.

5.1 Top Acquisition Priorities

The Air Force's top acquisition priorities begin to address our critical recapitalization and modernization needs—the new Tanker (KC–X); the new CSAR–X; modern space systems to provide capabilities vital to our joint warfighters; the F–35A JSF; and a new bomber we plan to field by 2018.

Additional high-priority acquisition programs include F–22 5th Generation fighter production; C–17 production; continued production of the C–130J and introduction of the C–27 intratheater airlifter; and expansion of the MQ–1 Predator, MQ–9 Reaper, and RQ–4 Global Hawk UAV inventories.

5.1.1 New Tanker (KC–X)

The KC–X is our highest procurement priority. It is critical to the entire joint and coalition military team's ability to project combat power around the world, and gives America and our allies' unparalleled rapid response to combat and humanitarian relief operations alike. KC–X tankers will provide increased aircraft availability, more adaptable technology, more flexible employment options, and greater overall capability than the current inventory of KC–135E and KC–135R tankers they will replace. It is imperative we begin a program of smart, steady reinvestment in a new tanker—coupled with measured, timely retirements of the oldest, least capable KC–135E tankers—to ensure future viability of this unique and vital U.S. national capability.

5.1.2 New Combat Search and Rescue Helicopter

The Air Force organizes, trains, and equips dedicated forces for the Combat Search and Rescue (CSAR) mission. The Air Force must recapitalize our CSAR forces to maintain this indispensable capability for the Nation and the Joint Team. Purchasing the entire complement of programmed CSAR–X aircraft will relieve the high-tempo operational strain placed on the current inventory of aging HH–60G Pave Hawk helicopters.

The CSAR mission is a moral and ethical imperative. Airmen are responsible for safely securing and returning our airmen and members of the joint and coalition team. The CSAR–X helicopter will provide a more reliable, more responsive capability for rapid recovery of downed, injured, or isolated personnel in day or night, all weather and adverse conditions, as well as support non-combatant evacuation and disaster relief operations.

5.1.3 Space Systems

Air Force communications, ISR, and geo-positioning satellites are the bedrock of the Joint Team's ability to find, fix, target, assess, communicate, and navigate. While many of our satellites have outlived their designed endurance, they are generally less durable than other platforms and sensors. Over the next 10 years we must recapitalize all of these systems, replacing them with new ones that enhance our capabilities and provide mission continuity, maintaining the asymmetric advantages our space forces provide our Nation.

The WGS system, AEHF, and the Transformational Satellite Communications program will assure a more robust and reliable communications capability designed to counter emerging threats and meet expanding joint communications requirements.

The GPS II–F and III programs will add a more robust PNT capability to America's established GPS constellation. GPS III will utilize a block approach to acquisition and will deliver enhanced civil and military PNT capabilities to worldwide users.

The Space Based Infrared System will enhance the Air Force's early warning missile defense, technical intelligence, and battlespace awareness capabilities through improved infrared sensing, missile warning, and data processing.

The Air Force will continue to develop space situation awareness (SSA) capabilities to help protect space assets from future threats. We are also pursuing more robust space protection measures to warn of attacks, provide redundant command and control, harden electronics, and defend against direct attacks. The Space Based Space Surveillance system will be the first orbital sensor with a primary mission of SSA. This system, along with other developments such as the Rapid Attack Identification Detection and Reporting System will improve our ability to characterize the space environment—the friends and foes operating in it, and the objects traversing it.

5.1.4 F–35A Lightning II (Joint Strike Fighter)

The F–35A Lightning II will be the mainstay of America's future fighter force, providing an affordable, multi-role complement to the F–22 Raptor. In addition to fielding advanced combat capabilities, the Lightning II will also strengthen integration of our Total Force and will enhance interoperability with global partners.

The F–35A Lightning II boasts 5th Generation, precision engagement, low-observable (stealth), and attack capabilities that will benefit not only the Air Force, but also the Navy, Marines, and our international partners involved in the program. The F–35A is the Conventional Take-off and Landing variant, and it will replace, recapitalize, and extend Air Force F–117, F–16, and A–10 combat capabilities. The F–35A also serves as the recapitalization program for our international partners' aging F–16s, F–18s, and other 4th Generation fighter aircraft.

Complete dominance of the air and freedom of maneuver for the entire joint force demand the complementary capabilities of the F–22 and F–35A 5th Generation of fighters. Together, they promise the ability to sweep the skies, take down the enemy's air defenses, and provide persistent, lethal air cover of the battlefield. The leading edge capabilities of the F–35A, in development and low rate production now, will provide an affordable, Joint Service, international complement to the F–22.

5.1.5 New Bomber

Range and payload are the soul of an Air Force. These capabilities, along with precision, lethality, survivability, and responsiveness are fundamental to modern strategic military deterrence, and apply across the full range of military operations—from tactical to strategic, kinetic to non-kinetic. Yet our Nation has just 21 bombers currently capable of penetrating modern air defenses. Even these B–2 Spirit stealth bombers have limitations and will become relatively less capable and less survivable against advanced anti-access technologies being developed and fielded around the world. Furthermore, our current bomber inventory is becoming more costly to operate and maintain. Indeed, some suppliers for spare parts no longer exist.

The Air Force is therefore pursuing acquisition of a new bomber by 2018 and in accordance with Quadrennial Defense Review goals for long range strike capability. This next generation bomber will feature stealth, payload, and improved avionics/sensors suites, and will incorporate highly advanced technologies. It will also bring America's bomber forces up to the same high standard we are setting with our F–22 and F–35A 5th Generation fighters, and ensure our bomber force's ability to fulfill our Nation's and the CCDRs' global requirements.

5.2 Improve our Global Vigilance, Global Reach, and Global Power

Because Global Vigilance, Global Reach, and Global Power constitute America's edge, we must continually hone our ability to provide them. Our acquisition programs aim to broaden Global Vigilance, extend Global Reach, and strengthen Global Power advantages for America.

5.2.1 Broaden Global Vigilance

The Air Force provides the global eyes and ears of the Joint Team and our Nation. Using a vast array of terrestrial, airborne, and spaceborne sensors, we monitor and characterize the earth's sea, air, space, land, and cyberspace domains around the clock and around the world. The information collected through surveillance and reconnaissance, and converted into intelligence by exploitation and analysis, is used to formulate strategy, policy, and military plans; to develop and conduct campaigns; guide acquisition of future capabilities; and to protect, prevent, and prevail against threats and aggression aimed at the U.S. and its interests. It is relied upon at levels ranging from the President and senior decisionmakers to commanders in air operations centers to ground units engaged with the enemy to pilots dropping precision-guided munitions.

The future vision of all the U.S. military Services is information-driven. Success will hinge on America's integrated air, space, and cyberspace advantages. Air Force assets like the E–8C Joint Surveillance Target Attack Radar System, E–3 Airborne

Warning and Control System, RC–135 Rivet Joint, RQ–4 Global Hawk, MQ–1 Predator, and our constellations of satellites contribute vital ISR capabilities and networking services that are integral to every aspect of every joint operation. Our recapitalization and modernization plan aims to dramatically increase the quantity and quality of ISR capabilities, products, and services available to the Joint Team and the Nation. Our recapitalization efforts are focused on extending the lifespans and capability sets of our workhorse platforms, such as the RC–135 Rivet Joint and several space-based assets. We are also working to find and leverage previously untapped ISR capabilities such as those on fighters carrying targeting pods. Finally, we have made a concerted effort to ensure the viability of Air Force space communications, PNT, early warning missions, and SSA capabilities to provide uninterrupted mission continuity for America and our allies.

5.2.2 Extend Global Reach

America's airmen provide the long legs and lift for joint warfighters' rapid global mobility as well as the long arms for global strike and high endurance for global persistence and presence. On a daily basis, Air Force intertheater and intratheater airlift and mobility forces support all DOD branches as well as other government agency operations all over the world. Yet the increased demand for their capabilities and their decreased availability underscore the critical need for tanker recapitalization and investment to ensure the long-term viability of this vital national capability.

5.2.3 Strengthen Global Power

The U.S. Air Force provides the ability to achieve precise, tailored effects whenever, wherever, and however needed—kinetic and nonkinetic, lethal and nonlethal, at the speed of sound and soon at the speed of light. It is an integrated cross-domain capability that rests on our ability to dominate the air, space, and cyberspace domains.

The Global Power advantages the Air Force provides the Joint Team ensure freedom of maneuver, freedom from attack, and freedom to attack for the Joint Team. However, failure to invest in sufficient quantities of modern capabilities seriously jeopardizes these advantages and risks the lives of our soldiers, sailors, airmen, and marines.

5.3 Retire Aging, Worn-Out Aircraft

The Air Force has been in continuous combat since 1990—17 years and counting—taking a toll on our people and rapidly aging equipment. While we remain globally engaged, we recognize the imperative of investing in the future through recapitalization and modernization. Beyond fielding new aircraft, we must also retire significant portions of our oldest, most obsolete aircraft if we are to build a modern, 21st century Air Force. Our aircraft inventories are the oldest in our history, and are more difficult and expensive to maintain than ever. They require a larger footprint when deployed, and are significantly less combat-capable in today's increasingly advanced and lethal environment. In the years ahead they will be less and less capable of responding to or surviving the threats and crises that may emerge.

Since 2005, we have attempted to divest significant numbers of old, worn out aircraft. However, legislative restrictions on aircraft retirements remain an obstacle to efficient divestiture of our oldest, least capable, and most costly to maintain aircraft. Lifting these restrictions will alleviate considerable pressure on our already constrained resources that continue to erode our overall capabilities.

5.4 Preserve America's Aerospace Industrial Base

America's public and private aerospace industrial base, workforce, and capabilities are vital to the Air Force and national defense. The aerospace industry produced the brainpower, innovations, technology, and vehicles that propelled the U.S. to global leadership in the 20th century. The aerospace sector gave birth to the technologies and minds that have made the information age a reality. This key industrial sector continues to lead and produce the technologies and capabilities America needs to safeguard our future.

Yet this vital industry has deteriorated over the last decade. We have witnessed an industry consolidation and contraction—from more than 10 domestic U.S. aircraft manufacturers in the early 1990s to only 3 prime domestic aircraft manufacturers today. Without funding, in the coming decade production lines will irreversibly close, skilled workforces will age or retire, and companies will shut their doors. The U.S. aerospace industry is rapidly approaching a point of no return. As Air Force assets wear out, the U.S. is losing the ability to build new ones. We must reverse this erosion through increased investment.

We must find ways to maintain and preserve our aerospace industrial capabilities. We must maintain national options for keeping production lines open. Complex 21st century weapons systems cannot be produced without long lead development and procurement actions. Additionally, we must continue our investment in a modern, industrial sustainment base. Air Force depots and private sector maintenance centers have played vital roles in sustaining our capabilities and have become models of modern industrial transformation. We are fully committed to sustaining a healthy, modern depot level maintenance and repair capability.

Furthermore, we must recognize that these industry capabilities represent our National ability to research, innovate, develop, produce, and sustain the advanced technologies and systems we will continue to need in the future. This vital industrial sector represents a center of gravity and single point vulnerability for our National defense.

5.5 Extend C–130J Production Line

Acquisition programs set the stage to field future capabilities. So we must make prudent decisions to maintain current production of advanced systems in order to reach required force structure goals and provide a hedge against future uncertainty. We must maintain and extend the existing production lines for C–130J intratheater airlifters. This aircraft represent America's best technology and capability.

We strongly recommend taking action to ensure these vital production lines remain open. Maintaining current production lines will be critical to revitalizing our force structure, setting conditions for future success, and providing America with the option—should conditions dictate—to produce additional modern, advanced technology aircraft without having to start from square one.

5.6 Strengthen Total Force Integration

The Air Force is dedicated to ensuring our States and Nation get the most combat effective, most efficient force possible to accomplish our mission faster and with greater capacity, around the world and at home. We believe integrating our Total Force is the best way to do that.

America's airmen set the DOD standard for Reserve component integration. The ARC—comprised of the Air National Guard and the Air Force Reserve Command—is an operational Reserve and an essential element of the U.S. Air Force. We are developing concepts, strategies, force management policies and practices, and legal authorities to access sufficient ARC forces without the need for involuntary mobilization. Though the Air Force is already the model for melding its Guard, Reserve, and civilians with its Regular Air Force elements, we can and will push this synergy to new levels.

A distinguishing hallmark of the Air Force is the ease with which Total Force airmen work seamlessly together at home and abroad. From the first Reserve Associate unit in 1968 to the full integration of Guard and Reserve units into the AEF in the 1990s, the Air Force has a well-established history of employing airmen from all components in innovative and effective ways.

TFI represents a long-term Air Force commitment to transformation. TFI maximizes the Air Force's overall joint combat capability, forming a more cohesive force and capitalizing on the strengths inherent within Regular, Guard, and Reserve elements. Including the ARC in emerging mission areas increases the Air Force's ability to retain critical skills should airmen decide to transition from the Regular Air Force to the ARC. We will continue to review policies and practices—through our Continuum of Service initiative—to optimize sustainment support to the warfighting force and further integrate personnel management across the Total Force. TFI will be critical to meeting the challenges of competing resource demands, an aging aircraft inventory, and organizing, training, and equipping for emerging missions.

We are leveraging our Total Force to the greatest extent ever. We expect the Total Force to produce the vanguard elements we will need as we expand our leading role in cyberspace and explore new cyber technologies. Many of our most experienced cyber warriors, having attained the high level of expertise required to excel in this domain, are found in our Guard, Reserve, and civilian ranks.

5.6.1 Total Force Roadmap

As an integral element of our procurement efforts, we have built a global Total Force Roadmap for acquiring and basing new aircraft and equipment. Just as our AEF construct seamlessly draws upon all of the Total Force components, the beddown of future Air Force aircraft and equipment integrates Regular, Guard, and Reserve airmen beginning with the first phases of production and basing through Full Operational Capability.

The Roadmap represents a more efficient and flexible force structure. Although the Air Force will have a smaller total aircraft inventory compared to our current

inventory of aircraft, overall Air Force capabilities will increase with each next-generation weapons system. In numerous instances, the potential locations will capitalize on TFI efforts, creating innovative organizational arrangements among Regular, Guard, and Reserve components. This effort takes advantage of the inherent strengths of each component.

The Air Force Roadmap provides a planning construct for the future which, if adequately resourced, will result in the required force structure that will give our Nation the best capability for Global Vigilance, Global Reach, and Global Power across the globe; to reassure allies, to dissuade, deter, and defeat adversaries; and to protect the Homeland.

5.7 Secure the Future

To maximize the potential advantages of our programs in the future, the Air Force is engaging in multiple initiatives to better organize, train, and equip our forces. Whether harnessing the complementary capabilities of the F–22 and F–35A programs to provide Air Dominance for the Joint Team; strengthening our National Security Space Enterprise; leading efforts to acquire interoperable UAS; developing Cyber Warriors; or pursuing alternative energy solutions with environmentally safe production processes, the Air Force continues to investigate and embrace opportunities to secure Global Vigilance, Global Reach, and Global Power for our Nation's future.

5.7.1 Strengthen Joint Air Dominance

America's airmen are understandably proud of their contributions to the joint fight. Airmen have prevented enemy aircraft from inflicting any U.S. ground force casualties for over 50 years, and our Nation must maintain the required capability advantages to continue this record in the future. With advancing technology and proliferating threats, the Nation also needs the right equipment for the Homeland Defense mission to protect civilians on American soil.

The F–22 Raptor and the F–35A Lightning II JSF are leading-edge, modern, 5th Generation fighters. They are not modernized versions of old designs. These aircraft reap the benefits of decades of advanced research, technology development, open architecture design, and operational experience. These fighters are furthermore designed to be complementary—the F–22 being superior in speed and maneuverability, and the F–35A being optimized for ground attack and multi-role capabilities. These fighters will provide the advanced warfighting capabilities, aircraft system synergies, and the flexibility and versatility required in future environments and engagements.

Currently in production and fully operational with Total Force units in Virginia and Alaska, and with units planned for New Mexico and Hawaii, the F–22 is the newest member of the Air, Space, and Cyber Expeditionary Force. Airmen are putting the Raptor through its paces—flying and deploying the world's first and only operational 5th Generation fighter. Its attributes of speed, stealth, maneuverability, internal weapons carriage, advanced sensors, and adaptable, integrated avionics will meet our Nation's enduring national security requirements to gain and maintain joint air dominance in anti-access environments; provide powerful sensing capabilities and battlespace situational awareness; and precisely engage a broad range of surface targets.

It is vital to our National interests that 5th Generation fighter production capability be preserved. This year the F–35A will continue development and begin its ramp-up to full rate production in 2014. Continuing production ensures the aerospace industry keeps its technical edge, maintains an able workforce to respond to uncertainties, and preserves critical skills and production suppliers. Uninterrupted production in sufficient numbers of 5th Generation fighters remains the lowest risk strategy and best future guarantee for homeland air sovereignty and Joint air dominance.

5.7.2 Lead Joint Unmanned Aircraft System Operational Development

The Air Force is the world leader for successful, innovative, and effective development, acquisition, and operation of Unmanned Aircraft (UA) and the UAS that incorporate UAs and the C2 networks and equipment to employ them. Future successful Joint UAS acquisitions and operations hinge upon execution of three critical elements, which align cohesively with joint doctrine:

Develop Joint UA Concept of Operations (CONOPs). UA operators serve the global Joint mission through interoperability and interdependence. Globally and jointly integrated UAS operations and capabilities—from strategic to tactical—are necessary for joint success. CONOPs development must focus on accomplishing the joint mission as opposed to serving functional components.

Standardize and Streamline UAS Acquisitions. We must develop an affordable joint acquisition strategy for future UAS development, organization, and employment. Air Force acquirers and operators pioneered UAS development and application in joint warfare, and have established best practices for organizing, training, standardizing, and equipping the world's most effective UAS operations squadrons.

Ensure Airspace Control and Awareness. Presentation of UA forces and capabilities must meet Joint Commander requirements and objectives. "Organic ownership" of UAS capabilities is irrelevant in the context of the Joint fight and the Joint Forces Air Component Commander's authority and responsibility to control Joint airspace. Homeland operations are also becoming increasingly important. We are working with all the Services and the Department of Transportation to establish Federal Aviation Administration Certifications for UA operations within approved civil airspace.

5.7.3 Lead the National Security Space Enterprise

Our Nation depends on its space capabilities as an integral part of its military strength, industrial capability, and economic vitality. As DOD Executive Agency for Space, the Air Force will continue to ensure mission continuity in critical areas of communications, PNT, early warning, SSA, and ISR. We will also continue efforts to strengthen National Space integration and collaboration across DOD, with the Intelligence Community, our interagency partners and our international partners.

Of particular note are our efforts to strengthen America's space professionals and science and engineering workforce. These professionals will form the fundamental corps who will lead our space efforts to success in the future by integrating enterprise level architectures; designing, developing, acquiring, and fielding new systems; and operating in a dynamic and potentially contested environment.

Additionally, the Air Force is developing capabilities to quickly respond to the urgent needs of CCDRs. Operationally Responsive Space is a tiered capability consisting of spacecraft, launch vehicles, and terrestrial infrastructure employed in concert to deliver a range of space capabilities to responsively meet CCDR requirements in times of war, conflict, or crisis.

Finally, the Air Force is committed to improving its space acquisitions, focusing on flexibility and affordability. Success in this endeavor depends on achievable requirements, appropriate resources, disciplined systems engineering, and effective program management. We focus all of these efforts through a disciplined block delivery approach tying together basic science and technology (S&T), technology development, systems development, and system production efforts so concepts first evaluated in S&T will enable a systematic transition from development to operations.

5.7.4 Lead Cyberspace Operational Development

Current and potential adversaries already operate in cyberspace, exploiting the low entry costs and minimal technological investment needed to inflict serious harm in and through cyberspace. State and non-state actors are already operating within cyberspace to gain asymmetric advantage.

In April 2007, Estonia was the victim of a barrage of cyber attacks which brought its technologically sophisticated government to a virtual standstill. Insurgents in Iraq, Afghanistan, and elsewhere exploit electronics and the electromagnetic spectrum to kill and maim through improvised explosive devices and propagate their message of hate to the world. Thus, the ability to inflict damage and cause strategic dislocation no longer requires significant capital investment, superior motivation and training, or technological prowess.

We seek to deny our adversaries sanctuary in cyberspace while assuring our access to and freedom to operate in this domain. Our Nation's ability to achieve effects in air, in space, on land, and at sea depends on control of and freedom of maneuver in the cyber domain.

As part of a larger effort to address this need, the Air Force stood up a Provisional Air Force Cyberspace Command (AFCYBER) on 18 September 2007. Our current plan is to activate the AFCYBER MAJCOM on 1 October 2008. The newly designated AFCYBER will consolidate and integrate Air Force cyber capabilities to prepare them to function across the spectrum of conflict. These capabilities will include, but are not limited to: electronic warfare; network warfare; global C2 integration, and ISR enhancement.

We will continue to develop and implement plans for maturing cyber operations as an Air Force core competency. Our objective is to provide flexible options to national decision†makers to deter, deny, disrupt, deceive, dissuade, and defeat adversaries through destructive and non-destructive, lethal and non-lethal means.

5.7.5 Assure Sustainable Energy

We are pursuing an aggressive energy strategy and are committed to meeting and surpassing the energy goals mandated by the Energy Policy Act of 2005 (EPAct 05) and other national policies. We continue to pursue a variety of programs aimed at reducing our use of fossil fuels and controlling cost growth. Our vision emphasizes a culture in which all airmen make energy-conscious decisions. We aim to implement our vision with solutions that include alternate sources of domestic energy as well as an aggressive drive for greater efficiency in our facilities, vehicles, and aircraft.

Following Presidential direction to reduce dependence on foreign oil, the Air Force is aggressively pursuing a broad range of energy alternatives. As the DOD's leading consumer of jet fuel, we are currently engaged in evaluating alternative fuels and engine technologies leading to greater fuel efficiency. We have certified the B–52 to fly on a synthetic fuel blend, and are on track to certify the C–17 and B–1 in 2008, the F–22 in 2009, and the remainder of all of our aircraft expected to be certified by early 2011. In fact, on December 17, 2007—the 104th anniversary of the Wright Brothers' first flight at Kitty Hawk, NC—a McChord AFB, Washington-based C–17 flew the first transcontinental flight on synthetic fuel (a 50/50 blend). The Air Force goal is to acquire 50 percent of its continental United States aviation fuel via a synthetic fuel blend utilizing domestic sources. Our intent is to require synthetic fuel purchases be sourced from environmentally-friendly suppliers with manufacturing facilities that engage in carbon dioxide capture and effective reuse. In addition, the Air Force is testing renewable fuel resources that will lower CO2 emissions significantly compared to petroleum. Other Air Force technology efforts continue to explore high-efficiency aerodynamic concepts, advanced gas turbines, and variable cycle engines providing higher performance and greater fuel efficiency.

The Air Force is the renewable energy leader, and we seek to expand our portfolio through innovative public-private partnerships and evaluations of a wide range of energy proposals at several bases. Last year, the Air Force received the Presidential Award for Leadership in Federal Energy Management. The Air Force also continued to lead the Federal Government in green power purchases, with 37 bases meeting some portion of their base-wide electrical requirements from commercial sources of wind, solar, geothermal, or biomass. We reached full operating capacity—14.5 megawatts—of the largest solar photovoltaic array in the Americas at Nellis AFB, NV. At Edwards AFB, CA; Kirtland AFB, NM; and Luke AFB, AZ; we are exploring additional commercial-scale opportunities for solar power. On under-utilized land at Malstrom AFB, MT, we are exploring the potential for a privately financed and operated coal-to-liquid plant. Finally, as a result of congressional interest, we have begun considering the potential for small-scale nuclear power production on Air Force property. As energy leaders, the Air Force is engaging with allied and coalition air force partners to share best practices, identify common issues and concerns, and ensure future, sustainable energy interoperability.

5.7.6 Maintain Science and Technology Leadership

True to our heritage over the past century of powered flight, the Air Force continues to maintain the most complex, diverse, and ambitious S&T portfolio of all the Services. History clearly demonstrates the broad benefits to America of our S&T efforts, in terms of military power, industrial capability, economic growth, educational richness, cultural wealth, and national prestige. Examples of these efforts include aerospace technology and propulsion, materials science, advanced computing and communications, atmospheric science, remote sensing, medicine, precision timing, weather forecasting, and satellite navigation. What has been good for the Air Force has been great for America. We are committed to building upon this heritage.

The Air Force S&T program develops, demonstrates, and tests technologies and advanced warfighting capabilities against the spectrum of 21st century threats. As we continue to adapt to a volatile and uncertain world, today's focused investment in our S&T program will produce the future warfighting capabilities needed to ensure America's continued technological preeminence and military flexibility. Major Air Force S&T efforts include hypersonics, composites, propulsion, nanotechnology, small satellite technology, directed energy, and cybertechnology.

Additionally, Air Force S&T organizations work closely with the other Services, the Defense Advanced Research Projects Agency, Intelligence Community, and other Federal agencies, such as the National Aeronautics and Space Administration, as well as partner nations. Through these partnerships we leverage efforts, share information, and advance state-of-the-art technologies.

The Air Force S&T Program provides the necessary leadership and foundation for future joint warfighting capabilities, focusing on dominance of the air, space, and cyberspace warfighting domains. Continued Air Force S&T leadership will be crit-

ical to maintaining the asymmetric military advantages and broad national benefits our Joint Team and the Nation have come to expect and enjoy.

6.0 AMERICA'S AIRMEN

U.S. security and prosperity are best assured when all the instruments of national power are orchestrated to work with other states to promote a stable and prosperous international system. The Air Force directly contributes to U.S. security by providing a unique array of sovereign options for decisionmakers. These options maximize our ability to assure friends and to dissuade and deter threats, large and small, across the spectrum of conflict. When opponents cannot be deterred, these options magnify the combat capability of joint and coalition forces and provide a variety of alternatives for our political leaders to choose from in pursuit of national objectives. We provide the Nation with its most lethal and proven force for defeating enemies across the broad range of threats we face.

By exploiting the synergies of air, space, and cyberspace, the Air Force provides our Nation with the capability to dominate across domains and expand the options available for our sister Services to dominate their respective domains. Implementing our strategy requires fielding a force of highly trained airmen with a commanding edge in technology and a force structure with sufficient capacity to provide the assurance of U.S. presence. So long as airmen maintain a global presence and hold significant advantages over potential opponents, we will continue to provide our Nation with the means to lead the fight for global stability and prosperity.

Our emphasis on assurance, dissuasion, and deterrence reflects our conviction that it is far better to convince potential adversaries to refrain from the use of military force than to have to defeat them in battle. Our success will be measured by conflicts averted as well as conflicts fought and won. But we must never forget that our ability to assure and deter ultimately flows directly from our unambiguous ability to overwhelm swiftly and decisively any adversary who elects to test us.

We are today honing America's edge. Our airmen have sworn an oath to serve their country, and they are meeting and exceeding their wartime commitments. We remain focused on our Air Force priorities of winning today's fight, caring for our people, and preparing for tomorrow's challenges. We are assessing threats in an uncertain world, balancing our requirements within fiscal constraints, and managing risks as we endeavor to strengthen the asymmetric advantages our Nation and the Joint Team currently enjoy.

We will have neither the buffer of time nor the barrier of oceans in future conflicts. The Air Force's Regular component is smaller in February 2008 than the United States Army Air Forces was in December 1941. The character, tempo, and velocity of modern warfare already severely test our ability to adapt. Therefore, redefining the Air Force for the 21st century is an urgent national security requirement—not a luxury we can defer.

America looks to airmen to provide dominance that spans the air, space, and cyberspace warfighting domains. Our airmen are fighting today's fight, while standing watch across the frontiers of technology and the future. They need your support today to defend the Nation from tomorrow's threats. Full funding and support for America's airmen will ensure America's continued freedom of action; increase global awareness; reassure America's allies and strengthen our partnerships; reinforce our sovereign homeland defenses; and set conditions for joint and coalition success across the entire spectrum of human conflict and crisis.

We imperil our security, our people, and our way of life if we fail to maintain and sharpen America's Edge—the Air Force-provided Global Vigilance, Global Reach, and Global Power advantages which underwrite the defense and sovereignty of our Nation.

Chairman LEVIN. Thank you, Secretary.

General Moseley.

STATEMENT OF GEN. T. MICHAEL MOSELEY, USAF, CHIEF OF STAFF, UNITED STATES AIR FORCE

General MOSELEY. Chairman Levin, Senator Warner, distinguished members of the committee, instead of an oral statement, allow me to introduce five great Americans that wear the uniform of the United States Air Force.

Chairman LEVIN. Thank you. Please proceed to do that.

General MOSELEY. Sir, first, let me thank you and the committee for all you do for soldiers, sailors, marines, coast guardsmen, and airmen. Thank you for the opportunity for my boss, Secretary Wynne, and I to spend some time with you and talk about the posture of your Air Force, and the vision for the future, and the strategy to achieve it.

The face on those 670,000 airmen are seated behind me, and, with great pride, I'd like to introduce them and tell you a little bit about each of them.

First is Lieutenant Colonel Brian Turner. Please stand. He's a Virginia Air National Guardsman who flies F–22s at Langley AFB in the first of our classic associations with the F–22 in the Air National Guard and the Reserve. He's a graduate of the University of Virginia. He's a symbol of the Air Force's ironclad commitment to total force integration. He's logged over 3,600 flying hours in the F–16A, B, C, and D, and now the F–22. He has over 300 combat hours in Operations Desert Storm, Allied Force, and Iraqi Freedom, and one of his current roles at Langley AFB is flying Operation Noble Eagle, which is our air sovereignty and air defense of the country over the top of Washington, New York, and the east coast, in the F–22, as he defends the Homeland. So, that's Lieutenant Colonel Brian Turner, sir, Virginia Air National Guard.

Next is Captain Kari Fleming. She's a C–17 pilot from Charleston AFB. She's a 2003 graduate of the United States Air Force Academy. So, Charleston is her first and only operational assignment. Still, she's amassed over 1,200 total flying hours, including 900 hours in the C–17, including 124 combat missions, 278 combat hours since 2005, just in Operations Enduring Freedom and Iraqi Freedom alone. Her missions have included not only delivery of equipment and cargo, but aeromedical evacuation for fallen airmen and operational airdrops. I was having a chat with her the other day, and I asked her the last time she landed the big airplane in the dirt, and she says she's done that quite often, landed it on dirt roads and riverbeds. So, sir, that's Captain Kari Fleming from Charleston AFB.

Next is Technical Sergeant Jim Jochum. He's in the business end of offensive air power. He's an aerial gunner on our special operations AC–130 gunships out of Hurlburt Field, FL. He joined the Air Force in August 1989, and spent 5 years as a maintenance airman, then joined Air Force Special Operations. Since November 1995, he's logged over 4,300 total flying hours, 2,500 of that being combat hours, 367 combat sorties in the AC–130, which is more than anyone else in Air Force Special Operations Command. He has 35 combat support hours on an additional seven other sorties. But since October 2001, he's accrued 892 days deployed; about 3 years. He wears an Air Medal with 16 oakleaf clusters.

Mr. Chairman, next is Technical Sergeant Michelle Rochelle. She's a lead operator for Joint Team of Cyber Operators. She's under the tactical control of United States Strategic Command's Joint Functional Component Command for Network Warfare. She's the leading edge of this business of cyberspace. Her roles in conducting computer network attack missions and exploitation means she has direct involvement in the global war on terrorism and supplying strategic intelligence to America's political and military

leaders. She truly represents the vanguard of the forces that we are attempting to organize, train, and equip to operate in cyberspace for the Nation's combatant commanders. She also reminds us how critical the cyber-domain is, and that it's the nexus of cross-domain dominance, with cyberspace, space, and air. She's one of those professionals that you never see, you never hear about, but you know they exist, and they do this magic work every single day.

Next is Technical Sergeant Michael Shropshire. He's currently the acting operations superintendent for the 12th Combat Training Squadron at Fort Irwin, CA. That is our embedded operation that we marry our operations at Nellis and the National Training Center with the United States Army. He's a tactical air control (TAC) party member. He enlisted in July 1992, as a battlefield airman. He's spent his entire career associated with the United States Army; multiple deployments, from Joint Endeavor, in Bosnia, to Iraqi Freedom. He wears a Silver Star and a Bronze Star. His Silver Star is for individual heroic actions while surrounded, cut off under hail of enemy gunfire in the largest sandstorm in four decades, alongside our Army comrades. He quickly coordinated close-air support, putting 12 joint direct-attack munitions (JDAMs) on 10 Iraqi T–72 tanks, while constantly switching from his radio handset to his rifle, personally engaging and killing three enemy soldiers at close range. For that, he wears a Silver Star. His Bronze Star is for exceptional performance as a TAC party member during the 3rd Infantry Division's push on Baghdad in March and April 2003.

So, Mr. Chairman, Senator Warner, and distinguished members, thank you for the opportunity to bring five of your airmen to the hearing so you can put a face on the 670,000 airmen that Secretary Wynne and I are so proud to represent. Thank you to the committee, again, for watching over soldiers, sailors, marines, coast guardsmen, and airmen, and for understanding that these folks make miracles happen every day. [Applause.]

Chairman LEVIN. We thank you, General, for taking the time to bring these airmen to this committee. We thank you for the way you introduced them, for the passion that you show for the men and women in the Air Force, as does Secretary Wynne. It's an honor to be in their presence.

General MOSELEY. Sir, it's an honor to wear the same uniform that they're wearing this morning.

Senator WARNER. I think you should stop while you're ahead now. [Laughter.]

General MOSELEY. Yes, sir, I'll just sit back.

Chairman LEVIN. Let Secretary Wynne answer all the questions now, right? [Laughter.]

General MOSELEY. Sir, I'm ready.

Chairman LEVIN. Let me start with the issue of the C–17 procurement. The Air Force budget for fiscal year 2009 does not include any funding to keep the C–17 production line open. General Moseley, you've been quoted, though, as saying that you'd like to buy more C–17 aircraft. The Air Force stopped requesting C–17s when they got to 180 aircraft. Two years ago, Congress then added 10 C–17s, the 2007 bridge supplemental. That brought it up to 190. Last year, Congress authorized an additional eight. The final sup-

plemental appropriation for fiscal year 2008 will likely provide an appropriation for at least eight C–17s. That would bring us to a total of 198 C–17 aircraft.

The Commander of the Transportation Command (TRANSCOM), General Schwartz, said late last year that he believed that meeting the requirement for strategic airlift aircraft would mean having 205 C–17s. So, assuming that the appropriations process yields the eight aircraft that were authorized, we would then need only to buy another seven aircraft to meet General Schwartz's requirements. Nonetheless, this year, General Moseley, you've requested 15 more C–17s on your unfunded priority list, at a cost of about $4 billion.

Now, knowing that the TRANSCOM requirement totals 205 C–17s, my first question is: Why didn't the administration include any C–17s? The second question is: Why would you want to buy, on your unfunded requirements list, more C–17s than are necessary to get to the 205 requirement of the TRANSCOM Commander? I think you know these numbers well enough by heart, so I won't apologize for throwing a bunch of numbers at you, but there's two questions that are involved there.

General MOSELEY. Mr. Chairman, thanks for that question. Sir, I will tell you, the C–17 is performing magnificently in the arena that we have it in. We're doing things with the C–17 that we've only previously done with C–130s, like landing it in the dirt and providing forward resupply to land component and special operations.

When we testified in 2006 that 180 is enough, it was predicated on the requirement for strategic airlift remaining constant and the C–5 capability being modernized. Mr. Chairman, since then, the goal post has moved on us a bit, and we continue to struggle with defining that requirement.

The Army's grown, and the Marines have grown, close to 100,000. The Future Combat System vehicle that we have counted on being able to fit in the C–130, we're told now that it likely won't fit in a C–130; we'll have to put it into C–17s and C–5s. Africa Command has stood up, which will be an incredibly mobility-intense operation, to be able to move humanitarian relief and disaster relief equipment and people around that huge continent.

Sir, as we look at the difference in uparmored Humvees and Mine Resistant Ambush Protected (MRAP) vehicles, and to be able to move those, it takes us away from the C–130 capability.

Then, on top of that, every month we fly as much as we can off the roads to avoid improvised explosive devices (IEDs) and insurgents, and we're averaging somewhere around 3,500 convoys a month, and close to 9,000 people a month that we get off of the roads, away from IEDs and convoys.

So, as we support the President's budget and support the Office of the Secretary of Defense (OSD) in these tough decisions on resourcing and affordability, we continue to struggle with the notions of: How do we meet those growing demands as the goal post moves on us? Those are the discussions we have inside the Department as we attempt to come to closure on this.

Chairman LEVIN. Did you request those additional C–17s of DOD?

General MOSELEY. Sir, we had those discussions as we put the budget together, but it's simply an affordability issue.

Chairman LEVIN. But, you did make the request.

General MOSELEY. We did talk about it, yes, sir, in the unfunded requirements list, as we replied to a request from Congress, our desire was to be absolutely open and transparent, and to show you where the next dollar would go, if we had an additional dollar.

Chairman LEVIN. I'll put it this way. Did you argue for it in the budget?

Secretary WYNNE. We could not overcome the fact that the MCS–05 capped us at 300 strategic airlifters. There was a law basically restricting us from retiring C–5s, so we had to use all 110, and the debate over the Nunn-McCurdy was still there, so we were not well received with any increase in the C–17s, and we knew that.

Chairman LEVIN. Does that mean your argument for it wasn't well received?

Secretary WYNNE. We did not offer it after we received the analysis back.

Chairman LEVIN. All right.

By the way, we'll have a 6-minute first round, if that's all right with everybody. On the F–22 issue, there is a difference of opinion here between the Air Force and DOD, as well, about how many of these planes should be acquired. One of the issues, as I understand it, is whether the currently-planned 183 aircraft would be sufficient to meet wartime requirements. We can't talk about the specific differences in an unclassified setting, but it does appear that the Air Force and the Office of the Secretary are using different estimates for the threat. My understanding is that the Defense Intelligence Agency (DIA) is responsible for publishing coordinated threat estimates, against which the whole Department fields capability. So my question, General, to you is: Is the Air Force using the DIA-approved threat estimates in arriving at its conclusion that you need more F–22s?

General MOSELEY. Sir, we use all threat information that we can get. Of course, inside DIA, each of the Services participate aggressively in understanding those threats.

Sir, I would tell you, we completely support the President's budget, and the Secretary of Defense's budget submission, but this is also an affordability issue, and that's where the discussions really come down as to what we can afford, as we have these discussions about meeting our top line.

Chairman LEVIN. I can understand that, inside of DIA, when you have these discussions, there are differences, but there is a final threat estimate that is issued by DIA after that discussion takes place. Is the Air Force using the final DIA-approved threat estimate in arriving at your conclusion that you need more F–22s?

General MOSELEY. Sir, we use the DIA threat estimate, yes.

Chairman LEVIN. Thank you. My time is up.

Senator Warner.

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

Following on the chairman's line, the questioning on the C–17, I wonder if you could put a little more emphasis on the fact that when we go into a big aircraft program like this, we try to set the

end-number limit based on what we perceive, at that time, to be the challenges for that aircraft over its lifetime. I would dare say that the challenges that the C–17 has met far exceed those projections, in terms of flying hours in these operations in both Afghanistan and Iraq. Those are remote places on the globe, and that should be considered as a basis for the additional C–17s. Would I be correct, General?

General MOSELEY. Sir, you are. Inside the affordability discussion is still the notion of another mobility capability study that we're working on now, which will be due, I believe, in January 2009, to try to capture that movement of the goal posts on a larger Army, on vehicles that will or won't fit, and on what we're doing with these aircraft, as far as over-flying the program flying hours to take convoys and people off the roads.

Senator WARNER. So, that has been very substantial.

General MOSELEY. Yes, sir, and we're working our way through that next mobility capability study to try to better define that requirement.

Senator WARNER. From an engineering perspective, is the airframe holding up under these stressful conditions?

General MOSELEY. Sir, it is. It's a wonderful airplane. I won't speak for the pilot back here, but we've not found anything that we can't do with the airplane that we couldn't do with the C–130, and that's a strat-lifter that we're using in the tactical environment.

Senator WARNER. I remember when we worked on this airplane, from the congressional perspective, we asked you to make sure you make one to do short landing, takeoffs, and drive around on the dirt. The captain testifies that they work well on the dirt.

Captain, is that correct?

Captain FLEMING. Yes, sir.

Senator WARNER. Thank you very much. [Laughter.]

On the tanker contract, the Secretary spoke to his strong affirmation of the procedures that were followed, and I'd like to have your perspective on how the winning contract prevailed. In my understanding, we have five criteria; was it four out of the five that the winning contract, in your judgment, exceeded the other contract?

General MOSELEY. Sir, since I'm not in the acquisition business, I would ask the professionals inside Secretary Wynne's world to provide that information for the record.

[The information referred to follows:]

The Air Force made a best value determination based on an integrated assessment of the following five evaluation factors: mission capability, proposal risk, past performance, cost/price, and an Integrated Fleet Aerial Refueling Assessment. Specific information on the assessments of the proposed aircraft, and the comparison of these assessments, is source selection sensitive. At this time, such information can only be provided verbally in a closed session; we are ready to provide a briefing, when requested by the chairman or ranking member of the committee.

General MOSELEY. I will tell you that we were very stringent on the requirements that we laid down for either airplane to meet. We made sure we could take these airplanes into the 21st century, fight with them, and provide refueling for the entire joint team.

Senator WARNER. But, there were clear criteria. In meeting the criteria, it appears that the winning contract had the stronger aircraft for a number of those criteria.

Secretary WYNNE. Senator Warner, if I could relieve the Chief of his anxiety, I can tell you this. There were nine key performance parameters. Across that spectrum, all evaluated, the Northrop Grumman airplane was clearly a better performer.

In the area of the proposal factors, there are factors that are reviewed, and, in that area, the Boeing proposal was judged to be just a little bit more risky, primarily because of the complexity of their offering.

In the area of price, the Northrop Grumman proposal was judged to be less, across the board, narrowing slightly at the total life-cycle estimate. I think they're going to be debriefed on Friday. I have been advised, by lots of folks, that if I go into any more depth than that, I have to have it in a private session, because it gets into proprietary information. But, sir, it confirms your view.

Senator WARNER. At this point, this committee is not going to be involved until all those procedures have finished. It's the appropriate time for Congress to review how you reached the contract and determine if it's consistent with the law. I think it's just important, as this debate is beginning to build up, to have some facts out there which show that this aircraft is the best performer. I'll just close on that.

On the question of the cyberspace, it was quite interesting that you had one of your outstanding airmen here today on that subject. Tell us a little bit about the cyber command. This is an area in which I've had a lot of interest.

Secretary WYNNE. We stood up a provisional command down in Louisiana last September, in order for it to shape itself and become organized. There are elements around the country that have an interest, and a continuing interest. We have, so far, been solicited by 16 States for the location of the final command. We are going to communicate with the point of contact in each of those States on or about mid-month, this month. We're going to cut off the supply of information, so we can do an evaluation, between July 4th and November. We intend to down-select to four of the prime candidates in November, and then down-select to a single candidate in December, and try to do it in as fair and unbiased manner as we can.

We've also asked the command to become virtual. In other words, we've said, "We don't want you to be a standard pro-forma command, as you might see from the Napoleonic era." We think we should go into the information age, so we asked them to look at Accenture and Amazon and companies like that, see how they operate, and minimize the headquarters. By the way, the units that are already located in the various States around the country; our first inclination is to leave those in place.

Senator WARNER. Let me turn to my last question, on the unmanned aerial vehicle (UAV) program. Congress, in its infinite wisdom, and I had a hand in this, laid down some goals that by 2010, one-third of the aircraft in the operational deep-strike force should be unmanned. Now, I have to tell you, at the time we did that, it was to try to push your Department into more forward thinking on this. However, the Unmanned Systems Roadmap for 2007 to 2032, just delivered to Congress, did not describe how it plans to achieve

that goal, nor does it include striking targets as key UAV role missions in the future.

UAVs are really performing magnificently, particularly on the border between Afghanistan and Pakistan. It's becoming an essential component of our overall Armed Forces. We were privileged, yesterday, to have the CENTCOM Commander before the committee, and the Commander of the Special Operations Forces. He reiterated his growing dependency on the UAV for Special Operations and various programs across the board.

Secretary WYNNE. We're extremely proud of the partnership we have with the Special Operations Command. By the way, the reachback activities that you cannot find in country, you have to come to Beale AFB, or you have to come to Nellis, or sometimes you have to come to areas here in Washington, DC, to find the actual operators who are doing that. Sir, you may look in the budget this year and find that we are asking for 92 airplanes, of which half of them are unmanned. That's one of the reasons that we're running into a little stress, if you will, on our manned fleet. Our unmanned fleet is burgeoning, and deliberately so. We're actually running into a little bit of buildout constraints, if you will, in being asked by the suppliers to add to their capacity, to make sure that we can order more.

That having been said, we're also asking our Army colleagues if we can show them, and use their resources, because they have a lot of Shadow aircraft that we think we can press into the fight, and maybe meet some of your larger goals. As we go forward in our unmanned long-range strike, we're actually thinking about having that aircraft be a manned and unmanned variant, because we see the manned as, in fact, a constraint. He can only go for 11, 12, 13 hours, as we have in the U–2, and SR–71 programs. Absent the individual, we find Global Hawks can go 24 to 27 hours.

Senator WARNER. Thank you, Mr. Secretary. My time is up.

General MOSELEY. Senator Warner, that number is 93 airplanes, and 52 are unmanned, that the Secretary talked about. Our Reapers, our MQ–9s, that we're using, that you talked to Admiral Fallon and Admiral Olson about, we have those in strike squadrons, not reconnaissance squadrons. The vector we got from the committee awhile back on moving into strike, that version of the UAV is a strike platform, not a reconnaissance airplane.

Chairman LEVIN. Thank you, Senator Warner.

Just for the information of Senators, on this question of the tanker contract, the committee staff is going to schedule a briefing after your briefing of the parties.

Secretary WYNNE. Excellent.

Chairman LEVIN. They, and we, will be notified of the time and place of that briefing, in case any Senator might want to attend, personally. Senators, of course, may ask for individual briefings. That'll be up to each Senator.

As a matter of timetable, if there is an appeal to the Comptroller General, which the law apparently allows, what is the timetable for that?

Secretary WYNNE. I think it's shortly after they get debriefed, which will be this Friday.

Chairman LEVIN. Is there a 10-day, 20-day, 30-day?

Secretary WYNNE. Sir, I'd have to get that back to you.

[The information referred to follows:]

The Code of Federal Regulations covers the timetable for an unsuccessful offeror to file a protest. According to 4 C.F.R. § 21.2(a)(2), protests shall be filed not later than 10 days after the basis of protest is known or should have been known (whichever is earlier), with the exception of protests challenging a procurement conducted on the basis of competitive proposals under which a debriefing is requested and, when requested, is required. In such cases, with respect to any protest basis which is known or should have been known either before or as a result of the debriefing, the initial protest shall not be filed before the debriefing date offered to the protester, but shall be filed not later than 10 days after the date on which the debriefing is held.

Secretary WYNNE. I thought it was 10, but it could be 30, I don't want to misspeak.

Chairman LEVIN. Very good. Thank you very much.

Senator Lieberman.

Senator LIEBERMAN. Thanks, Mr. Chairman.

Mr. Secretary, General, thank you. Thanks, to all those who serve under you, who are behind you today and in many other places around the world to protect our security and our freedom.

I would like to talk to you for a moment about the Multi-Platform Radar Technology Insertion Program (MP–RTIP). This extraordinary, next-generation X-band radar that has been developed for airborne surveillance systems can provide unprecedented situational awareness to the warfighter of both ground and air targets.

There's a history here, obviously, which is that this was being developed for the E–10A. That plane was canceled by the Air Force. At one point, the work on the MP–RTIP was stopped, even though we had spent over $1 billion on it. Then, I think, quite correctly and wisely, the Air Force realized that was not the right way to go, and began to come back to developing MP–RTIP, because it is a unique capability. You've listed MP–RTIP as one of your unfunded priorities, for $285.5 million. The description is, "Accelerates MP–RTIP development while the Air Force determines the most viable platform to carry the future MP–RTIP sensor."

I want to make a pitch, and then ask you what you think. I know there's consideration of doing this radar system on a smaller variant to be used on a Global Hawk. That's obviously positive, but I hope that you're also considering using it on the E–8, the Joint Surveillance Target Attack Radar System (JSTARS) platform, because of the additional capabilities that the larger version of MP–RTIP gives you that can be put on the JSTARS. I'm thinking, particularly, about the increased ability of the larger system to detect and track targets with a much smaller radar signature. Here I include cruise missiles because of the ability to protect our forces in the field. But as the chair of the Homeland Security Committee, my concern is the potential for a cruise-missile attack by terrorists or enemies on the U.S. Homeland.

So, my question is whether the larger platform and a larger MP–RTIP are under consideration as part of this unfunded priority list?

General MOSELEY. Sir, it is. If you remember the reason we had to cancel the E–10 was because of cost growth on it, and we couldn't see our way clear to spend that kind of money on a single demonstration airplane. But, the concept of the technology is still

most attractive. We've looked at versions to put on the 707 airframe, but we're limited on the 707 airframe, just from the distance from the belly to the runway on the size of an antenna that you can put on it.

Senator LIEBERMAN. Right.

General MOSELEY. So, there is a version of it that will fit on the existing 707 airframe, and we've worked with the contractor for that.

We've also kept it alive to put it on the Global Hawk which addresses Senator Warner's question about unmanned vehicles and persistence.

So, sir, I think there is a future for this capability, because of the need to be able to see things small, both on the unmanned and on the manned side of this.

Now that we have a tanker contract with another type of aircraft that is bigger, we have options to go back to the bigger antenna, to create a bigger aperture, so that we can take a look at that.

We've had the conversation amongst ourselves about: How do we start that program, now that we have an airframe that is big enough, the distance from the runway to the belly of the airplane, that we can put the bigger antenna on it? So, it's very much alive.

Senator LIEBERMAN. You might put the antenna on the tankers?

Secretary WYNNE. Sir, all of our derivative aircraft are 707s.

Senator LIEBERMAN. Right.

Secretary WYNNE. What we're looking at now is, thinking about going to the systems houses and asking them to, essentially, design their product for a platform that's in the Air Force inventory, and give them the right to come back to us with: What does it fit on? I think that would put the impetus, if you will, on the electronics instead of the platform.

Senator LIEBERMAN. I appreciate that. That's very encouraging, even exciting, so long as we can find a way to acquire that larger MP–RTIP piece of this.

Secretary WYNNE. Sir, in your chairmanship of the Homeland Security Committee, you might think about the reason that the National Guard is so excited about the F–22, frankly, is that it also can chase down cruise missiles.

Senator LIEBERMAN. Hear, hear. Although I think its capacity, as great as it is, will be amplified by the MP–RTIP.

Secretary WYNNE. If it gets cued, it's much easier.

Senator LIEBERMAN. That's the key.

Briefly, on the fighter programs. First, on the JSF, you do not fund the alternate engine for the JSF in your budget request. During hearings last year on this issue, you characterized it as unnecessary and a potential cost that could delay fielding of the JSF. Is that still your position, Mr. Secretary?

Secretary WYNNE. I think the issue really is affordability. It fails the business case. I would note that Senator Warner emphasized reliability. If you go to a single airplane for 8, 9, 10 nations, then the question is: Does it have to pass a business case in order to just be an investment in uber reliability? Recognizing it doesn't pass its business case, as Senator Levin pointed out on the C–17, we don't get much support for putting it forward. We do agree with the

President's budget, as it sits, but we also look at it and think: What should America take responsibility for in the area of reliability?

Senator LIEBERMAN. Understood.

General MOSELEY. Senator Lieberman, if I could piggyback my boss.

Senator LIEBERMAN. You sure can.

General MOSELEY. The holding of the F–35-series aircraft, F–35 A, B, and C, timeline to the original requirement is something we're very sensitive to. Being able to deliver that airplane on time, for not just the Air Force, but the international community, as well as the Marines and the Navy, is a concern to all of us about being able to bring that aircraft online, in the numbers that we need, on time.

Senator LIEBERMAN. I agree, and appreciate the answer.

My time's up. Thank you very much.

Chairman LEVIN. Thank you, Senator Lieberman.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

I was going to start off with my concern over the number of the F–22s, but I see that Senator Chambliss is here, and I'm sure he'll cover that in enough detail, I won't have to use my time to do it.

A lot of discussions are taking place about the aging equipment. I know that you guys have tunnel vision, you're concerned mostly about the Air Force, but this could be a hearing of the Army, the Marines, and the Navy. All of them have this same problem. We had a conversation a couple of days ago with General Wurster, the Air Force Special Operations Command Commander, and he told me about a refueling mission with a KC–135, where they had problems transferring gas from one of its wings through the boom; instead of aborting the mission, the crew devised a workaround, offloading gas from the good wing, and then pumping it over to replace it and maintain the balance all at the same time. So I know this is happening. Things like this are going on.

Going into Baghdad, they always put me in the oldest C–130s they can find. [Laughter.]

I'd say, "You know, I'm convinced. You don't have to do that with me." [Laughter.]

We actually lost two engines going in once. Not one, but two engines. Then, of course, the last time, we were about 8 minutes out, we were shot at, and if we had had something that performed better, we would have been out of range by that time. So, I don't have to be convinced. I know that's a problem. But, I wonder how many people in this room know that, in the case of the lift vehicles, that Tinker has a reverse engineering facility, where it reverse engineers parts of our aging aircraft, because there just aren't the parts available. Is this a program you're familiar with, General Moseley?

General MOSELEY. Yes, sir. Also in our wings, when the old aircraft go through phased maintenance, we work very closely with the depot teams associated with that mission design series so that we're actually manufacturing parts for aircraft that there's no supply for. Even in phased maintenance, not just in depot, we are supplying things down to the wing level to be able to keep the old airplanes flying.

Senator INHOFE. Yes. I know it's true in Georgia and Utah, and in Oklahoma, that the Air Logistics Centers are really doing a great job, much better job than they used to do. We had occasion to take a team around to all of them and compare as to how it's being done. It's being done very well.

I am glad that people are now talking about the overall problem. I can remember 7 years ago when Donald Rumsfeld was up for confirmation, asking him the question about the overall problem: How can we assure that 10 or 15 years from now, we're going to have the best of everything? We went through this thing where we didn't have the best of everything. Certainly John Jumper was very courageous in the late 1990s to point that out. He said, "Well, we went through the entire 20th century, for 100 years, averaging 5.7 percent of gross domestic product (GDP) for military." This was 7 or 8 years ago, he said, "It's down now to about 2.7 percent." Now it's up to about 3.4 percent. So, I said, "Where should it be?" A lot of people have done a study on this thing, and it's somewhere around 4 to 4½ percent. Well, nothing happened for about 6 years. Now people are talking about it.

I noticed, General Moseley, in February 29th's Early Bird, you were quoted that you are looking at that, too. You came up with something, probably off the top of your head; 4 percent. I would like to hear any comments the two of you might have right now about this, where we should be, and then make a request.

Go ahead.

Secretary WYNNE. Actually, we have swung in to support the Chairman of the Joint Chiefs, who looked at it, conducted what I would say is probably a short assessment, and felt that 4 percent was an appropriate floor. But when you fall below that, you really begin to build up a bow wave because you begin to shut things down. If we were to shut down a shipyard or an aircraft line, these things just do not start back up again on their own initiative. That's where you begin to really build a bow wave forward and cause yourself to really think about getting back into the 4s and 5s. Whereas, if you a had a nice, steady rate, I think it wouldn't have gotten us there.

Senator INHOFE. Yes.

General MOSELEY. Senator, my analysis takes us to that 4 percent number, which allows us, whether it's shipbuilding or aviation or space, to be able to lay in the capital investment, in the long term, to be able to recapitalize aging systems, and to stay ahead of obsolescence on the inventory, whether it's ships or whether it's aircraft. If you could stabilize the contractors and lay that in, then you can also get economic order quantities that you can deliver the systems much faster, at lower cost, and you can field the capability much faster for the entire joint team. Less than that, we are making fundamental decisions based on affordability, not on notions of protecting the industrial base and delivering capability.

Senator INHOFE. All of that affects the risk that these guys over here to your left are facing on a daily basis.

I saw something in your written statement that surprised me, and it pleased me. Each of us up here is on two standing committees. Of course, this is the Senate Armed Services Committee. My other one deals with the crisis that we have in terms of energy. I'm

quoting now out of your statement, it says, "Finally, as a result of congressional interest, we have begun considering a potential for small-scale nuclear power production on Air Force property." Could you elaborate a little bit on that?

General MOSELEY. Sir, the Secretary and I have discussed the opportunity to put a small nuclear reactor on an AFB or on a military installation because you can protect it, you can secure it, and you can also generate the power from it in a very clean way.

We've asked the question: What would it look like, and how would we efficiently ask the question? But, I think it merits some discussion.

Secretary WYNNE. Right, you can't terrorist-proof it, but what we want is something that is not dangerous to the community.

Senator INHOFE. Sure.

Secretary WYNNE. They have, now available, interesting designs which we can put on parts of our base. You can actually almost bury it, but it takes up about a football field, and produces about 50 megawatts, which would take the military off the grid, which I think might be valuable in the event of a grid catastrophe. It could also provide the surrounding community with a maintenance amount. It's one of those things that I've been worried about since we stood up Cyber Command and people began to tell me about what the threats are. I said, well, maybe we ought to make sure that we're protected, in several ways.

General MOSELEY. Senator, we've pushed the limit about as far as we can on geothermal, on wind, on renewable energy, and alternative energy sources. We run most of our bases west of the Mississippi on alternative energy. We've also flown airplanes with synthetic jet fuel. With the Secretary's leadership, we've pushed very hard into that world of renewable and alternative energy, but there's a limit to wind and geothermal and solar that seems to be an opportunity to begin to ask the question: What can we do next?

Secretary WYNNE. Right.

Senator INHOFE. My time is expired, but I applaud you for that, and encourage you to pursue that.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Inhofe.

Senator Ben Nelson.

Senator BEN NELSON. Thank you, Mr. Chairman.

Thank you, gentlemen, for being here, and thanks to our men and women in Air Force blue, for your commitment and your service, as well.

Senator Levin was talking about the unfunded request that you're looking at to recapitalize and modernize the fleet. As I understand it, we're talking in terms of $20 billion this budget cycle, but it's also my understanding that you're thinking in terms of $20 billion for each of the next four budget cycles after this one. Is that correct?

General MOSELEY. That's correct.

Senator BEN NELSON. We've gotten ourselves into a situation where the budget really is never a budget, it's maybe not even a blueprint at times. My concern is that, when we continue to put requests outside the budget, we're creating a bypass of the process, in part, but, also, we're skewing what the budget really looks like.

So, what we should be thinking about is, whatever comes here next year, if it doesn't include that $20 billion, just begin to automatically add $20 billion in our thinking, because that's what's going to automatically happen? I'm not trying to pin you down, as much as I am raising serious questions about the process, not suggesting you don't need the money.

Secretary WYNNE. Senator, I think one of the best ways to look at it is, we have been below 4 percent now for several years. We have been actively engaged in a war for 17 years. We went through a procurement holiday, and we have built up a bow wave. Now, the American taxpayer can tell us that, "You know, we don't want the kind of defense you all are offering. We would rather that you were smaller or that you just let yourself grow old." I think there's enough of a democracy out in the world that we owe you what we believe it takes. However, when the die is cast and the gavel comes down, this is America and we follow direction.

Senator BEN NELSON. Is the theory that it might be easier to convince us than it is to convince the administration?

General MOSELEY. Sir, I wouldn't say that. Remember the unfunded requirements list was a request from Congress as to where we would put the next dollar.

Senator BEN NELSON. I know. I know. I just wonder why it comes to us in that situation, as opposed to coming through the regular budget.

General MOSELEY. Sir, the last budget that we submitted, the Air Force spent 2.2 million manhours on submission of that program objective memorandum (POM) inside the Department. So, we do spend some time trying to get it right, given the fiscal guidance that we're given by the Department. We have those discussions inside the Department, and we salute smartly when the Secretary of Defense makes a decision and submits that budget to the President. I have no problem with that; I support that fully. But, when asked, "Where would you put the next dollar?" I think the right way to answer is to be absolutely transparent and honest.

Senator BEN NELSON. I don't want to put a penalty on candor.

General MOSELEY. We did the same thing last year, sir. The last 2 years, we've told Congress exactly where we would put the next dollar, if we had an extra dollar.

Senator BEN NELSON. If we could move to cyber for a moment, as we look toward the high-tech requirements that protecting cyberspace is going to require, are we in a position to be able to recruit young people and/or people from industry with the right technical background for that kind of command?

Secretary Wynne?

Secretary WYNNE. Sir, first of all, we can't afford not to because it is a warfighting domain, and we consider ourselves a net-centric operation. I would also tell you that my interaction with industry is, they are ready, willing, and able to help us in that, and many of them have constructed some network operations centers on their own, that they're willing to share with us, as to where they're going and what their innovation is. We have, in our own Air Force Institute of Technology, a master's degree program in cyberspace, in aspects of technology relating to cyberspace, and we're establishing, actually, National Guard squadrons, in the Silicon Valley and in

Seattle, Washington, that are very well attended. So, we find that this is an area whose time may have come. The question is: How do we organize, train, and equip correctly, and how do we make sure that we maintain the right kind of leadership to get this done?

Senator BEN NELSON. The importance of a public/private partnership is fairly obvious because we can certainly acquire a great deal of technology and information that can help us from the private side. Is there any effort to try to make this a three-party arrangement so that you have the private side together with Homeland Security, as well as the Air Force?

Secretary WYNNE. I want to be sure that we can organize, train, equip, and present forces where we are asked to do it. So I am working very closely with Strategic Command, as the combatant commander, and making sure that we have the right attributes to support him. When it comes to the Director of Homeland Security, the mission is a little bit different. When it comes to some of our partners in the Intelligence Community, the mission is a little bit different. We see it as a cross-domain exercise. In fact, we have a warfighter school set up at Nellis, that the Chief set up, so that we could show if you can synchronize a cyberdefense together with an air attack and a ground attack, it is a remarkable, remarkable difference.

Senator BEN NELSON. So, you think that there is a possibility of synchronizing what happens with the requirements from Homeland Security, together with the Cyber Command component?

Secretary WYNNE. I think we will all learn from each other, but the missions are a little bit different.

General MOSELEY. Senator, I think we have to do it that way. I think we have to look at ways to capture those synergies. I would offer that the two of us, as we've stood up this provisional command and looked for a full command, we're just now beginning to understand how to ask the question about cyberspace. So, I'm not sure we have the answers yet.

So, the first steps are to understand the domain, get our professionals, like our Technical Sergeant here, involved in that, and look for ways to partner with both the academic world and the industry and the other departments to see how to even ask the right questions.

Senator BEN NELSON. The assets of the private sector are considerable, and if they can be made available to assist, that certainly would provide not only synergy, but I think it would provide compatibility, to bring all of our interests in protecting the cyber area together.

General MOSELEY. Yes, sir.

Senator BEN NELSON. Thank you.

Chairman LEVIN. Senator Sessions.

Senator SESSIONS. Thank you, Mr. Chairman.

I just want to say, General Moseley, that a good friend, Chuck Larson, U.S. Attorney in Iowa, sent me a book by his son, Major Chuck Larson, who served in Iraq, about heroes, people who won Silver Stars. This individual, who won the Silver Star, gave great credit to his tactical air traffic controller, who was under fierce fire, as your airman, here, and he said, when that was over, he had one goal; that was to go find those guys and hug them, because they

would not have survived without them. Those soldiers, who were in very desperate situations, made a reference to their ability to call in air support that was critical in saving the lives of Americans. Of course, we have a lot of airmen in Iraq and Afghanistan, serving in all kinds of different circumstances today. We thank you for that.

I thought I would mention the tanker. Mobile is a strong Air Force town. Brookley AFB had 40,000 people working there at one time, and it was just closed in the 1960s, and the town endured 30 years of struggling. Now, the Northrop Grumman team searched the world over and selected that as the place to construct a new tanker, if they were able to win the contract. They have been able to do so. I just have never seen anything like the excitement that our people feel for the opportunity to once again be a part of the Air Force community, to see the revitalization of that fabulous old runway and the engineering building they have already constructed. They intend to move forward.

I just want to share a few thoughts about that process. This committee became engaged in it. The lease proposal that turned out to be an embarrassment for us all was raised. Senator McCain, in the Airland Subcommittee that I chaired at the time, long before Mobile was ever considered a site for this, objected to the lease agreement. He made a number of valid points. We had analyses of alternatives, that formal procedure, and Government Accountability Office reports. It came up to full committee, and Senator Warner, as he noted, and Senator Levin, as ranking member at that time, believed that this was not the way to go, and that we should have a competitive bid process. Congress voted on that. We said, "No, we're not going to do a sole-source lease. We're going to have a competitive bid process."

Now, Secretary Wynne, if you're going to buy a large aircraft transport plane, and you're going to have a competitive bid process, you need more than one bidder, don't you, to have the benefits of bidding?

Secretary WYNNE. Yes, sir, you do.

Senator SESSIONS. In the world, how many companies produce major large aircraft?

Secretary WYNNE. Right now there are three. We are actually running MRAP vehicles back on Antonovs, and then there's EADS, and then there is Boeing.

Senator SESSIONS. Yes, there were basically two at the time, and so, you had the two bidders. They bid, and did you make a commitment, implicitly and explicitly, that you would fairly evaluate those bids, and that, when it was over, you would award the contract to the best bidder?

Secretary WYNNE. We made a commitment that we would be transparent, that we would apply the laws of the land in a fair way, and be very communicative to Congress, as well as to the companies. I think we've done that.

Senator SESSIONS. Did anybody claim and object, at any time, that the Northrop Grumman lead responsible bidder and the EADS partner was unqualified to bid and shouldn't be allowed to bid, and didn't meet the standards for bidding, that you're aware of?

Secretary WYNNE. Not that I'm aware of.

Senator SESSIONS. I didn't hear that either. So the complaints have come now from some who didn't win. I think that's a bit late. We can discuss the bidding process, if we'd like, and what kind of changes we'd like, but it's not acceptable to change the rules in the middle of a game. It's certainly not acceptable to change the rules after the game is over and the winner has been declared. So, I think politicians really need to be more circumspect than what I've been hearing from some; not on this committee, but others.

I would just note a couple of things about that contract, because it is important to me, and I've watched it. There will be 25,000 new American jobs created in 49 States; 230 companies will participate in this process. The Commerce Department has said, despite some different numbers being floated, they estimate that the Boeing plant would amount to 25,000 jobs, also. So, it was the same number. I would note that we have gotten an aircraft that I think, in all the major criteria, is superior.

Let me just ask you, Secretary Wynne, my time has run out, but with regard to the criteria, that includes how far the plane can fly, how long it can stay in the air, how much fuel it can carry, and life-cycle cost, and other factors. Those are fairly objective criteria.

Secretary WYNNE. We had nine key performance parameters (KPPs). We actually allowed the competitors to trade off anything that was not a KPP. So, you're right, those were actually contributions to the warfighting mission.

Senator SESSIONS. I thank you for your leadership, and I believe the Air Force conducted the most transparent and open bidding process, perhaps in the history of this kind of procurement, perhaps setting a model for the future. You did it on an objective basis, I believe, and came out with one conclusion, which was that this aircraft, that was selected according to your professionals who analyzed it, was clearly, clearly was the word they used, superior. I don't think politicians should now seek to alter a process we've approved all along.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Sessions.

Senator Bill Nelson.

Senator BILL NELSON. Thank you, Mr. Chairman.

Gentlemen, good morning. Thanks again, I enjoyed the visit yesterday. Thank you all for your service to our country.

One of the things in our private meeting that I didn't bring up, that we've talked at length about, is, back a year ago, the National Defense Authorization Act directed the Air Force to produce two reports on the future of the test and evaluation wing at Eglin AFB. We've gotten one of those reports. We have another one that's coming. As I understand, it's coming pretty soon. Mr. Secretary, I wanted to ask you, is the Air Force planning restructuring of test and evaluation that will affect Eglin by reducing manning or capacity?

Secretary WYNNE. Remember, sir, we were waiting for the two reports to come in, and I understand that OSD is also looking at the Defense Test and Readiness Management Center. We'll have to wait to see what they say, but as far as I know, it appeared to me the capacity was held.

Senator BILL NELSON. If you will make your decision on a comprehensive analysis and a coordination with DOD and the other Services before you come to a conclusion, then I feel confident. As the first RAND study has already shown us, what was originally planned by the Air Force was certainly not in the interest, not only of the Air Force, but not in the interest of DOD. For example, in that first attempt to try to squeeze money out of the Air Force Materiel Command, you were shutting down the climatic lab. It's one resource in the world. You can't duplicate it. You could say, "Well, we can send people to Greenland to simulate cold, then we can send them to the desert to simulate hot." But, what about if you want a combination of sleet with the snow, or what if you want a combination of wind from a certain direction coming in with a certain temperature? You certainly can't simulate what we can do in that climatic lab.

Secretary WYNNE. I think, sir, you've hit upon a stress point across our Nation, frankly, that affordability can't always be the rule.

Senator BILL NELSON. Here's where the problem is. This is the nub of the problem. DOD said we have to cut X number of billions of dollars. The Comptroller of DOD allocates it out to the various Services. The Services allocate it out to the various commands. Materiel Command got a cut of $1.7 billion, and it tries to figure out how it's going to do it, and it says, "Well, we can get $800 million by shutting down these things in test and evaluation, and squeezing it together with Edwards AFB."

Now, that's wrongheaded decisionmaking on the basis of an artificial number imposed by a comptroller of DOD, allocated out, because that's not considering the mission of the entire DOD. The mission of DOD, in this case, is to be able to test and evaluate all of our systems, highly sophisticated weapons systems, so that they will work when we call on them to work. So here's the wrongheaded budgetary thinking, "Well, we have to impose this much cuts." I appreciate the drill that you all have to go through, and I know the discomfort. But, when it is an artificial number given to certain commands, and they're looking at it through a tunnel, they don't see the big picture of how it's going to affect DOD.

Now, the reason I get so worked up about this that I had to get into it, and I had to put an amendment on the authorization bill to stop it, because it was going to happen by my amendment causing the studies. The RAND study came out and basically corroborated a lot of what I've said, and we're waiting on the second study right now. I just want to make sure that behind the scenes, that suddenly this guy with the green eyeshade up there in the Comptroller's office who is saying, artificially, for you all to cut a certain amount, that this is not happening, and it becomes a fait accompli, to the detriment of the defense of the United States.

Secretary WYNNE. I think there is some support, without a doubt, for the climatic laboratory and some other facilities there at Eglin in the RAND report, and as I remember, even in the second one that's still being reviewed.

Senator BILL NELSON. I'm just using the climatic lab as one example. There are other unique facilities there, and a unique mission of test and evaluation. That's why we have almost the entire

Gulf of Mexico off of Florida that is restricted airspace, so you all can go out there and test and evaluate those weapon systems.

General, I didn't ask you any questions, but do you want to comment?

General MOSELEY. Sir, test and evaluation is a big deal for us, because the Air Force lives on technology, the Air Force lives on fielding technology to make the warfight quicker with less losses. We live at the leading edge of technology, whether it's altitude, speed, lethality, precision, or efficiencies of being able to deliver ordnance. Eglin is an important part of that for us, as is China Lake for the Navy, as is Fallon for the Navy, and Edwards is. The synergy of all of this is a big, big deal for us. Getting it right is a big deal for us.

Sir, having said that, it wouldn't surprise you for a Secretary or a Chief to say, "But, we're still living inside the world of what's affordable and what's our top line." Those are the decisions that we're struggling with every day. But, sir, rest assured, test and evaluation and fielding systems is at the top of our list.

Senator BILL NELSON. I don't want this to happen in the dead of night. It almost did, 2 years ago. I was just fortunate that this little country boy happened to be in the right place at the right time before it happened. As the Good Book says, "Come, let us reason together." I hope you will be mindful of that in the future.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Nelson.

Senator Wicker.

Senator WICKER. Thank you, Mr. Chairman.

Let me just make a few observations about the tanker replacement announcement last week. The chairman mentioned this in his opening remarks, and I'm glad to know that there will be further opportunity for information, Mr. Chairman, on the basis for the award, which, of course, is information that should be provided after the competitors are debriefed. But, I would just note, for those who might not have been in the room, that the Air Force has been commended for the special efforts toward transparency in this particular process. Those are not my words, those are the words of the chairman of this committee. I would echo the words of my chairman, in that respect, to our two witnesses today.

Of course, the assembly of these aircraft will occur in Mobile. That's right next door to Jackson County, MS. I expect a lot of Mississippians will be among the 25,000 Americans who will participate in the new jobs created by this program. So, as a Mississippian, and as an American, I am very pleased about this.

It has been mentioned, also, that the KC–135, which was about a decade old when I was in field training at Grissom AFB, and got to take a flight and lie in the boom, there, and watch a refueling, is now 48 years old, and time is wasting on the new tanker replacement. We've already lost a lot of time in this regard. Those are not my words today, those are the words of our esteemed colleague, Senator Warner. I would just, again, say to our two witnesses and to our colleagues, that I appreciate Senator Warner's statement that Congress should not get into the business of rewriting contracts. Certainly, we'll be debriefed about it, as I've already said.

Had the award gone to the competitor, I would, no doubt, have been disappointed. But, I do think that we should not lose sight of the central question, and that is producing the best aircraft for our service men and women, and for the mission. I also appreciate other Senators today pointing out that, on the categories of mission capability, proposal risk, past performance, cost, and integrated fleet aerial refueling assessment, the Northrop bid did come out first in four of the five key areas, and tied in the other key areas.

Ms. Payton, the Air Force Acquisition Executive, has stated publicly that this decision had to do with the requirements the warfighter needed. We need to keep that in mind. I'm glad these jobs are coming to the Gulf Coast. I'm glad that it's going to an aircraft that's 60 percent U.S. content, as compared to the other proposal, which was only 57 percent U.S. content. But, that wasn't part of the criteria that the Air Force was asked to look at; they were asked to look at the requirements.

General Arthur Lichte, Commander of the Air Mobility Command, has stated about the Northrop Grumman proposal that this is an American tanker. It's flown by American airmen. It has a big American flag on the tail. It will be saving American lives every day. He went on to say that it can be summed up in one word, more: more passengers, more cargo, more fuel to offload, more patients that we can carry, more availability, more flexibility, and more dependability. The KC–135, according to the information I have, will have 22 percent more fuel offloaded, 30 percent more booms on station time, 68 percent more cargo capacity; and more aircraft fly-by-wire and state-of-the-art avionics.

An independent aerospace analyst, Loren Thompson, said of the award, mentioning four of the five key areas where Northrop bested the opposition, that the outcome and victory by Northrop Grumman was not even close.

I would also point out to the committee that the KC–45, which was chosen by the Air Force in this transparent process, has won the last five international competitions against the other competitor; the United Kingdom, Australia, the United Arab Emirates, and Saudi Arabia, and now, of course, our own United States Air Force.

I would just hope that the disappointment by people who have worked real hard on the other project has subsided, that we won't lose sight of the main objective; that we're already a little bit behind on this, we've lost some time, and we need to get on with it.

So, gentlemen, I haven't asked a question, either. If I've stated anything that's factually incorrect, I'd invite you to comment on that.

I thank the chair for indulging me.

Chairman LEVIN. Thank you, Senator Wicker.

Senator Graham.

Senator GRAHAM. Thank you, Mr. Chairman.

Secretary Wynne, I just want to say, from my point of view, you've done an outstanding job of leading the Air Force. I know you've had some tough issues to deal with over there, but you've been a straight shooter, and we really appreciate what you've brought to the table.

General Moseley, I've known you for a long time. I really appreciate your service and leadership. I'm not going to talk about the tanker deal; I guess because none of it is in South Carolina. But, from a 30,000-foot view of the Air Force, the question for Congress is: Do we need more money for the Air Force and the Navy as we grow the Army and the Marine Corps? When you add the supplemental budgeting with the baseline, Secretary Wynne or General Moseley, what percentage of GDP have we been spending?

General MOSELEY. Senator, I believe that's 4.6 or 4.7 percent. But, if you'd allow us to get the exact number, we'll provide that for the record.

[The information referred to follows:]

The National Defense Budget Estimates For Fiscal Year 2009 Office of the Secretary of Defense "Green Book" provides the following information with respect to DOD funding as a percent of GDP.

Percent DoD Budget of GDP (Table 7-7, 2009 OSD Green Book)									
FY 98	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07
3.0	2.9	2.9	2.9	3.2	3.6	3.8	3.9	3.8	3.9
Note: Data includes Supplementals in years applicable							Avg % - Last Decade		3.4
							Avg % - Since 9/11		3.7

Senator GRAHAM. The point is, for my colleagues, whether you believe defense spending should be 4 percent of GDP. We're spending more; we're just not doing it in a very wise way. I think we could baseline 4 percent and probably get what we need. So, I hope the committee and Congress will look at trying to avoid all these supplementals, and get a baseline that works.

For the last 17 years, we've been in states of undeclared war, in terms of the Air Force. Is that correct, General Moseley?

General MOSELEY. Yes, Senator, that's right.

Senator GRAHAM. We've been flying 2.2 million hours per year for the last 17 years.

General MOSELEY. Averaging about 17 years, yes, sir.

Senator GRAHAM. Of that, how much is combat time?

General MOSELEY. Sir, I've asked them to get those numbers, and we'll provide that for the record.

[The information referred to follows:]

Information previously provided to Senator Graham. (In response to questions from Senator Graham on the FHP, we [A3] provided a full breakout on Operations (Combat and Combat Support) and training hours from fiscal year 1991 to fiscal year 2007.)

General MOSELEY. Combat, combat support, and the rest of the training time.

Senator GRAHAM. Now, for a military lawyer, that sounds like a lot. Is it?

General MOSELEY. Sir, that's a lot.

Senator GRAHAM. Okay. For 17 years, we've been in some form of combat somewhere, flying 2.2 million hours, and doing it with 30 percent less airplanes. Is that correct?

General MOSELEY. That's correct, sir. From the baseline of 1989 and 1990, Operations Desert Shield, Desert Storm, to where we are now, we have a little over 30 percent fewer aircraft.

Senator GRAHAM. A lot more challenges.

General MOSELEY. They're over 40 percent older.

Senator GRAHAM. So, let me get this right. We've been flying the wings off these things for 17 years, performing missions in combat. The air fleet is 30 percent less than it used to be. The age of the planes have grown 40 percent during this period of time. Is that correct?

General MOSELEY. Yes, sir.

Senator GRAHAM. Now, we're going to grow the Army and the Marine Corps. Do you support that?

General MOSELEY. Absolutely.

Senator GRAHAM. We need more boots on the ground, right?

General MOSELEY. Absolutely.

Senator GRAHAM. Now, tell me what happens to the Air Force when you grow the Army and the Marine Corps.

General MOSELEY. Sir, first off, when the Army grows, we grow—a certain percentage, because, like our TAC party member—behind me here, we have members of the Air Force embedded into Army formations. So, when the Army grows the brigade combat teams that we see now, that's at least 1,000 or so more airmen that live inside the Army formations. When the Army grows to those larger numbers of brigade combat teams, same with the Marine regimental combat teams, the mobility requirement obviously goes up, to be able to support either forces in the field or force rotation modules.

Senator GRAHAM. So, the workload of the Air Force is going to grow as the Army and the Marine Corps grow. Is that correct?

General MOSELEY. Yes, sir.

Senator GRAHAM. Tell me about the C–17, the assumptions we had a few years ago about its utilization and reality now. How has the C–17 mission changed?

General MOSELEY. Senator, we're using the C–17 a lot like we've used all our strat airlifters, but also like we've used our theater airlifters. We're using C–17s like we have C–130s when we take convoys and people off the roads.

Senator GRAHAM. How much of that are you doing?

General MOSELEY. Sir, somewhere around 3,500 to 3,600 convoys, and around 9,000 people a month that we take off the roads, away from IEDs or insurgents.

Senator GRAHAM. So, in-theater airlift allows us to take 9,000 people off the roads.

General MOSELEY. Rough numbers, yes, sir.

Senator GRAHAM. Tell me about how the C–130 utility has changed, given the new needs of the Army.

General MOSELEY. Sir, the C–130 is still a wonderful airplane. The C–130J is the gold standard for intra-theater airlift. That's why we continue to support that program, and the numbers that we see to replace the old C–130s, which we're obviously flying the wings off of.

But, sir, as we look to support a modernized Army, as the Army moves into the future with their digital system, we're told now that the baseline vehicle that they're looking at won't fit in a C–130. So, to move the new Army around, we're going to have to use C–17s or C–5s to be able to do that.

Senator GRAHAM. So, the assumptions we had a few years ago about the C–17 have changed, because the Army is changing.

General MOSELEY. The Army is modernizing, changing, and growing. I support all of that.

Senator GRAHAM. Now, your son's an F–15 pilot. Is that correct?

General MOSELEY. That's correct, sir.

Senator GRAHAM. Is he flying the same plane you flew, basically?

General MOSELEY. Sir, he's flown several airplanes that I flew.

Senator GRAHAM. I don't know how old you are, but that's a pretty old plane. [Laughter.]

Chairman LEVIN. Do you want to tell us, off the record, how old you are, General? [Laughter.]

General MOSELEY. Sir, a pretty old fighter pilot.

Sir, he's flown several airplanes that I've flown, and he's flown several airplanes that I flew as a captain. So, not just because I have a son that does that, but because they're all sons and daughters to all of us, I think we owe it to them, to the folks behind me here, to have the best flying machine and the best satellites that we can field for the joint team.

Senator GRAHAM. Some people say, "Why do you need fighters? We don't have any enemies out there anymore." Tell me about China and their fighter aircraft.

General MOSELEY. I believe, in the world of modernization out there, we're not the only ones that are modernizing the systems. I think there are threat systems out there that as the DIA baseline reports, that Chairman Levin referenced, are not just fighters, but they're surface-to-air missiles (SAMs), integrated systems, early-warning radars, target-tracking radars, as well as the fighters. There are countries out there that are producing wonderfully capable, very lethal systems. To be able to survive in that world, or better yet, to be able to deter or dissuade, I believe we need the best systems that we can possibly field.

Senator GRAHAM. Can the F–22 and the F–35 meet those threats?

General MOSELEY. Yes, sir, they both can.

Senator GRAHAM. Finally, I believe the number that you're talking about to put the Air Force in good shape is $20 billion a year.

General MOSELEY. Rough number, yes, sir.

Senator GRAHAM. Okay. So, for $20 billion more, the American public would have a modernized Air Force, where the F–15 pilots would not be flying the same planes you flew; we'd have a C–17 capable of supporting the Army; we'd have the ability to suppress any new air defense systems out there and continue to support the Army and the Marine Corps in their missions. Is that correct?

General MOSELEY. That's correct, sir.

Senator GRAHAM. Thank you very much.

Chairman LEVIN. Thank you, Senator Graham.

Senator Akaka.

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

I want to add my welcome to the Secretary and to the Chief of Staff, and thank you so much for your service to our great country, and also thank all the personnel in the Air Force, as well.

The Air Force is currently conducting operations, and this has been mentioned here already, in the oldest fleet of aircraft in its history. As chairman of the Readiness and Management Support Subcommittee, I'm especially interested in helping to maintain the

air superiority that has protected our military forces since the Korean War, which was the last time an American soldier was attacked by an enemy air force. I look forward to working with you and address the concerns that you have.

Mr. Secretary, the Air Force continues to train and provide airmen for ground combat duties in Iraq. They call it the ILO program, where they are performing missions that have traditionally been carried out by our Army personnel. I understand the benefits these airmen have provided to our overstretched ground forces, but what has been the impact of the ILO program on Air Force readiness and ability to perform its own core competencies?

Secretary WYNNE. Sir, we've taken this for the most part out of hide; meaning that most of our units operate with a little bit less competent players.

I'm very proud of the service that our airmen have provided in the ILO opportunities. I was a little bit surprised that we haven't had the combat service support come up faster in order to replace them. I've had a theory that I've advanced, that every airman or rifleman doesn't work in the limit. I'm very proud of what they've done, to date, and I tell my Army colleagues that they love the innovation and imagination that they bring. But, they have had an impact on our operational readiness. We've stretched this out, and it has not impacted us in a way we can highlight.

General MOSELEY. Senator, with our end strength headed for 316,000, we will have less capacity to offer up the magnitude of the ILO tasking that we are performing now. We have a little over 6,000 deployed this morning, and about 15,000 or so in the pipeline; so, a little over 20,000 or so wrapped up in that. As we go from 330,000, where we are now, to 316,000, we will have less capability to offer up that magnitude of people outside the career field or outside the workplace that they're involved in, in their Air Force job.

That's the piece of this that we're working through with Joint Forces Command to identify where we can continue to contribute to the joint fight, the long war on terrorism, and still not begin to influence or impact negatively on the units that we have for the other combatant commanders. Because, on any given day, 53 percent of your Active Air Force is committed to a combatant commander, higher than any other Service, because of space, because of mobility, because of command and control. So, when you have 53 percent committed to the global set of combatant commanders, and you're taking 20,000-plus people out, I want to make sure we have that right. Those are the discussions we're having now with Joint Forces Command and the OSD staff.

Senator AKAKA. My concern has been for the Air Force and whether what's happening in this program takes away anything from the Air Force.

General Moseley, the Army's shift to transform to a more flexible, modular force will involve the use of many more unmanned systems than is in use today. Even now, Army UAVs are being piloted by Army personnel in conducting operations in the global war on terrorism. As both the Army and the Air Force transition to greater numbers of unmanned systems, I am concerned about over-

lapping roles, missions of two Services. The word joint Services, of course, is an important word, as it is being used now.

My question to you is: What type of future integration will be necessary between the Air Force and the Army to ensure unity of effort when conducting close air support and reconnaissance missions? How will the Services cooperate with their respective unmanned systems in managing the battle space?

General MOSELEY. Sir, the Army Chief and I have been friends for a long time, and we've worked this personally. In fact, we have agreed to merge our two Concepts of Operations (CONOPs) into a single CONOPs for looking at theater intelligence, surveillance, and reconnaissance (ISR) and looking at fielding these systems.

On the tactical side, we effectively buy what the Army buys, and they have a great operation in Alabama to do that. On the strategic side, all the Joint Force leverages off of Air Force strategic systems, be they Global Hawk, U–2, Rivet Joint, or the other systems, manned or unmanned. The seam between the strategic side and the tactical side, or the high altitude and the low altitude, is that area that we're working now to make sure we understand fully how to employ the maximum amount of combat effectiveness with the minimum amount of friction. So, sir, the Army Chief and I are working this very hard.

Senator AKAKA. Thank you very much.

My time is expired, Mr. Chairman. I'll submit my other questions for the record.

Chairman LEVIN. Thank you, Senator Akaka.

Senator Thune.

Senator THUNE. Thank you, Mr. Chairman.

Secretary Wynne, General Moseley, thank you very much for your outstanding service.

I, for one, believe that we do need to increase the top line. I hate to see you robbing from Peter to pay Paul. I think that the Air Force is at a pretty remarkable crossroads, in terms of deciding what to buy next, and how many to buy. We have aircraft that are getting older and flying more than expected. I appreciate your focus on modernization, and I think we have to stay ahead of our adversaries out there. But, the facts are pretty daunting, and they're evident in my State of South Dakota, just like they are everywhere else in the Air Force. You look at the 114th Fighter Wing, an Air National Guard unit in Sioux Falls, the F–16s there are F–16s that were built in 1985, they're 23 years old, they have an average of 5,000 hours apiece on the airframes, which is an astounding measure, by any account. The B–1s that we have at Ellsworth AFB are also showing their age, and they're being used much more than was projected. Most of those aircraft are over 20 years old. Due to the support of the operations in Iraq and Afghanistan last year, the 28th Bomb Wing flew 171 percent more than normal.

So, I guess I want to hone in a little bit on a couple of the questions with regard to replacing those.

Secretary Wynne, as you look at the roadmap for future sites and potential bed-downs of some of these new aircraft, I was pleased to see that the Sioux Falls Air National Guard Base at Joe Foss Field was on the Air Force's future weapon systems roadmap. By replacing some of the F–16s and A–10s and F–15Es in our inventory, the

F–35, of course, is going to be critical to our Nation's Air Force. I was also pleased to see that Ellsworth AFB was on the roadmap as a potential bed-down for the next-generation bomber.

I guess I'd be interested in getting your comments on the status of the roadmap, maybe some insights into potential timetables for when the Air Force is going to begin analyzing potential bed-down sites and initiating those environmental impact statements that go with it.

Secretary WYNNE. Sir, first of all, we are pleased to tell you that we work closely with the Adjutants General across the United States to do our total force, because we are becoming increasingly reliant on our Reserve component as the Air Force gets smaller. We look at the roadmap that has been devised, as a guiding tool, because the timing of all of our product that we can replace, we're not replacing at a rate that causes us to run around to try to figure out where the roadmap goes. Even with the long-range strike airplane, we're talking about an initial operational capability (IOC) of 2018. We're not backing off of that, but we recognize that you're not going to have a squadron of those. You're going to have a flight-ready system of that ability in the 2020 timeframe, which is going to require sitting and everything else in around the 2012–2013 timeframe to get that started.

We're a little bit surprised that, every time we move a fighter squadron to a fighter squadron base, we would have to do an environmental impact study, but that's the way it is. That will come, I think, on the roadmap, with enough time to allow us to do it, maybe in 2, 3, or 4 years, right in that range.

But, we are excited about the prospects for maintaining the funding profile, maintaining the level of competition we have. We'll probably be back here, as we can declassify our ongoing pursuit of the next-generation bomber. I think the committee's going to be extremely pleased with the way we've integrated technologies that are available to us across this great country, to make this happen, and make it, not really a revolutionary vehicle, but, in fact, an evolutionary vehicle. It gives us hope that we can maintain our timelines.

General MOSELEY. Senator, I would also add, with the Secretary, that when we look at having some definition by 2012 or 2013 to be able to do the environmental work to look at bedding down the new bomber, we're working the 2010 budget right now, so we're there. We're beginning to look at the bed-down and the fielding and the criteria, not only for the total force, but also the new systems. The budget for 2010 is not that far from a set of activities in 2012, so I would say we're there.

Senator THUNE. Mr. Secretary, you noted in your prepared testimony that the Air Force is already the model for melding its Guard, Reserve, and civilians into the regular Air Force elements, and I wholeheartedly agree with that, and that you're looking to push that synergy to new levels. One of the things that you have done in the Air Force is use this concept of active association units, which I understand is a program that brings Active Duty airmen and mechanics to Air Guard bases to receive training from the more seasoned Air Guard counterparts. Could you just state for the record a few details about that program, how many of those asso-

ciations exist, what the process is for an Air Guard base to obtain an active association unit?

Secretary WYNNE. Yes, I'd have to get that for you for the record, sir.

[The information referred to follows:]

There are 22 Chief of Staff of the Air Force-approved Active Associations (18 flying, 4 non-flying) on the current Total Force Integration (TFI) List.

The objective of the TFI associations is to meet Air Force operational mission requirements by aligning equipment, missions, infrastructure, and manpower resources to enable a more efficient and effective use of Air Force assets. While the desire for associations is on the rise, proposed TFI initiatives require concurrence between both gaining and associating MAJCOMs, and must satisfy an existing MAJCOM/COCOM requirement. Headquarters Air Force, in close coordination with MAJCOMs and the National Guard Bureau, develop missions and identify potential integration opportunities that satisfy current and future capabilities requirements that align with national security requirements. Prior to making any TFI association decisions, the Air Force takes into consideration factors such as facilities, environmental impact, available manpower, usable airspace, and current number of aircraft. Additionally, there is a prerequisite to craft and submit a TFI Initiative Review Worksheet and Reserve MAJCOM/NGB legal approval of the proposed initiative. The initiative must then be vetted through the Air Staff, approved by the Chief of Staff of the Air Force, and must ultimately compete for funding in the Air Force programming/budgeting process. A summary of the complete TFI vetting process can be found in AFI 90–1001.

Senator THUNE. Okay.

General Moseley, one avenue for keeping the aircraft flying is modernizing them. We had a briefing yesterday on some of the things that are in the budget this year to modernize the B–1. What's proposed is placing advance targeting pods on the B–1s, and the question I have is: What kind of a capability does that give to a B–1? Does it in any way obviate the need for fielding a new bomber by 2018?

General MOSELEY. Sir, the answer to the second question is no. To be able to bring the B–1 inventory up to the best capability that we can, given the missions that we're operating now in Iraq and Afghanistan, putting the targeting pods on there, and being able to use that both as a striking platform and a nontraditional ISR platform, just makes perfect sense.

The lethality and the precision that you get with the Sniper, or the Littening pod on that airplane, to be able to deliver ordnance is just an incredible capability. Who would have thought a few years ago that we would be doing this to the B–1? The airplane has proven to be an outstanding striking platform in the scenarios that we have right now; supporting Army and Marine and Special Operations Forces.

Senator THUNE. Just one last question, if I might. One of the things that you all have focused on, and I commend you for, is pursuing alternative fuels to alleviate our dependence upon foreign oil. The Air Force, in particular, is the biggest user of fuels in the country. In the prepared testimony, you said the B–1 is on track to be certified to fly on a synthetic fuel blend sometime this year. My question would be: How helpful would it be to the Air Force to be able to enter into multiyear contracts, beyond the statutory 5 years, perhaps out to 10 years, when it comes to purchasing those types of fuels?

Secretary WYNNE. It's really crucial to making a market, because this is really about using the muscle of big government to make a

market in a marketplace that's not there yet. You have to get beyond the timelines that the bankers require, to make sure that there is a successful market out there. We can take all of our payments, essentially, in fuel, but the fact of the matter is, we're going to need, probably, 5- to 7-year commitments out there, plus some options, to make sure that we are convincing to the marketplace, that they should invest, and it is a substantial investment, in these new alternative energy products and processes, to make sure that we're still going to be there as a consumer. It is my intent to be a consumer, to make a market, and not to be a producer.

So, as we go forward in time, whether it's natural gas to liquid, coal to liquid, biofuels to liquid, whatever it is, we recognize that we have to have a long-term arrangement so that they can build the facility, produce the facility, and then we're still there to take the fuel.

General MOSELEY. Senator, if I remember the numbers right, we burn a little over 4 billion gallons of fuel a year.

Secretary WYNNE. Right.

General MOSELEY. Not all of that is jet fuel. We burn about 7 million gallons of jet fuel a day. So, 4 billion gallons includes diesel and gasoline and jet fuel. Alternative energy and synthetic fuels are a big deal for us.

Secretary WYNNE. I will tell you, very proudly, that the B–1 that we're about to qualify, the two-stage engines, is going to get us into the supersonic realm, and that allows me to branch out and now begin to qualify some supersonic fighters, as well as supersonic bombers.

Senator THUNE. Huge savings, I think, but also really important, in terms of our getting away from that dependence on petro dictators when it comes to our energy supply.

So, General, Mr. Secretary, thank you very much for your service.

General MOSELEY. Thank you, sir.

Senator THUNE. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Thune.

Senator Chambliss.

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

Gentlemen, thank you as always for your great service to our country. To those men and women who are sitting in blue behind you, thanks for the great job you do each and every day to make this world a safer place, and a safer place for my children and my grandchildren.

I had a chance to speak to about 500 of your chief master sergeants earlier this week in Atlanta, and what a great bunch of men and women they are. They're really, really great leaders, and we all know they're doing a terrific job in providing the kind of leadership that makes America a safer place.

Gentlemen, Senator Levin asked if the Air Force was using the DIA validated threat assessment, earlier, regarding how many F–22s you need. I believe you said that you were. One key issue regarding how many F–22s we need relates to how many advanced SAMs countries like Iran may have in the future.

We just checked, and the DIA has those assessments and projections for the short-term, for 5 to 10 years, but not for any further.

The OSD study assumes that Iran will have only a handful of advanced SAMs in 2024. However, as far as I can tell, there is no DOD assessment to support that number. If you have any comment on this, I would appreciate it.

General MOSELEY. Sir, I would only say, relative to the threat assessment, as a squadron commander, you only know what you know. It's easy to build those systems, and it's easy to proliferate those systems; and so, you don't really know what's there until it shoots at you or you have the signature of it. The notion of a capability is probably the more critical of the opening arguments, equally to the numbers. The fact that the SA–20 or the SA–15 or the SA–10 exists, and the fact that they can be bought on the open market, and sold alongside the target tracking radars and early warning radars, is the threat that we worry about.

Senator CHAMBLISS. Gentlemen, at the DOD posture hearing earlier in February, Secretary Gates commented that we are fighting two wars, but that the F–22 has not performed a mission in either theater. Isn't it a fact that we have an awful lot of expensive weapons systems in our inventory that we've never used in Iraq, or in Afghanistan, but because we don't know who the next enemy's going to be, it's important that we have these weapons systems in our inventory, to make sure that we're always the world's strongest military?

General MOSELEY. Yes, sir. If you'll let me defend my Secretary of Defense for a minute, I think he was answering a question about: Has the aircraft deployed, and have we got it out into the inventory? We have it in the Air Expeditionary Force rotation. We've used it for Operation Noble Eagle, but we've not deployed it into the theater. So, he's correct.

However, the ability to have the capacity or the capability to defend against the threats that you described is the fundamental question.

Senator CHAMBLISS. Is it correct that the F–22 is designed to gain access and create and maintain air dominance?

General MOSELEY. Yes, sir.

Senator CHAMBLISS. Is it correct that the F–22 has capabilities for gaining access and achieving air dominance by countering other advanced aircraft and SAMs that the JSF does not have?

General MOSELEY. Yes, sir.

Senator CHAMBLISS. Is it correct that the JSF is optimized for the air-to-ground mission, and that, although it has some anti-access capability, it is not optimized for the anti-access mission?

General MOSELEY. Yes, sir, and that's why our requirements are for both airplanes, and the requirements to have the synergy of both airplanes to be able to field that for the whole joint team.

Senator CHAMBLISS. The vision of the Air Force is that these two great weapons systems are to work hand in hand to make sure that we never have to worry about air dominance.

General MOSELEY. Correct, sir.

Senator CHAMBLISS. I understand that, in 2015, when we are scheduled to be procuring 80 F–35s a year, that the cost per plane is estimated to be $77 million per copy. Is it true, however, that given all the uncertainties that go into weapons procurement programs, we really don't know how much the F–35 is going to cost?

Secretary WYNNE. Sir, we're just not producing airplanes at the rate of 180 a year, like we did the F–16. We're not producing them at the rate of 100 tankers, that we used to. So, our trend is definitely that our great plans for producing or acquiring 100 of these fine F–35s may not come true. In other words, if we reduce the manufacturing volume at any plant you can assume that the price is going to rise.

Senator CHAMBLISS. The F–15 has been a great weapon system, and a great fighter. General Moseley, as you said, you've been in that plane. Is there any value in purchasing any additional F–15s today?

General MOSELEY. Sir, my personal opinion is no, because you can make the airplane reasonably lethal, but you can never make the airplane as survivable as the F–35 and the F–22. You can get a missile off of it, you can increase the ability of the radar to see a little bit, but you'd never make it as stealthy, you can't reduce the signature; therefore, you can't make the airplane as survivable.

Senator CHAMBLISS. Are there comparable aircraft flying, in the hands of other countries today, to the F–15?

General MOSELEY. Yes, sir.

Senator CHAMBLISS. PA&E's Joint Air Dominance Study states that the Air Force only needs 183 F–22s, which is our current projected buy. This study assumed that, in 2024, of the two near-simultaneous major combat operations (MCOs) that the United States must be prepared to fight, only one of those MCOs would require the Air Force to defeat advanced SAMs. Do you agree with that assumption?

General MOSELEY. Sir, we're working very hard to get those baselines right. We're working very hard with PA&E, and with the folks in OSD, to better understand those threat levels. My personal opinion is, we have to be prepared to deal in a variety of locations, in a variety of places, and a lot of that is threat-dependent. Your opponent gets to choose where they decide to fight, and in the numbers that they decide to fight. I think we should be prepared to deal across that full spectrum.

Secretary WYNNE. An interesting fact there is that these advanced integrated air defense systems are getting less and less expensive, and as people who have a tendency to use them are, in fact, accruing more and more wealth, it becomes just a decision on their part as to whether they want to engage.

Senator CHAMBLISS. Mr. Chairman, I know my time's up. I have a couple of more questions.

Chairman LEVIN. Go ahead.

Senator CHAMBLISS. Thank you very much.

The PA&E study also assumed that it would take approximately 10 days for the Air Force to achieve air dominance in the most stressing MCO, and then swing to another MCO. Do you agree with those assumptions? In your estimation, does TRANSCOM have the logistical network to support such a swing?

General MOSELEY. Sir, as a guy that's commanded two air campaigns in combat, I would tell you that any projection on a week or 10 days is still adversary-dependent. What we would like to impose on an adversary and what actually happens may not necessarily work that way. It's back to the notion of, what can you af-

ford, what capacity can you field, and what contingencies and what depth are you looking for? Given ideal circumstances, 10 days might work. But again, that's adversary-dependent, and it's hard to bet the farm on something that is adversary-dependent.

Secretary WYNNE. I note that, in the Millennium Challenge, it was a Marine Corps general, I think, that was in command of the adversaries, and he did something so unusual that we actually had to restart the game. So, planning on how the enemy will react to you might not work out.

Senator CHAMBLISS. Has the Air Force ever proposed any reduction in the JSF to procure additional F–22s?

General MOSELEY. No, sir.

Senator CHAMBLISS. The fiscal year 2009 budget request contains $497 million in F–15 operation and maintenance (O&M), presumably to fix the F–15s that are currently grounded due to fatigue and cracked longerons. I understand that there are currently nine F–15s that you've identified for longeron replacement, at a cost of $235,000 per plane, for a total of $2.1 million, and that these costs may be covered by fiscal year 2008 funds. Is that correct?

General MOSELEY. That's what we understand, sir.

Senator CHAMBLISS. I understand that, based on the current funding profile, long-lead suppliers for the F–22 program will begin shutting down in the fall of 2008, and that procuring another four aircraft in the supplemental, as has been suggested, will keep these suppliers operating for another 2 to 3 months. Again, is that what you've been advised?

Secretary WYNNE. Sir, that's up to every individual supplier. But, if you look at the profiles in which they are funding, the amount of funding that is available from four airplanes, and by the way, the cost of those airplanes will probably rise fairly dramatically, we're just not sure of the sufficiency.

Senator CHAMBLISS. Okay. The projected buy of F–22s today is 183. I understand that's a budget number, and it's what's been proposed by the Air Force. From a personal standpoint, General Moseley, do you think that number's enough?

General MOSELEY. No, sir.

Senator CHAMBLISS. Secretary Wynne?

Secretary WYNNE. Sir, not being the warfighter, my reliance is on the outside agencies, and I think there's a study out there that basically says about 277 gets you to the minimum medium risk. So, that's what I would rely on. Otherwise, we're driven by affordability.

Senator CHAMBLISS. Okay.

General MOSELEY. Senator Chambliss, I would offer, this has been a true affordability discussion inside the Department about trying to meet our top line in the fiscal guidance both for 2008 and the 2009 budgets. As we look at the POM10 budget, it is all about trying to get as much capability as we possibly can get into the budget, as we understand it, and the guidance that we've been given.

Senator CHAMBLISS. Let me just say to both of you gentlemen, obviously we've had a number of conversations about this particular weapons system, as well as others, including the C–17, I think it's a mistake to shut down that line. But, I've also had those

same discussions with OSD and individuals in that office, and I appreciate your frankness. This committee operates somewhat independently, but yet dependent on what comes out of OSD. But, we're the ones that ultimately are charged with the decisions of how to spend the taxpayer money, and how much of it to spend. We can't do that without your being frank and straightforward with us. I want you to know I appreciate your doing that, in spite of the fact that you can have disagreements within the building over various issues. I would hope that those who have an opinion otherwise will allow us to continue discussion with them until we resolve this between Capitol Hill and the Pentagon.

Thank you very much.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Chambliss.

Senator Thune asked about long-term arrangements for synthetic fuels and alternative energy. Mr. Secretary, you talked about the desirability of making a market for that by entering into, potentially, long-term contracts. Is legislation required to do that?

Secretary WYNNE. As near as I can tell, sir, it is. The Defense Energy Supply believes that they have only a 5-year contract, and I think the companies are looking for 7 to 9 years.

Chairman LEVIN. Have you recommended to them that authority be——

Secretary WYNNE. We requested. Yes, sir, we have.

Chairman LEVIN. Of them?

Secretary WYNNE. I've asked that they request the authority, because I don't want to go into the buying business. They should be in the buying business.

Chairman LEVIN. You've asked them to ask Congress for increased authority?

Secretary WYNNE. Yes, sir.

Chairman LEVIN. All right. Any memos that you can give us on that subject, we'd appreciate.

Secretary WYNNE. Okay.

[The information referred to follows:]

No formal memorandum from the Air Force has been issued. The Air Force expressed support for long-term contract authority for the purchase of synthetic fuels to the Defense Energy Support Center (DESC) in various meetings over the past several months. DESC was also supportive of the long-term contract authority and drafted a legislative proposal and we understand this proposal is in review at the Office of Management and Budget.

Chairman LEVIN. I'll ask both of you, should we terminate the JSF alternate engine program?

Secretary WYNNE. Here's where we have to be very supportive of the President's budget.

Chairman LEVIN. Why do you have to be supportive here, but not on the F–22s and not on the C–117s?

Secretary WYNNE. We're actually supportive of the submission. If you were to ask us for a personal opinion, I think we could perhaps offer you that.

Chairman LEVIN. Okay, let's try a personal opinion.

Secretary WYNNE. On a personal level, we were very happy to have the F–16 fighters available when the F–15s got stood down

because of cracking. To offer America reliability on the air dominance fighter fleet, it was nice to have two airplanes.

One of the things we have here is the possibility of having two airplanes, but with one being a very short fleet and the other one supporting eight countries, you have to ask yourself: What reliability should be there? So, we looked to high reliability operations to ask the question. I'll note for you that, on the Shuttle, there are quadruple redundancies that would not make a business case; they only made a strategic reliability case. You have to look at: What is America doing in involving nine countries and essentially taking decisions on an affordability basis, and not looking at the statistics for reliability, and just pushing them all the way to the nines?

Right now, the Pratt & Whitney engine is making its mark, and doing a great job. We expect that they will have problems downstream, because this is an aircraft program, and this is an engine program.

Chairman LEVIN. In your personal judgment, should we cancel the alternate engine program?

Secretary WYNNE. I would tell you that's a very tough decision, but my personal opinion is, I would keep it alive.

Chairman LEVIN. General? Your personal opinion on whether we ought to keep the program going or not.

General MOSELEY. Sir, we do support the President's budget and the submission out of DOD. The issues on affordability, though, take us to these other discussions on a variety of levels.

To use the money that would perhaps slip the entire program would not be advantageous to all of us. I believe there should be a second engine. My personal opinion is, there should be a second engine. We have had some problems with turbine blades on the F–35B.

Sir, this goes back, again, to the affordability question, and it goes back to: How much money do we have to put into these programs to keep them online and on-time delivery?

Secretary WYNNE. Right.

Chairman LEVIN. These issues always come back to affordability. That's what budgets are for, and that's what appropriations are for, and that's what priorities are for, and that's what judgment is for, and that's what difficult decisions are for, but nothing new about affordability being the issue, at the end of the day, that you have to figure out, what can you afford, what will you pay for, and what can't you pay for?

On the readiness issues, on your list of unfunded priorities you don't make reference to readiness at all. I don't believe that the word appears there.

General MOSELEY. Sir, we have several entries in there on modernization things, and on sustainment.

Chairman LEVIN. Right. But, on the readiness issue, in terms of depot maintenance, 77 percent of the projected depot maintenance requirements are met in this budget, so that leaves a shortfall, on depot maintenance, of 23 percent. That's a pretty significant shortfall. Perhaps not quite as big a shortfall as last year; but, nonetheless, a shortfall. Is that troubling to you?

Secretary WYNNE. Depot maintenance is periodicity, as well as usage. I would say that those folks have managed to use produc-

tivity improvements and lots of things, but they have a list of things, to make them better, and I think part of this maintenance fee can be deferred, and that's what we're trying to judge. When you come to affordability, you build it up, section by section and level by level. We think that 77 percent gives them exactly what they need to make their mission.

Chairman LEVIN. Are you comfortable with 77 percent, General?

General MOSELEY. Senator Levin, I'd like to have it higher. I would like to have it so that we could maintain the aging systems until we can recap them with new systems. General Corley gave me a note the other day that said every dollar he spends on modifications to his existing inventory, 86 percent of that goes to safety and sustainment, with only 14 percent going to enhanced warfighting capability. I think that gives you a rough gauge on what the depots are doing for us. The 77-or-so-percent number is a true baseline. We can survive with that, but we don't have the depth and the capacity, and we don't know what part of this old inventory is going to break next.

Chairman LEVIN. Now, another readiness issue is the flying-hour program. In your testimony last year, Mr. Secretary, you explained that the Air Force was increasing the risk in readiness accounts in order to protect modernization accounts. Your budget request last year included a 10 percent reduction in flying hours, compared to fiscal year 2007.

General, you indicated last year that you had some discomfort with that reduction in flying hours, and you were trying to find ways to, as you, I think, put it, or we put it, "migrate funds back into the flying-hour program." But, the request for fiscal year 2009 included an additional reduction, it's a modest one, but, nonetheless, a continuing reduction, to the flying-hour program. We are concerned that the reductions in the readiness account are, like you say, budget-driven rather than driven by the operational requirements, safety requirements, and risk requirements.

So, here's my question. Are you troubled, General, by this additional reduction in flying hours?

General MOSELEY. Sir, there's two answers to that. I'm always troubled by the reduction in flying hours; but, in this budget, we also lose, I think, 270 aircraft out of the inventory, so we have less airplanes to fly. We've also restructured a bit of training command, so we take some of the time out of the undergraduate pilot training and undergraduate navigation training syllabus. So that particular piece, I'm comfortable with.

The operational composite-force training, the preparation for Afghanistan and Iraq, or whatever we have to go do next, I'm less comfortable with that, and we work that, hard.

Secretary WYNNE. Senator, I think there's a mismatch of numbers here. What General Moseley's saying is that we think it's the mix of the fleet that actually caused the appearance of a reduction in flight hours; but per pilot, we have not reduced flying hours.

Chairman LEVIN. Can you get us those figures, if we don't already have them?

General MOSELEY. Yes, sir.

Chairman LEVIN. If we do already have them, just let our staff know where they are because I think that's a very important distinction.

Secretary WYNNE. Yes, sir, we will.

[The information referred to follows:]

In the Air Force fiscal year 2009 President's budget submission, the active Air Force O&M flying hour program delta between fiscal year 2008 and fiscal year 2009 was programmed at 26,968 FHs (2.5 percent reduction). Although all programs have minor changes, the major factors driving this decrease are:

13,342 FHs for AETC T–38C - shift of student pilot production from fighter to heavy aircraft to meet the Chief of Staff of the Air Force's guidance to right size unit manning.

5272 FHs for AETC F–15C/D anticipated force structure reductions.

5803 FHs for AETC F–16C/D - shift of student pilot production from fighter to heavy aircraft to meet the Chief of Staff of the Air Force's guidance to right size unit manning.

2638 FHs for ACC F–117A - weapons system retirement.

The programmed hours per crew per month (HCM) data:

	Fiscal Year	
	2008	2009
Fighters [1]	14.4	13.9
Bombers [2]	15.3	14.5
Tanker	15.1	15.1
Airlift	23.0	22.9

Drivers of HCM change between fiscal year 2008 and fiscal year 2009

[1] Fighters

(1) MAJCOMs had the option to decide which aircraft's flying hour program to adjust and how many hours to adjust in each fiscal year to meet their ''10 percent'' flying hour program funding reduction.

(2) DMO.

(3) Common Configuration Implementation Program (CCIP).

[2] Bombers

(1) MAJCOMs had the option to decide which aircraft's flying hour program to adjust and how many hours to adjust in each fiscal year to meet their ''10 percent'' flying hour program funding reduction.

Note: There were no explicit programmatic actions taken to reduce hours per pilot in fiscal year 2009. The HCM calculation used pilot numbers as of the end of the forth quarter for each year. As the pilot numbers catch up with the force structure drawdowns, the resultant fiscal year 2009 HCM will be closer to the fiscal year 2008 levels.

Chairman LEVIN. I think you were, nope, almost made it. [Laughter.]

General MOSELEY. We would be remiss.

Chairman LEVIN. We're delighted that Senator Warner got here in the nick of time.

Senator Warner.

Senator WARNER. Thank you, Mr. Chairman.

I was privileged to join with our Senate leadership in having a small meeting with His Majesty, the Prince of Jordan.

The question I would ask is just to recite the pros and the cons, as you see it, of having a competitive engine process continue for the F–35 aircraft. I recognize the position of your Department. I respect that. But, just let's evaluate the pros and the cons of that issue.

Chairman LEVIN. If I could interrupt, Senator Warner, when you were out, they crossed the Rubicon on this issue, in terms of their personal support for the second engine; they both expressed their personal support for it. I did not ask, however, your question, which is the pros and cons. I don't want to interrupt that, but since you weren't able to be here, I just wanted to bring you up to date.

Senator WARNER. Thank you very much. I appreciate that, Mr. Chairman.

Secretary WYNNE. Sir, as we start this, first of all, supporting the President's budget, it was arrived at from affordability. It was arrived at because the Pratt & Whitney engine was, in fact, going along very well, and seemed to be hitting its statistical levels. The impact on the program appeared to be that it failed the business case. So it did not get into the budget, and I think we, both of us, have that as our starting point.

If I could, as Senator Levin said, cross the Rubicon once again to offer you, from a professional standpoint and a personal level, what the pros and cons could be, I would say it this way. I was very pleased to have two airplanes when the F–15 developed cracks. The reason I was very pleased to be able to do that is, we swung a lot of F–16s in to support and essentially accomplish the mission of the F–15 while they were being examined for reflight. We were very pleased to have two engines for the F–16, sometime back, when we had an engine failure. Quite a few of our international partners had been here, and General Moseley had to go to all of our international flying partners on the F–15s to reassure them that America, in fact, produced a very high-reliable craft. He has accomplished that mission in a very good way. We have offered transparency in the reflight characteristics for that airplane, because they only have the single airplane as their air-dominant fleet. Here in the JSF, we now have a partnership across nine air forces.

I would tell you that while it does not pass the business case, the question of, "How much reliability should you have to ensure your air-dominance inventory is available to you" is a question that has not really been asked, and it is where I came down on the side of continuing the investment, at this point.

There is a secondary question: What kind of capability will you have in the future to grow your engine, design and manufacturing capability, and what kind of capability do you have there now? I think having the competitive forces at work allow you some mission creep, which is going to happen across our air fleet, and maintains the competition out there, which has proven itself to be somewhat apropos for the engine companies. It also has really helped in the international market, because the engine companies will compete.

So, after assessing all of that, I would tell you, from where we are to look at the to-go costs versus a sum cost, I think the to-go costs are appropriate.

Senator WARNER. I thank you. So it really comes down against an array of advantages; i.e., competition, reliability, international partnerships; possibly, there's a variance in the thrust which could affect the vertical and/or short takeoff and landing aircraft versus the other plane. On the down side, it's just the difficult question of the dollar budget.

Secretary WYNNE. Yes, sir.

Senator WARNER. Is that about a summary of it?

Secretary WYNNE. I think you've hit it.

General MOSELEY. Senator, that question of the dollar budget inside that program, we're all very sensitive to fielding that airplane on time.

Secretary WYNNE. Right.

General MOSELEY. Not just the A model, but the B model and the C model for the Navy and the Marine Corps, to be able to bring that airplane online so we can move into the 21st century with the new capabilities. Any large programmatic cut inside that program puts those IOC times at risk.

Senator WARNER. In a few words, look elsewhere for the money.

General MOSELEY. Yes, sir.

Senator WARNER. Thank you.

General MOSELEY. Or, sir, help us protect the IOCs on these critical airplanes as we develop them and field them for the joint team.

Senator WARNER. I look forward to the challenges of working with each of you. You're a great team.

I caught that little comment of yours when we started, Mr. Secretary: this could be your last budget presentation. We'll wait and see. But, in any event, I do know this will be my last hearing with the Department of Air Force on the posture of your Department. There will be others, I'm sure.

Thank you very much.

Chairman LEVIN. Thank you, gentlemen. We are adjourned.

[Additional information submitted for the record:]

THE NATION'S GUARDIANS
AMERICA'S 21ST CENTURY AIR FORCE

CSAF White Paper

General T. Michael Moseley
18th Chief of Staff
United States Air Force

29 December 2007

We better be prepared to dominate the skies above the surface of the earth or be prepared to be buried beneath it.

General Carl A. "Tooey" Spaatz
1st Chief of Staff U.S. Air Force

1. PURPOSE

This White Paper charts U.S. Air Force strategy for the next two decades and defines the Air Force's indispensable role in promoting and defending the national interest. In framing the strategic imperatives that face the United States and its Air Force, the paper lays out the urgent actions required to cope with today's and tomorrow's challenges. Accordingly, this White Paper is a definitive statement of Air Force intent to maintain its role as the guardian of America's freedom, security and prosperity—the Nation's force of first and last resort.

2. AMERICA'S GUARDIANS

Since the Nation's birth, it has been the constitutional duty of our military to ensure national survival, defend lives and property, and promote vital interests at home and abroad. To provide for the common defense, all of America's military Services strive for excellence in how they organize, train, and equip their forces to fight and win the Nation's wars. All are vital, interdependent components of a mighty joint team, united by a tradition of honor, valor, and devotion.

The Air Force exists to fly, fight and win—to achieve strategic, operational and tactical objectives—unhindered by time, distance or geography. The Air Force's mission is to "deliver sovereign options for the defense of the United States of America and its global interests—to fly and fight in Air, Space, and Cyberspace." Thereby, jointly with our brothers and sisters in arms—Soldiers, Sailors, Marines, and Coast Guardsmen—we underwrite the national strategy of defending the Homeland and assuring allies, while dissuading, deterring and defeating enemies.

As the Nation's premier global, multi-dimensional maneuver force, the Air Force safeguards America by dominating the ultimate vantage of air, space and cyberspace. We provide *Global Vigilance, Global Reach and Global Power* in and through these domains.

- ***Global Vigilance*** is the persistent, world-wide capability to keep an unblinking eye on any entity—to provide warning on capabilities and intentions, as well as identify needs and opportunities.
- ***Global Reach*** is the ability to move, supply, or position assets—with unrivaled velocity and precision—anywhere on the planet.
- ***Global Power*** is the ability to hold at risk or strike any target, anywhere in the world, and project swift, decisive, precise effects.

With the oldest inventory in history, battered by 17 years of continuous combat, the Air Force's ability to fulfill its missions is already being tested. This is particularly true in cyberspace, seen by potential adversaries as a relatively inexpensive venue to offset our traditional advantages in air and space. Since the air, space and cyber domains are increasingly interdependent, loss of dominance in any one could lead to loss of control in all. Thus, superiority and freedom of action—the historically proven predicates of all joint operations, in all warfighting domains—cannot be taken for granted.

No modern war has been won without air superiority. No future war will be won without air, space and cyberspace superiority. Accordingly, the Air Force must be better postured to contend with both today's and tomorrow's challenges. To promote and defend America's interests through Global Vigilance, Global Reach and Global Power, the Air Force must attain cross-domain dominance. Cross-domain dominance is the freedom to attack and the freedom from attack in and through the atmosphere, space and the electromagnetic spectrum. It permits rapid and simultaneous, lethal and non-lethal effects in these three domains to attain strategic, operational and tactical objectives in all warfighting domains: land, sea, air, space, and cyberspace. Cross-domain dominance integrates systems, capabilities, operations, and effects in air, space and cyberspace to gain competitive advantage in any and all domains. It transforms our operational concepts to maximize synergy among air, space and cyberspace, thus generating a new array of simultaneous, synchronized effects.

Through cross-domain dominance, the Air Force grants joint freedom of maneuver in all warfighting domains: land, sea, air, space, and cyberspace. This, in turn, allows the Joint Force Commander to achieve desired outcomes across the full range of military operations: from humanitarian relief saving those in need, through preventing war via dissuasion and deterrence, to inflicting strategic paralysis on implacable opponents. Without the Air Force's ability to present this spectrum of capabilities to the joint team in peace, crisis and war, national security would be at risk.

3. THE STRATEGIC IMPERATIVE

History is replete with examples of militaries that failed due to their inability to transform organizations and culture, adopt new operational concepts, or leverage breakthrough technologies. But militaries do not fail by themselves. Failure occurs in the context of an overall, national debacle, caused by systemic problems that fall into three distinct but related categories: failure to anticipate, failure to learn and failure to adapt. In contrast, victory comes to those who foresee, recognize and act on changes in the strategic environment. To succeed—indeed, to avoid catastrophic failure—we must redefine the Air Force for the 21st Century.

In the wake of the Vietnam War, the Goldwater-Nichols DoD Reorganization Act of 1986 and the collapse of the Soviet Union, tectonic shifts in the global security setting prompted extensive changes in Air Force culture and structure. Organizational and technological transformation brought about a quantum leap in airpower's effectiveness—compellingly demonstrated in operations such as: DESERT STORM,

maintaining no-fly zones in Iraq through NORTHERN WATCH and SOUTHERN WATCH, ALLIED FORCE in the Balkans, ENDURING FREEDOM, and IRAQI FREEDOM, as well as in operations providing life-saving relief to victims of tsunamis, famines, earthquakes, and hurricanes. Our transformation objectives were uniquely suited to the strategic context of the time. The U.S. Air Force harnessed space and cyber capabilities as the catalysts of precision, stealth, speed, reach, and persistence that became the hallmarks of late 20th Century warfare. In the process, the entire joint team—indeed, the entire free world—became increasingly dependent on space, electronics and the electromagnetic spectrum as the indispensable pillars of freedom of action. Consequently, 21st Century airpower is not merely the *sum but the product* of air, space and cyberspace superiority. Loss of control in any one of these domains risks across-the-board degradation—if not outright failure.

Today's confluence of global trends already foreshadows significant challenges to our organization, systems, concepts, and doctrine. We are at an historic turning point demanding an equally comprehensive revolution. The future strategic environment will be shaped by the interaction of globalization, economic disparities and competition for resources; diffusion of technology and information networks whose very nature allows unprecedented ability to harm and, potentially, paralyze advanced nations; and systemic upheavals impacting state and non-state actors and, thereby, international institutions and the world order. The following are salient features of this increasingly complex, dynamic, lethal, and uncertain environment:

- Violent extremism and ethnic strife—a global, generational, ideological struggle
- Proliferation of weapons of mass destruction and empowering technologies
- Rising peer competitors with voracious appetites for resources and influence
- Predatory and unpredictable regional actors
- Increasing lethality and risk of intrusion by terrorist and criminal organizations
- Systemic instability in key regions (political, economic, social, ideological)
- Unprecedented velocity of technological change and military adaptation
- Availability of advanced weapons in a burgeoning global marketplace
- Exponential growth in volume, exchange and access to information
- Surging globalization, interconnectivity and competition for scare resources
- Dislocating climate, environmental and demographic trends

4. 21st CENTURY WARFARE

These global dynamics are closely intertwined with the changing character of 21st Century warfare. Having experienced—or vicariously learned—the cost of challenging the U.S. head-on, would-be adversaries are developing asymmetric approaches to attack vital levers of U.S. power. Their strategies seek to circumvent our core advantages, while undermining international support and domestic resolve.

Airpower's unprecedented lethality and effectiveness deter opponents from massing on the battlefield, driving them to adopt distributed and dispersed operations. They find maneuver space and sanctuary in dense urban areas, ungoverned hinterlands and

loosely regulated information and social networks. These enemies pose a significant challenge to our freedom of action and threaten our interests at home and abroad. Their operations are difficult to constrain with traditional force-on-force approaches, compelling all Services to think anew about the challenges of irregular warfare.

Meanwhile, ascendant powers—flush with new wealth and hungry for resources and status—are posturing to contest U.S. superiority. These adaptive competitors are translating lessons from recent conflicts into new warfighting concepts, capabilities and doctrines specifically designed to counter U.S. strengths and exploit vulnerabilities. They are advancing in all domains. For example:

- "Generation 4-plus" fighter aircraft that challenge America's existing "4th Generation" inventory—and, thus, air superiority—with: overwhelming numbers and advanced weaponry; sophisticated integration of electronic attack and advanced avionics; emerging low-observable technologies; and progressive, realistic, networked training
- Increasingly lethal, integrated air defense systems (IADS) that threaten both our Airmen and aircraft, and could negate weapons used to suppress or destroy these systems
- Proliferation of surface-to-surface missiles with growing range, precision, mobility, and maneuverability—capable of delivering both conventional and non-conventional warheads
- Proliferation of unmanned aerial systems (UAS) capable of conducting low observable, persistent, intrusive missions in both lethal and non-lethal modes
- Resurgence of offensive counterspace capabilities
- Increasing ability of even marginal actors to surveil the disposition of U.S. and allied assets through commercially available and widely accessible means
- Attacks through cyberspace are already creating tactical, operational and strategic effects at low cost and with relative impunity

Even if we continue to successfully dissuade and deter major competitors, their advanced equipment is proliferating worldwide. We are bound to confront these weapons systems wherever America engages to promote and defend its interests. We must also be vigilant to adversary breakthroughs in fields such as cybernetics, nanotechnology, biotechnology, electromagnetic spectrum physics, robotics, advanced propulsion, etc. We cannot assume that the next military revolution will originate in the West. Indeed, the hub of innovation in science and engineering education has shifted eastward. Therefore, we must anticipate innovative combinations of traditional and new concepts, doctrines, weapons systems, and disruptive technologies.

5. A STRATEGIC CROSSROADS

As a consequence of these global dynamics and shifts in the character of 21st Century warfare, we are at a strategic crossroads. The Air Force has aggressively pursued air dominance through focused, sizable investment in Airmen, aircraft, weapons, training and essential support structure—to include fundamental and applied

research. The investment has paid off; no U.S. ground forces have been attacked from the air since 1953. The Cold War was won through deterrence, backstopped by America's nuclear might. DESERT STORM is commonly called the "100-hour war"—that's how long the ground campaign lasted—because the preceding 1000-hour air war made it so. After the Iraqi army limped from the battlefield with sufficient capability to attack its own citizens, the Air Force imposed regional containment through Operations NORTHERN WATCH (to protect the Kurds) and SOUTHERN WATCH (to protect the Shia). Operation ALLIED FORCE, which compelled the Belgrade regime to bend to NATO's will and stop the slaughter of innocents, was won through airpower without the need for a costly ground campaign. Brutal dictatorships were toppled in Afghanistan and Iraq in record time, with many of the necessary effects accomplished from the air. However, the advantages that accrue from air dominance can no longer be taken for granted. Consequently, America's freedom of action in all warfighting domains—land, sea, air, space, and cyberspace—is no longer assured.

From this point forward, the Air Force should expect to be challenged not only in the air domain, but in and through space and cyberspace as well. In January 2007, China demonstrated the ability to hold satellites at risk and the willingness to contest the space domain. State and non-state actors are already exploiting cyberspace to gain asymmetric advantage. In April 2007, Estonia was the victim of a well-coordinated, far-reaching cyber attack which brought its technologically sophisticated government to a virtual standstill. Insurgents in Iraq, Afghanistan and elsewhere exploit electronics and the electromagnetic spectrum to kill and maim through improvised explosive devices (IEDs), while propagating their message of hate to the world. Thus, perhaps for the first time in the history of warfare, the ability to inflict damage and cause strategic dislocation is no longer directly proportional to capital investment, superior motivation and training, or technological prowess.

The Global War on Terrorism is a generational struggle we must win. The Air Force will continue to fly and fight in the various theaters of this war. At the same time, we owe the Nation a holistic approach that balances today's exigencies with the far-reaching, long-term implications of looming threats. America's Air Force will succeed in the 21st Century only by developing and resourcing a strategy that closes the gap between ends and means. The window of opportunity is shutting fast. Time is not on our side.

6. REDEFINING THE AIR FORCE FOR THE 21st CENTURY

The Air Force strategy is framed in terms of *ends, means, ways, and risk*. The *ends* are the objectives we must achieve. The *means* are capabilities and resources. The *ways* define how we employ the *means*. The essence of our strategy is to use required *means* in innovative *ways* to attain the desired *ends* with acceptable *risk*.

Ends: Protect Democracy and Guard Freedom

The Air Force's commitment to America's joint team is to provide forces proficient across the range of military operations to protect the United States, its interests,

values and allies; deter conflict and prevent surprise; and, should deterrence fail, prevail against any adversary. Airmen deliver global surveillance, global command and control, and the requisite speed, range, precision, persistence, and payload to strike any target, anywhere, anytime, in any domain—and assess the results. Global Vigilance, Global Reach and Global Power grant Joint and Combined Force Commanders the ability to safeguard the Homeland, assure allies, dissuade opponents, and inflict strategic dislocation and paralysis on adversaries—all while minimizing the loss of life associated with land warfare.

Ways: Global Vigilance, Reach and Power through Cross-Domain Dominance

Innovation, flexibility and integration are the hallmarks of all successful strategies. Airmen must develop creative solutions—*ways*—to gain and maintain superiority in air, space and cyberspace, exploiting the synergies of cross-domain dominance to attain a quantum leap in mission effectiveness. To this end, we must: refocus our organization and culture on the warfighting mission; implement advanced operational concepts to fly, fight and win in all domains; leverage game-changing technologies; and recapitalize our aging equipment.

Any organizational renaissance begins with people. We must prepare our Airmen for a future fraught with challenges, fostering their intellectual curiosity and ability to learn, anticipate and adapt. To this end, we are reinvigorating warrior ethos, revitalizing the world's most advanced training system and expanding 21st Century educational opportunities. Our expeditionary Airmen must be prepared to deploy and ready to fight. While we enrich our Airmen's culture, leadership, training, education, and heritage, we will care for their families and provide for their future.

We are committed to enhance Total Force Integration. We are developing concepts, strategies, force management policies and practices, and legal authorities to access sufficient Air Reserve Component forces without the need for involuntary mobilization. Though the Air Force is already the model for melding its Guard, Reserve and civilians with its active duty elements, we can and will push this synergy to new levels.

We must continue to inject Airman's global, inherently three-dimensional perspective into all levels of planning and execution. We will better prepare our officers for key joint leadership positions by bolstering cultural, language and academic skills—as well as practical experience—to ensure they are articulate airpower advocates, capable of fully integrating and leveraging our distinctive capabilities in joint and coalition arenas.

In an era of intense competition for resources, all Services must avoid unnecessary duplication and overlap in acquisition, procurement, manning, and operations. To this end, we will continue a series of cross-Service initiatives already underway with the aim of generating new joint synergies across all warfighting domains: land, sea, air, space, and cyberspace. We will also work with the rest of DoD to enhance collaboration and interoperability with the Department of Homeland Security, Department of State, the

Intelligence Community, law enforcement agencies, and other interagency partners to facilitate a more effective orchestration of all elements of national power.

America's strategic partnerships are more important than ever. Our Air Force will strengthen and broaden coalitions, capitalizing on the global community of like-minded Airmen, while attending to interoperability between allies and partners. Building these relationships not only expands, extends and strengthens Global Vigilance, Global Reach and Global Power, but also leverages airpower's value as an engine of progress and, thus, as a potent instrument of America's diplomacy in an increasingly interconnected world.

The U.S. Air Force is formulating innovative operational concepts to anticipate, adapt to, and overcome challenges. We are transforming our thinking from considering the space and cyber domains as mere enablers of air operations to a holistic approach that factors in their interdependence and leverages their unique characteristics. We must continue to push this conceptual envelope—and expand the boundaries of existing tactics, techniques and procedures—to fully exploit the synergies of cross-domain dominance.

We will accelerate the deployment of evolutionary and disruptive technologies, as we address the urgent need to recapitalize and modernize. We must bolster our advantage through continued investment in our own science and technology, as well as outreach and integration with industry, academia and think tanks. We will reform our procurement and acquisition system to ensure full transparency, open competition and adherence to operational timelines.

Means: Revitalizing the Air Force

The U.S. Air Force has been in continuous combat since 1990—17 years and counting—taking a toll on our people and rapidly aging equipment. While we remain globally engaged, we recognize the imperative of investing in the future through recapitalization and modernization. We must field flexible systems, capable of providing full-spectrum effects across the entire range of military operations, from a catastrophic attack on the Homeland, through major theater contingencies, to irregular warfare and humanitarian relief.

We must position the Air Force to secure America's superiority in all domains, including: appropriate mixes of stand-off capabilities; penetrating manned aircraft; enhanced cyber capabilities; advanced unmanned combat systems; operationally responsive space; and breakthroughs in fields such as electromagnetic spectrum physics, directed energy, nanotechnology, bioengineering, super-stealth, and hypersonics—all wedded to innovative concepts and superior training.

To meet current and future challenges, we will maintain a credible deterrent that convinces potential adversaries of our unwavering commitment to defend our Nation, its allies and friends. The U.S. nuclear arsenal continues to serve as the ultimate backstop

of our security, dissuading opponents and reassuring allies through extended deterrence.

As the demand for global intelligence, surveillance, reconnaissance, and communications continues to grow, our reliance on assured access to space will increase exponentially. The challenge is to find an affordable pathway to secure space—striking the right balance among hardening, countermeasures and reconstitution. We need to deploy high-altitude, high-speed, air-breathing systems to mitigate risks to space-based capabilities. The Air Force will continue to provide the entire joint team with exacting intelligence, surveillance and reconnaissance in air, space and cyberspace. We will also develop new concepts that merge sensors and shooters into a seamless, ubiquitous force that can permeate adversary defenses.

Throughout history, war-fighters at all levels have operated with limited information and constrained situational awareness. With advances in sensors, information sharing and network-centric systems, our operators are suffering the embarrassment of riches—they are, quite literally, struggling with information delivered at a velocity and volume far exceeding human ability to process and absorb. We must develop and field systems that are not just network-centric, but knowledge-centric. These systems process, filter and integrate data, presenting information in a format that enables quick, logical decisions. To this end, we will develop self-forming, self-healing networks that harness the power of machine-to-machine interfaces, freeing up human resources for activities where intellect and warrior spirit are indispensable.

In September 2007, the Air Force stood up Cyber Command to provide combat-ready forces, trained and equipped to conduct sustained operations in and through the electromagnetic spectrum, fully integrated with air and space operations. We will continue to develop and implement plans for maturing cyber operations as an Air Force core competency. Our objective is to provide flexible options to the decision-makers to deter, deny, disrupt, deceive, dissuade, and defeat adversaries through destructive and non-destructive, lethal and non-lethal means.

Soldiers, Sailors, Marines, and Coast Guardsmen share a sacred bond with Airmen: we will not leave a comrade behind. We are modernizing combat search and rescue forces to fulfill the moral imperative to locate, support and recover our joint warriors. The Air Force is committed to fielding a new combat search and rescue aircraft; advancing our rescue concepts of operation; and enhancing survival, evasion, resistance, and escape (SERE) training—all to ensure that the Air Force remains the premier combat search and rescue force for the entire joint team.

The Global War on Terrorism has highlighted the importance of specialized airpower to meet the requirements of Special Operations Forces. We will continue to provide aircraft, unmanned aerial vehicles, agile combat support, and trained personnel to meet Combatant Commanders' special operations requirements. Air Force Special Operations Command is establishing a new main operating base in New Mexico, with world-class training ranges and facilities to accommodate its growth. In addition, the Air

Force continues to refine tactics, techniques and procedures to enhance the synergies between airpower and Joint Special Operations Forces.

An enduring element of our national security strategy is to engage forward in peace, crisis and war. Accordingly, we must maintain a sufficient rotational base to sustain our forward-deployed and forward-based posture, as well as enhance our ability to project and protect those forces—a moral imperative and a military necessity. The Air Force will work with Combatant Commanders and partner air forces to secure basing and counter potential anti-access strategies. We will continue to develop new ways of projecting power without projecting vulnerabilities and design systems that facilitate reach-back, thus maximizing effects while minimizing forward presence.

Risk: Failure to Anticipate, Learn, Adapt

All strategic planning is based on a set of assumptions. Surprise occurs when core assumptions are proven wrong. To succeed, we must continually validate our strategy across the *ends, means, ways, risk* framework. We should not assume that future conflicts will resemble the current fight in Iraq or Afghanistan—lest we lose the ability to project global power, inflict strategic paralysis, deter nation-states, destroy their fielded forces, and defend our Homeland, its allies and friends.

For a nation whose security is predicated on an enduring strategy of dissuasion and deterrence, the most fundamental risk is failure of deterrence. Deterrence is a function of capability, will and credibility and, thus, exists in the eye of the beholder. Its success—or failure—is measured only in the breech. To mitigate the risk, we must retain a modern, secure and well-trained force and evolve new deterrence concepts. In particular, it behooves us to rethink concepts such as extended deterrence and conceive new ways to deal with actors who might be deemed "undeterrable" in the Cold War construct.

Strategic risk can also mount through the accumulation of shortfalls in recapitalization and modernization, stale operational concepts and failure to revitalize warrior ethos. Recapitalization is about more than replacing aging aircraft; it is about ensuring the combat effectiveness of all air, space and cyberspace forces. The success of the Air Force and the joint team depends upon the ability of our people and organizations to adopt new, relevant operational concepts, suitable to the dynamics of the strategic environment. Cross-domain dominance is essential to victory.

7. FROM HERITAGE TO HORIZON

Billy Mitchell's appeal for strategic foresight still resonates today: "Nations nearly always go into an armed contest with the equipment and methods of a former war. Victory always comes to that country which has made a proper estimate of the equipment and methods that can be used in modern ways."

Complacency breeds failure. In the 1920s and 1930s, when our political and military leaders assumed the Nation was appropriately postured for the future, we failed to anticipate the coming crucible. Despite the vocal objections of a few, we entered World War II unprepared for the demands of total war. Likewise, we engaged in both Korea and Vietnam unprepared for the challenges of limited war. America paid a heavy price in blood and treasure for this strategic myopia. To cite but one example: on August 1, 1943, American Airmen flew a daring, low-level mission to strike Hitler's largest oil refinery—Ploesti. The target was demolished, but attrition was brutal: 44 of 177 B-24 Liberators were shot down and 540 of 1720 Airmen were lost. Through determination, ingenuity and innovation—as well as our industrial might—we persevered. The Nation and its entire military adapted in the midst of these fights to win decisively in World War II, restore the *status quo* in Korea, terminate the conflict in Southeast Asia, and, having exorcized the ghosts of Vietnam, deliver a swift victory in DESERT STORM.

We must learn from history. Our shared touchstone of warrior virtues and single, unifying purpose remain unchanged: fly, fight, win. We must remain true to the legacy of valor and devotion, so boldly written with contrails and smoke across the skies from Ploesti and Schweinfurt, through MiG Alley and downtown Hanoi, to Kandahar and Baghdad. This legacy defines our role in the American way of war—to risk the lives of Airmen to kick down the opponent's door so thousands need not die.

We will have neither the buffer of time nor the barrier of oceans in future conflicts. The Air Force is smaller in December 2007 than it was in December 1941. The character, tempo and velocity of modern warfare already severely test our ability to adapt. Therefore, redefining the Air Force for the 21st Century is an urgent national security requirement—not a luxury we can defer. If we are to defend America and promote its interests, the Air Force must continue to provide the joint team with prompt, persistent, decisive air, space and cyberspace effects.

The Air Force is often first to the fight and last to leave. We give unique options to all Joint Force Commanders. The Air Force must safeguard our ability to: see anything on the face of the earth; range it; observe or hold it at risk; supply, rescue, support or destroy it; assess the effects; and exercise global command and control of all these activities. Rising to the 21st Century challenge is not a choice. It is our responsibility to bequeath a dominant Air Force to America's joint team that will follow us in service to the Nation.

Air Force Strategy:

Sovereign Options for Securing Global Stability and Prosperity

Introduction

The mission of the United States Air Force is to deliver sovereign options for the defense of the United States of America and its global interests—to fly, fight, and win in Air, Space, and Cyberspace.

Today the United States stands at a strategic crossroads. This junction is characterized by rapid growth of the global economy accompanied by diffusion of technology, new and increasingly complex economic and international relationships, and potential competition for resources and influence. This strategic context demands that we retain our position of international political and military leadership because security and economic health closely intertwine with international political stability and economic prosperity. We are the leader in a global system predicated on stable, peaceful relations among nations. We prosper in large measure because we are part of a system of mutually beneficial exchanges between states.

Following World War II, the United States played the leading role in creating, preserving, and protecting this international system as the community of free democratic nations grew. This leadership led in large part to the fall of the Soviet regime and provided the stable backdrop against which countries like Japan, India, and China initiated their unprecedented economic growth. Absent the relative long-term stability of the global environment facilitated by American diplomacy and underwritten by the strength of our armed forces, neither the international system, nor the United States would enjoy its current level of security and prosperity. We cannot abdicate our position of political and military leadership without grave consequences.

Challenges

Liberty, stability, and prosperity are far from guaranteed. We must continue to defend them from a position of strength. Numerous actors ranging from rising major powers to global terrorist groups have the capability and desire to disrupt the existing system to achieve their own ends. Peaceful nations must contend with these actors in order to preserve liberty and freedom. Three broad threats challenge stability over the coming decades: radical extremists espousing terror; "rejectionist" states who seek to overthrow the existing political and economic structures; and regional powers and rising peers who will likely compete with us for global access and influence. Our national security demands that the military

protect the United States against external attacks and aggression; prevent conflict and surprise attack; and prevail against adversaries.[1]

The most dangerous threats the US faces come from radical extremists with access to modern conventional and nuclear weapons with their unrivaled capacity for destruction. These groups present a clear and present threat to our citizens on our own soil and cannot be allowed to attack our homeland. The vicious attacks on Sept 11, 2001 clearly demonstrated the intentions of extremists to strike at the United States as destructively as possible, and their subsequent and continuing efforts to obtain Weapons of Mass Destruction powerfully reinforce that reality. The 9/11 attacks were the catalysts for our global effort to defeat radical extremist and negate their terror strategy. This will likely be an extended struggle. The attacks by Al Qaeda remind us that above all, the US military must prevent such opponents from benefiting from attacks against our citizens and America's vital interests at home or abroad.

By contrast, the most likely threats come from rejectionist states. Since the fall of the Soviet Union, the most common challenge our nation has faced is the asymmetric strategy of protracted conflict aimed at attrition and exhaustion that accomplishes an adversary's objectives while avoiding a full military response from the United States. Recent examples of this type of strategy include Serbia's ethnic cleansing programs in Kosovo; Iran and other states' illicit pursuit of nuclear weapons; and the willingness of the Taliban regime to offer sanctuary to terrorists. A sound counter-strategy demands that our armed forces be able to reach into the areas of the world where these threats persist with scalable and innovative options that dissuade our adversaries from embarking on this kind of strategy.

Our problems are further exacerbated because these two types of opponents are free to choose dispersed locations and types of conflicts suited to their tactical and operational strengths. Al Qaeda's sporadic terror attacks on American targets (embassies in Africa, deployed forces at Khobar Towers, the USS Cole, and twice against the World Trade Center) are examples of the enemy leveraging the tools of terror and surprise. Iraqi and Afghan rebels' use of roadside explosive devices, suicide bombers, and small-group terror tactics in ongoing conflicts are further examples of enemies choosing the type of conflict to suit their own strengths. This type of strategy allows opponents to systematically erode international stability while presenting significant challenges to US military capability and political will. Over the long term, these strategies reduce the United States' deterrence against stronger opponents looming on the horizon by wearing down our military capability and diminishing our credibility.

Finally, the most difficult challenges are likely to involve rising technological and economic peers that will compete for influence and access to resources around the globe. While we will not likely face a peer in military conflict in the near future,

[1] National Military Strategy, 2004. viii.

the consequences of losing such a conflict would be severe. We must never lose our focus on deterring potential peer adversaries from using military threats to narrow our diplomatic options, nor from embarking on militarily risky courses of action. The rapid development and proliferation of high-technology weapons combined with innovative operational concepts are likely to make this particularly challenging, since power balances will be constantly changing and the risks of misperception may be high. Therefore, maintaining deterrence will require a sophisticated, competitive strategy that assures the required military capabilities for today and the sustainable, affordable investments for the future.

Given this spectrum of threats, the United States must field an Air Force capable of assuring our allies, dissuading and deterring potential adversaries, and if necessary, defeating those who choose to become our enemies.

The Role of the US Military

It is always better to win without having to fight. Today, the US military does this by shaping the international environment with the potent tools of assurance, deterrence, and dissuasion. The principal role of the US military is to defend our Nation and our national interests. In this role, we assure our allies that they need not bow to violent threats as we deter or dissuade potential adversaries with overwhelming capabilities plainly linked to the national will. Our armed services accomplish this role by providing a solid foundation of military strength to complement the tools of peaceful diplomacy. None of these tools alone can sustain our position of international political and economic influence. We must be prepared to use all the instruments of national power in proper combination, in an integrated manner, to address potential threats to our nation and our interests.

Air Force Strategic Concept: Sovereign Options

In response to current and emerging threats, the US Air Force has implemented a strategy based on providing US policy makers with *sovereign options* for our defense. *Sovereign options* refer to the spectrum of choices that air, space, and cyberspace capabilities offer US policy makers for solving problems. In peacetime, these options include, supporting our international partners, counter-balancing and containing aggressive states; signaling opponents of our commitment to protect our interests; and providing humanitarian aid--to both our allies and potentially hostile populations--to assure them of friendly US intentions. In war, Air Force capabilities provide decision makers with a range of options, from supporting joint and coalition actions in conjunction with allied land and sea forces to direct strikes against enemy centers of gravity to accomplish strategic outcomes. These options provide the country with credible and scalable counters to the full range of potential enemy actions and support our goals for assurance, deterrence, and dissuasion.

Sovereign options also refer to the asymmetric advantage the United States possesses in air and space technology and the way its ability to dominate air, space, and cyberspace multiplies the power of all US and coalition forces. With its present technology and operational concepts, the US dominates space and is able to gain air superiority against enemy air forces and air defense systems. Air and space dominance is the key to our ability to control the ground and maritime domains as well. In recent years, US air and space dominance coupled with precision weapons has transformed the way the United States fights, allowing joint and coalition forces rapid dominance of adversary actions and unprecedented freedom of action in the modern battlespace.

Even more than the ability to win wars, *sovereign options* refer to our strategic flexibility in determining when, how, and where to engage an enemy. War is not a matter of convenience. When war is thrust upon us, we must have the strategic depth to shape the conditions of conflict. From 1991 to 2003, the use of no-fly zones allowed the US to contain the aggressive actions of Saddam Hussein. When drawn into open conflict, the determined use of air power as part of the joint team crushed Iraq's conventional armies. A similar fate met the forces of the Taliban and Al Qaeda in Afghanistan. When air power—working with Special Forces and indigenous Northern Alliance forces—defeated the Taliban in 2001, we disrupted Osama bin Laden's plan to operate his global terrorist network from the relative sanctuary of the Afghan frontier. In the insurgencies that followed both of these operations, air, space, and cyber power continued to prevent insurgents from massing into guerrilla armies, diminishing their power, and buying friendly forces time to establish stability.

The Air Force's ability to be simultaneously dominant in air, space, and cyberspace, has formed the foundation from which we provide *sovereign options* to policy makers. Our ability to operate across these domains and control our adversaries in each allows the Air Force to multiply the power of joint and coalition forces or to act alone to achieve national objectives. Our Air Force combines our capability in the domains of air, space and cyberspace to deliver Global Vigilance, Global Reach, and Global Power to the joint force.

Global Vigilance: The ability to gain and maintain awareness of any entity, anywhere in the world to collect information about an adversary's intentions, opportunities, capabilities, or vulnerabilities, to. fuse this information with data received from other entities, and to route relevant information to the joint force or national policy makers.

Global Reach: The ability to project military capability responsively and advantageously without regard for range to any point on or above the earth, and provide mobility to rapidly supply, position, or reposition joint forces for any purpose or mission.

Global Power: The ability to hold at risk any target anywhere in the world,

assert national sovereignty, safeguard joint freedom of action, and achieve decisive effects, kinetic or non-kinetic.

The ability to control operations across the domains of air, space, and cyberspace vastly magnifies the military power of US and coalition forces. A force of Airmen, trained and equipped to exploit the advantages of advanced air, space, and cyberspace technologies represents a national security treasure. They produce the strategic reach and power to exploit our control across the domains and extend our ability to deter, and, if necessary, defeat our adversaries. The US Air Force's ability to project power to assure friends and dissuade, deter, or defeat foes is America's asymmetric advantage.

Implementing the Strategy

The Air Force currently provides joint and coalition forces with a bridge to the rest of the world and dominance on the conventional battlefield. This hard-won capability to dominate air and space has existed for less than twenty years and will only persist into coming decades if carefully nurtured.

The Air Force provides air and space dominance to joint forces today because, at this time, we enjoy a lead over our opponents. In war, even small technological and tactical advantages can mean the difference between victory and defeat. In the Vietnam War, our aircraft and concepts of operation were meant for a different kind of war, and, as a consequence, were inadequate to keep from losing 2,255 tactical aircraft and bombers.[2] Similarly, the Israeli air force, overwhelmingly superior in the 1967 Mideast War, suffered catastrophic losses just six years later when its leadership overestimated its ability to dominate battlespace when the capabilities of ground-based air defenses were increasing rapidly... as they are now. These examples show how rapidly superiority can become parity and dwindle into inferiority, if we are not vigilant and diligent in responding to our adversaries' efforts.

Today, opponents are studying our operations in Iraq and Afghanistan and are rapidly developing counters to aging US air and space superiority technology. In coming years our advantage will significantly diminish if we do not keep pace by fielding new fifth-generation fighters, bombers, and satellites in sufficient numbers to counter the development of advanced anti-air and anti-space technologies and the inevitable export of those capabilities to potentially hostile states and non-state actors. We must provide our Airmen with the most exceptional tools for battle in order to sustain a durable and credible deterrent against our adversaries.

Equally worrisome is the rapidly shrinking aerospace industrial base. Our

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[2] Correll, John T. "The Vietnam War Almanac", AIR FORCE Magazine, September 2004, with attribution to USAF Operations Report, 30 November 1973, p. 57

strength and ability to capitalize on advances in air and space technologies is due in large part to America's vibrant and diverse aerospace industry. This asymmetric advantage has deteriorated over the last decade. Production lines have been irrevocably closed, skilled workforces have aged or retired, and companies have shut their doors. The US aerospace industry is rapidly approaching a point of no return. As Air Force assets wear out, the United States is losing the ability to build new ones. We must reverse this erosion through increased investment in such aircraft as the F-22 and the F-35.

Beyond advantages in technology and operational concepts, America's commitment abroad requires an expeditionary Air Force that can engage forward in peacetime and fight forward in wartime. While long-range bombers and missiles offer a capability that serves as an ultimate guarantor of US security and power, expeditionary presence is the face of US deterrence and the indispensable source of local and regional assurance, deterrence, and, ultimately, *sovereign options.* The Air Force must have sufficient resources and capability to continue to maintain a sustainable rotational base. We must retain sufficient manpower and force structure to project forward influence. The mechanism for doing this is the *air and space expeditionary construct* that provides joint force commanders with a trained and ready air, space, and cyber force to execute their plans. Our forward influence flows from permanent and expeditionary basing and serves to assure our allies of our commitment while deterring our adversaries from threatening our national interests.

The Air Force can provide global vigilance, reach and power only so long as it possesses robust global strike; space; intelligence, surveillance, and reconnaissance (ISR); missile defense; special operations; and air mobility capabilities. Particularly important in this regard are Air Force cyber capabilities. Today, electronic communications constitute and connect all joint and coalition capabilities. In an information age, this network allows us to find our opponents, process the information, route it to where it is needed, and guide our munitions to their targets. Increasingly, our enemies also depend on cyber systems. The Air Force utilizes space and cyberspace more than any other service to deliver strategic effects. Exploiting cyberspace vastly increases our capabilities, but also presents a potential vulnerability which our adversaries could exploit. Safeguarding our own cyber capabilities while engaging and disrupting the use and purpose of our opponents' capabilities is becoming the core of modern warfare.

Force Requirements

If the Air Force is to play its crucial role, we must develop and maintain technological leads in the areas of air superiority fighters and penetrating, long-range reconnaissance and strike to hold at risk targets around the world. We must also field sufficient strike and full-spectrum mobility assets to assure battlespace dominance for the joint team. We must continue to treat space as an

operational domain by creating architectures and systems that allow us to provide the appropriate situational awareness and communications capability, giving strategic and tactical advantage to leadership at all levels. We must design and develop a force structure to operate in cyberspace to our benefit while holding adversaries at risk. To "provide for the common defense" and allow our Nation and nations around the world to prosper, we must build an Air Force that meets the requirements of today's Combatant Commanders while addressing the challenges their successors will face in the future.

Conclusion

US security and prosperity are best assured when we orchestrate all the instruments of our national power to work with other states to promote a stable and prosperous international system. The Air Force directly contributes to US security by providing a unique array of *sovereign options* for decision makers. These options maximize our ability to assure friends and to dissuade and deter both small and large threats across the spectrum of operations. When opponents cannot be deterred, these options magnify the combat capability of joint and coalition forces and provide our leaders a variety of strategic alternatives. The Air Force provides the Nation with its most lethal and proven force for defeating enemies across the broad range of threats we face. By controlling air, space, and cyberspace, the Air Force provides the Nation with the capability to dominate not only these domains, but those of sea and land as well expanding the options available to our sister services. Implementing this strategy demands a focus on fielding a force of highly trained Airmen with an advantage in technology and a force structure sufficient to provide the assurance of US presence. So long as Airmen hold a significant operational and technical lead over potential opponents and the Air Force maintains its global presence, the Service will continue to provide the Nation with the means to lead the fight for global stability and prosperity--in turn, guaranteeing our own.

Our emphasis on assurance, deterrence, and dissuasion reflects the conviction that it is far better to convince potential adversaries to refrain from the use military force than to have to defeat them after they have initiated conflict. Our success will be measured by conflicts averted as well as conflicts fought and won.

U.S. AIR FORCE TRANSFORMATIONAL INITIATIVES

CSAF'S PRIORITIES

Win Today's Fight
Take Care of Our People
Prepare for Tomorrow's Challenges

The USAF approach to transformational change is centered on three principal elements and their interactions:

- ***Advanced technologies* that yield new capabilities**
- ***New concepts of operations* that produce orders of magnitude increases in desired effects**
- ***Organizational change* that enhances our ability to execute national guidance -- the National Security, Defense and Military Strategies (NSS, NDS and NMS)**

ORGANIZE:

Streamline for Warfighting

Normalized presentation of warfighting forces for Combatant Commanders

- Focused Major Commands (MAJCOMs) on oversight
- Focused Numbered Air Forces (NAFs) on warfighting
- Standardized organizational template for MAJCOMs and NAFs
- Standardized Joint/Combined Air Operations Centers (CAOCs)
- Institutionalized Air Component Coordinating Elements (ACCE) in warfighting HQs
- Evaluated Director of Space Forces (DIRSPACEFOR) manning in all AORs
- Evaluating interdependent benefits of USAF as Executive Agent (EA) for medium- and high-altitude Unmanned Aerial Vehicles (UAVs)
- Stood up USAF Cyber Command

Restructured the Air Staff

- Implemented Air Force-wide J-Staff template (A1 through A9)
  - Separated Intel function from A3 and stood up A2 with Lt Gen in leadership role
  - Stood up separate Studies & Analysis/Lessons Learned function (A9) with SES in leadership role
  - Stood up Global Combat Support (AF/A4/7Z) Directorate
- Reorganized "CHECKMATE" (HAF/CK) to support CSAF directly by focusing on strategic planning and initiatives, while exploring opportunities within joint, coalition and Interagency warfighting template (invited USN, USMC, USA, USCG & RAF, RAAF, FAF, CAF participation)
- Established: Heritage to Horizon Group, CSAF Civic Leader Group, CSAF's Flight

Major Command Restructuring

- Reduced existing MAJCOM Headquarters overhead
- Transferred Combat Search and Rescue (CSAR) mission area back to the Combat Air Force
- Evaluating transfer of A-10s to AFSOC

- Restructuring and updating RED FLAG and Aggressors
- Established Lead Command or Forward Operating Agency (FOA) for Air Force range utilization

Wing Restructuring

- Stood up separate Air-to-Ground (A/G) Operations Wing to consolidate all A/G activities in a single wing and NAF
- Aligned Fighter and Combat Search and Rescue Wing maintenance functions according to mission

Enhance Total Force Integration (TFI) – Regular, Guard, and Reserve Components

- Executing all phases of Air Force TFI plan
- Aligned Total Force personnel policy, structure, execution
- Formalized TFI policies and practices to access sufficient Air Reserve Component forces without the need for involuntary mobilization
- Increasing "associate" arrangements for Regular, Guard, and Reserve units
- Executing UAV squadron stand up in Guard units (CA, NV, AZ, TX, ND, NY) as well as Reserve units

Optimize Manning and Operations by Consolidating:

- UAV operations in a single wing
- Combat Search and Rescue (CSAR) operations in a single wing
- Aggressor activities into a single wing at Nellis AFB
- Multiple War Fighting Centers into one USAF Warfare Center at Nellis AFB
- Multiple Weapons Schools into one USAF Weapons School at Nellis AFB
- Air Expeditionary Force (AEF) Center under Air Force Personnel Center

Optimize Deployments for Airmen

- Linked deployments with reassignment process to ensure predictable rotations
- 100% of Airmen aligned to AEF deployment cycles
- Continue to evaluate deployment tour length for aviation and non-aviation units (Regular, Guard, and Reserve)
- Reduced and grouped Air Force Specialty Codes to deployable clusters
- Minimize non-unit deployments
- Converting long-standing individual augmentee (IA) requirements to 365-day deployments

Increase, Broaden and Re-focus Air Force Partnerships across Air, Space, and Cyberspace Domains

Joint Partnerships

- Including Joint and Coalition partners in Joint Terminal Attack Controller (JTAC) training
- Reinvigorating exchanges with USN/USMC Weapons School
- Formalizing joint tactics, techniques and procedures publications in a single squadron at Nellis AFB (Navy & USMC already present…re-invited Army to join)

Interagency

- Enhanced USAF – NRO relationships

Strategic/International Partnerships

- Reinvigorating existing Coalition Air Force-to-Air Force relationships (UK, France, Australia and Canada) to foster strategic partnerships
- Increased PME opportunities for coalition partners
  - Inviting key Coalition partners to participate in Air University's School of Advanced Air and Space Studies
    - UK, Australia already present
    - Canada and France invited
- Increasing number of Military Personnel Exchange Program (MPEP) exchange billets:
  - RAF pilots in F-22A, B-2, F-117
    - Inviting RAAF
  - RAF, RAAF in Aggressors
    - Invited CAF
- Evaluating inclusion of French Air Force in Aggressor activities
- Strengthening strategic international partnerships for equipment programs
  - F-35A
  - C-27 Joint Cargo Aircraft (JCA)
- Exploring additional global Air Force-to-Air Force relationships to provide insights into regional operations, created potential capacity/partnering opportunities, and enhance strategic capacity
- Hosted Global Air Chiefs Conference (some 95 nations took part)

Strengthen Air Force Strategic Communications

Internal

- Published Airman's Creed
- Streamlined internal communication tools
- Launched CSAF Scope
- Launched CSAF Vectors
- Launched "All Airmen" e-mails

External

- Established 24/7 Strategic Communications/Public Affairs (CM/PA) Operations Center
- 2007 Strategic Communication Road Show
- Increased Media Engagement at all levels
- Established "Portraits in Courage" series to highlight the heroic contributions of Airmen in the Long War
  - Published two volumes in the series
- Executing 2008 Recruiting, Marketing & Branding Campaign

Published CSAF's White Paper as definitive statement of intent

TRAIN:

Eliminate Inefficiencies in Existing Training

- Evaluate training to ensure we're training like we fight (Ready Aircrew Program/training currency)
- Evaluate current ancillary training and additional duties to identify what we can stop doing
- Assess end-to-end training to eliminate duplication between training courses

Full Spectrum, Cross-Domain Combat Training

- Consolidating all RED FLAG / COPE THUNDER composite force training into a single RED FLAG activity and merge all Alaska and Nevada operations into one template
- Streamlining and consolidating all training range activities with clear focus on advanced composite force training, "real world" rehearsals, development/validation of theater-specific tactics, techniques and procedures, as well as 5th generation test/evaluation
- Finalizing aircraft training range updates to integrate kinetic and non-kinetic operations with Command and Control (C2)
- Consolidating all Aggressor activities into one command
    - Flying operations, IADS, Space, Information Operations, Cyber, Intelligence, threat exploitation, etc.
- Evaluating and refocusing relevance of all USAF Weapons School syllabi

Strengthen All Parts of Airmen's "Continuum of Learning"

Accessions

- Re-evaluating recruiting and retention programs; sustain Career Recruiter Force
- Refocusing Basic Military Training (BMT) on joint expeditionary combat skills and extending the course to accommodate new approaches to combat preparation and life saving skills
- Refocusing efforts on providing more enlisted opportunities for U.S. Air Force Academy (USAFA) attendance (from Regular, Guard, and Reserve units)
- Exploring opportunities for Guard and Reserve personnel to attend USAFA and serve active commitment full time in Reserve units
- Standardizing Total Force accessions (USAFA, Reserve Officer Training Corps/ROTC, Officer Training School/OTS) and evaluating a common training location for OTS

Technical Schools

- Refocusing all USAF technical schools on joint expeditionary combat skills
- Consolidating ground combat specialties into a single course under Common Battlefield Airman Training (CBAT)
    - Exploring enhanced partnerships with Army training
    - Securing best location

Professional Military Education (PME)

- Standardized Total Force PME (all levels, all ranks)
- Evaluating faculty selection criteria for USAFA, ROTC, OTS, Air University (AU) focusing on "credentialed" combat-experienced "role models"

- Reinvigorated Air University's focus on joint war fighting lessons learned
- Ensuring continued developmental education at all levels
- Included language training in upper-level PME (Air Command and Staff College/ACSC, Senior Non-Commissioned Officers Academy/SNCOA, and Air War College/AWC) syllabi
  - Chinese, Arabic, Spanish, and French language options for each student
- Included Air Force heritage in all Developmental Education
- Increased Legislative Fellows to 40-plus level

Senior Officer Preparation

- Strengthen prep for officers for JFACC/CFACC, ACCE, CAOC staff
- Strengthen prep for joint assignments, CAPSTONE, joint schools and command

Improve Force Development

- Implementing Air Education and Training Command (AETC)/AU flight plans for further developing:
  - Intel professionals
  - Space professionals
  - Cyber professionals
  - Public Affairs professionals
- Strengthened Space Operations education and training opportunities
- Developing Cyberspace Training Strategy for cyber forces
- Refocused entire enterprise on effective Rated Management System and practices, and fielded a more effective analytical tool for better understanding rated force dynamics

Improve Airmen's Education and Strategic Thinking

- Re-established a strategic-level journal for AU to encourage a more robust exchange of ideas (*Strategic Studies Quarterly*)
- Ensured continued voluntary educational opportunities at all levels
- Finalizing and implementing the revised "Continuum of Learning" force-wide
- Refocused AU syllabi on bolstering cultural, language and academic skills
- Evaluated current force language skills and regional experience
- Refocusing AU on developing "Continuum of Learning" opportunities for enlisted and officer (and spouses) degrees and advanced degrees
- Ensuring advanced educational opportunities for all Airmen
- Finalizing and implementing plans for Distance Learning at all levels
- Reinvigorated AU on joint strategic thinking and refocus each enlisted / officer course syllabi on war fighting skills and war fighting ethos

Take Care of Airmen and Families

- Executing programmed Airman and Family Readiness Center transformation
- Strengthened all pre-deployment, deployment and post-deployment member and family wellness programs
- Executing programmed Family Housing upgrades & privatization
- Execute programmed Family Support Center enhancements

EQUIP:

Optimize Air Force Acquisition System and Procurement Policies

- Injected Air Force Smart Operations (AFSO) analysis in every Air Force process
  - Based on Lean business practices
- Executing AFSO initiatives to reduce costs, eliminate waste and inefficiency
  - In warfighting operations
  - In the acquisition process at every level
- Implemented "Air Force Transparency"
- Ensured full visibility and fidelity of contracts at every level
- Normalized all Acquisition Programs (including space acquisition)
  - Standardized the use of best practices and efficiencies
- Streamlined space acquisition process with "Back to Basics" and "Block Approach"
- Streamlining space launch and space ops opportunities with NRO and other DOD entities
- Exploring streamlining and accelerating UAV procurement and deliveries through a single Executive Agent for the DOD-wide effort

Accelerate Delivery of Advanced Capabilities to Combatant Commanders

- Aggressively expediting acquisition and operational fielding of Air Force acquisition priorities: new tanker (KC-X), new Combat Search and Rescue Helicopter (CSAR-X), space systems, F-35A, Next Generation Bomber
- Preserving the industrial base of our nation to produce Air, Space, and Cyber effects
  - Ensuring the F-35A program delivers to specification, schedule and within budget
  - Contract the F-22A Lot 6 purchase as quickly and efficiently as possible
  - Negotiate and put on contract an F-22A multi-year procurement
  - Expedited Analysis of Alternatives for the Next Generation Bomber program
  - Aggressively pursued the C-27 Joint Cargo Aircraft contract
  - Ensured executability of Combat Search and Rescue aircraft (CSAR-X)
    - Investigated multi-year procurement options
  - Aggressively pursued contract for the new tanker aircraft (KC-X)
- Ensuring automated aerial refueling (AAR) capability
- Focused on QDR-mandated time lines for Next Generation Bomber and options to meet the 2018 IOC timeline
- Evaluating additional modifications to existing HH-60G (CSAR) inventory
- Delivering Unmanned Aerial System (UAS) solutions
  - Expediting deliveries of all UAV systems and "flesh out" units at earliest opportunity
  - Tested and delivered revolutionary new capability which provides a data-link from a UAV to another airborne asset or a ground based asset (ROVER)
  - Executing existing MQ-1 and MQ-9 programs to deliver global, deployable capacity for Combatant Commanders
  - Expediting RQ-4 Multi-Platform Radar Technology Insertion Program integration
  - Executing RQ-4 (Block 20) Program
  - As RQ-4 Global Hawk demonstrates capability retire excess U-2 inventory

- Expediting:
  - A-10 modifications
    - Wings, gun mounts, landing gear, precision strike/PRECISION ENGAGEMENT (A-10C), IRCM, ARC-210 radio
    - A-10 Urban Close Air Support (Hellfire II) integration
  - Procurement and delivery of advanced targeting pods (ATP)
  - Replacement of USAF side arms with new joint developed side arm
  - Joint Precision Airdrop System (JPADS) procurement
  - Equipage of our low density/high demand systems
  - Installation of F-15C active electronically scanned array (AESA)
  - Installation of F-15E joint helmet mounted cueing systems (JHMCS)
- Validating:
  - C-5A re-engine program
  - C-130E Avionics Modernization Program (AMP)
  - C-130H modifications, AMP for theater and SOF mission areas
  - C-130J requirements to meet theater and SOF demands
  - Timing for new SOF C-130 Tankers
  - Options on joint undergraduate helicopter training aircraft
- Evaluating:
  - Opportunity for AC-27 capability to support global SOF demands
  - Options on engine upgrades (Propulsion Upgrade Program/PUP)
  - Options on Counter-Insurgency (COIN) aircraft
  - Operationally Responsive Space (ORS) programs
- Evaluated SECDEF's National Space Policy Guidance against AF 08 POM

Recapitalize and Modernize our Air, Space, and Cyber forces

- Published AF-level recapitalization / modernization plan
- Shared Total Force Roadmaps with the States Adjutant Generals
- Published the Planning / Required Force to determine "Future Force"
  - Revalidate B-52H force structure
  - Retire a portion of the B-52H inventory
  - Retire F-117A inventory
  - Retire excess KC-135E inventory
  - Retire excess C-130E inventory
  - Revalidate strategic airlift programs to ensure highest return on C-17/C-5 mix given emerging land component and Army Future Combat System requirements
  - Retire excess C-5A inventory relative to overall strategic airlift capability options
- Upgrading VC-25A Airborne Information Management System
- Evaluating and expediting DV/VIP/Special Airlift Mission (SAM) Gulfstream III C-20B replacement

Improve Air Force Uniforms and Individual Equipment

- Reinvigorating USAF Uniform Board
- Developed and fielded new Airman Battle Uniforms (ABUs)
  - Provided more useful field utility uniform and incorporated legacy styling while increasing usability
  - Expedited delivery, availability and wear of ABUs

- Conducted first review of women's uniform items
  - Re-designed uniform fit and size options to better accommodate females
- Developed new Service Dress Uniform
- Developed Combat Medal
- Developed Air Staff Badge
- Evaluating and fielding individual equipment sets for "outside the wire" operations

Energy Efforts

- Increasing Energy Conservation Efforts
- Strengthening Alternative Energy Efforts

CSAF Sponsored Conferences

2005

Airmen Talks South	1-2 Nov 05
CORONA Fall	3 Nov 05
AU Planning Conference	Nov 05

2006

Leadership Forum	17 Jan 06
Senior Statesman Symposium	19 Jan 06
Civic Leaders (Nellis AFB)	9 Feb 06
4-Star CSAF Conference	31 Mar 06
Airmen Talks South	15 Jun 06
Senior Leadership Forum	20 Jun 06
Civic Leaders (Randolph AFB)	22 Jun 06
CORONA Top	12-13 Jul 06
Heritage to Horizons	24 Jul 06
Intel Summit	2 Aug 06
Blue Summit	22-23 Aug 06
Space Summit	7 Sep 06
60th Anniversary Kick-Off	13-15 Sep 06
Civic Leaders (AFA)	24 Sep 06
AFA Conference	25-27 Sep 06
CORONA Fall	11-13 Oct 06
Cyber Summit	16 Nov 06
Strategic Communication Summit	19 Dec 06
CORONA South	30-31 Jan 06

2007

Leadership Forum	9 Jan 07
Senior Statesmen Symposium	11 Jan 07
Programming Summit	12 Jan 07
Williamsburg Talks	18-21 Jan 07
Civic Leaders (Air University)	15 Feb 07
CSAF NCO Forum	13 Mar 07
MAJCOM CC Conference	23 Mar 07

CSAR Summit	4 Apr 07
Marine-Air Force Warfighter Talks	9-10 Apr 07
Civic Leaders (Colorado Springs)	11-13 Apr 07
AQ Summit	23 Apr 07
CORONA Top	6-8 Jun 07
Airman Talks North	13-14 Jun 07
Senior Enlisted Leadership Summit	20-27 Jul
AF Senior Leaders Symposium	26 Jul 07
Navy-Air Force Warfighter Talks	1-2 Aug 07
SERE Summit	10 Aug 07
AFSO21 Summit	22 Aug 07
Warfare Center Summit	23 Aug 07
Global Air Chiefs Conference	21-29 Sep 07
Civic Leaders (AFA)	23-27 Sep 07
Army-Air Force Warfighter Talks	5 Oct 07
AF Roadmap Summit	23 Oct 07
Civic Leaders (AOR)	Nov 07
AEF Forum	14 Nov 07
CORONA Fall	30 Oct-3 Nov 07
Air Reserve Component Roadmap Summit	5 Dec 07
AFSO21 Council	10 Dec 07

2008

Leadership Forum	8 Jan 08
Senior Statesmen Symposium	10 Jan 08
Army-Air Force Warfighter Talks	23 Jan 08
Squadron CCs/1st Sergeants Summit	24 Jan 08

[Questions for the record with answers supplied follow:]

QUESTION SUBMITTED BY SENATOR JACK REED

ENERGY DEVELOPMENT AND RANGE ENCROACHMENT

1. Senator REED. Secretary Wynne and General Moseley, the Department of Defense (DOD) "Strategic Plan for DOD Test and Evaluation (T&E) Resources" (September 30, 2007) identifies encroachment threats which "threaten the DOD's ability

to conduct realistic and safe T&E." Among the principal challenges faced by DOD's test ranges, the plan identifies "energy-related projects." Specifically, the plan identifies new energy production and transmission infrastructure, including energy corridors and wind farms, as range encroachment threats. The Air Force is actively pursuing the development of new energy production facilities on Air Force installations. Has the Air Force evaluated its drive for new energy projects against the potential for such projects to exacerbate encroachment issues at Air Force test and training ranges?

Secretary WYNNE and General MOSELEY. Yes. Each proposed energy project is evaluated through a rigorous planning process prior to approval. Ensuring there is no impact to mission is the first hurdle energy projects must overcome in the process.

QUESTIONS SUBMITTED BY SENATOR DANIEL K. AKAKA

F–22 FIGHTER

2. Senator AKAKA. General Moseley, the F–22 has come under criticism of late for its lack of direct contribution to operations in Iraq and Afghanistan and the broader global war on terrorism. In the context United States Pacific Command, could you please outline the unique capabilities and advantages provided by the F–22 in performing missions, for example, in defense of South Korea or Taiwan that help us understand why it is so critical to invest in this weapon system?

General MOSELEY. The F–22's primary mission is air dominance. It was designed from inception to dominate in the air-to-air fight, providing air superiority and targeting advanced surface-to-air missile systems. Our current legacy fighters have reached parity with foreign fighters and are unable to access high threat areas that contain advanced surface-to-air missile sites. The Raptor's combined attributes of integrated avionics, multi-role, stealth, advanced maneuverability, and supercruise give the F–22 unprecedented lethality and survivability. This allows the F–22 to access high threat areas that are defended by advanced surface-to-air missiles on day one of any conflict. In the defense of South Korea or Taiwan, the F–22 will fly into environments where our F–15s and F–16s can no longer operate in order to clear out the enemy fighters and begin to pick apart the enemy's integrated air defense systems. This air dominance mission is the Air Force's job number one—it enables all the other joint forces to operate by allowing them freedom from attack, freedom to maneuver, and freedom to attack.

The F–22 has not been requested by Combatant Command (COCOM) commanders for operations in Iraq or Afghanistan. The Air Force has been operating over the skies of Iraq for the last 18 years and has obtained air dominance. Sufficient numbers of F–22s are required to meet the National Military Strategy requirements this Nation may face over the next 20 years and beyond. The current program of record provides the Air Force with 126 combat coded aircraft fielded in seven combat squadrons. Based on normal attrition, this combat force will steadily decrease over time and result in the Air Force closing an F–22 squadron by 2014—only 6 years from now.

F–35A FIGHTER

3. Senator AKAKA. General Moseley, the F–35A will primarily be replacing the aging fleet of F–16 and A–10 aircraft, most of which were acquired in the 1970s and 1980s to counter the Soviet air and air defense capability. Large attrition was expected had the Cold War ever turned "hot", which helped justify the large number of them procured. It is my understanding that the current number of F–35s that the Air Force wants to acquire will replace these aircraft on an approximate one-for-one basis. Please comment on the nature of the foreseen threat to American air operations over the operational life of the F–35 that helps explain the need for this kind of replacement ratio, given the technological capabilities of this new fighter.

General MOSELEY. The technological capabilities of the F–35 are indeed greater than the legacy aircraft it will replace, but the threat we face today and in the future is much more lethal than the threat in the 1970s and 1980s when our legacy aircraft were designed and built. Fifth generation capabilities are required to survive and be lethal against the advanced threats that are both in development and in production. Today we face increasingly sophisticated Integrated Air Defense Systems (IADS) armed with significantly more lethal surface-to-air and air-to-air missile systems. These systems possess far greater lethal ranges, greater detection ranges, and use missiles with greater maneuverability than in the past. We face

enemy fighters with radar, missile, avionics, and performance capabilities that exceed the capabilities of our current systems and require us to field fifth generation aircraft to retain our advantage.

The F–35 will be the Air Force's future core fighter for air-to-ground strike operations. As such, the Air Force must build sufficient force structure to provide persistent global attack across the spectrum of air-to-ground missions against a large and diverse target set. The Air Force's total buy of 1,763 F–35s resulting from previous Quadrennial Defense Reviews (QDRs) was reviewed and remained unchanged in the 2005 QDR. It's important to note that the 1,763 F–35s will field and operate over a 47-year period (based on the planned procurement rate of 80 aircraft/year starting in fiscal year 2015, the period of operational service starts in 2013 and ends in 2060). This means that due to the 25 year production period as aircraft steadily enter the inventory, the peak number of 1,016 operational F–35s will not be reached until 2032. This inventory number then begins to decrease steadily 2 years later as early production aircraft enter retirement.

Bottomline: 1,763 Air Force F–35s are required to ensure adequate force structure to meet national security requirements over the extended life cycle of the F–35.

4. Senator AKAKA. General Moseley, taking into account all the priorities of the Air Force, is a reduction in the total number of F–35s procured a reasonable solution that will meet fiscal constraints and yet still protect adequate future capability?

General MOSELEY. Recapitalizing and modernizing the force is one of the Air Force's three strategic priorities. The F–35A program is a key element contributing to that strategic priority and as such ranks among the Service's top five acquisition priorities. However, the F–35A program is a decades-long procurement process that culminates with 1,763 aircraft in the 2030s. Reducing the total number of F–35As to address fiscal constraints without other viable alternatives will force the Air Force to a much smaller force structure resulting in a loss of capability and capacity and not meet the National Defense Strategy or National Military Strategy. The total number of F–35As with its persistent attack capabilities complements the air superiority capabilities of the F–22A, and their combined advanced combat capabilities provide air dominance to the Joint Force for freedom of maneuver, for enhanced interoperability with global partners, and for a strengthened national security.

DOMAIN OF CYBERSPACE

5. Senator AKAKA. General Moseley, the mission of the Air Force now includes fighting in the domain of cyberspace. We've recently heard testimony from the Director of National Intelligence and the Director of the Defense Intelligence Agency about the grave nature of the cyber threat now facing the data and infrastructure of American information systems by nations with an increasing ability to target these vulnerabilities. What do you feel are the inherent strengths of the current Air Force that position it to be the lead Service to handle cyberspace operations?

General MOSELEY. Cyberspace operations are inherently fast-paced and dynamic, and require the capability to reach out anywhere across the globe in a moment's notice. This is an environment where the Air Force thrives, having developed the training, skills, and a culture of global reach and global power to rapidly strike our adversaries wherever they may hide. Cyberspace operations are not new to the U.S. Air Force. We have executed non-kinetic operations with more traditional kinetic operations and integrated them from the Air and Space Operations Center for many years. We count on cyberspace superiority for achieving both air and space superiority. We have also fielded diverse capabilities to hold our adversaries at risk in and through cyberspace across the globe. What is new, however, is the Air Force's leadership in recognizing the importance of this domain in modern warfighting, and our renewed emphasis in ensuring maximum effectiveness in organizing, training, and equipping airmen to meet the rapidly growing need of the warfighters. Our Nation's warfighting combatant commanders regularly use Air Force cyberspace operations capabilities. Air Force forces find themselves not only heavily engaged in achieving cyberspace superiority for U.S. Central Command, but also actively engaged with or in demand by all the other geographic and functional COCOMs.

6. Senator AKAKA. General Moseley, how will you and your successors prioritize allocation of resources to maintain capability in the three domains, given the very high capital costs of acquiring assets like high technology aircraft and space systems?

General MOSELEY. The Air Force recognized that while pursuing air dominance through focused investment of resources, it had become increasingly dependent on

space and cyberspace to provide desired effects. Accordingly, the Air Force committed to the strategic imperative of providing Global Vigilance, Global Reach, and Global Power through cross-domain (air, space, cyber) dominance to underwrite the security and sovereignty of the Nation. The standup of the new Cyber Command, along with Air Combat Command, Air Mobility Command, and Air Force Space Command, provides an organizational structure to support advocacy, awareness, priorities, and resource implications of cross domain requirements. The Air Force understands that loss of dominance in one could lead to loss of dominance in all and through continual assessment of the strategic environment will allocate resources to provide dominance in all three domains. The Air Force uses a variety of end-to-end processes to determine and implement cross-portfolio prioritization—to include strategic planning, senior leader forums (e.g., CORONA and Blue Summit conferences), and the Air Force Corporate Structure with its senior leadership oversight and direction throughout the complete process.

NEXT GENERATION LONG RANGE BOMBER

7. Senator AKAKA. General Moseley, you have argued that the F–35 fighter will complement the advanced air-to-air capabilities of the F–22, and that they are both needed to ensure a well-rounded 5th generation air power structure that can dominate air and space in the 21st century. Given the proposed number of 1,763 F–35A strike aircraft that are requested by the Air Force, with their enhanced survivability and technology improvements over previous generations of multi-role fighters, what arguments would you use to justify the cost expenditures required for a next generation long-range bomber?

General MOSELEY. While providing significant capability advances over the legacy fighters they'll replace, the F–35A is not optimized to conduct long-range, persistent, deep-penetration strike operations envisioned for the next generation bomber. The extended-range characteristics of the next generation bomber permit it to be employed from beyond the threat area thus mitigating anti-access and area denial strategies. The next generation bomber's high survivability, persistence in the threat area, and enhanced payload capacity of precision munitions ideally suit the platform for operating in environments beyond the capability of multi-role fighters and providing truly global power projection.

QUESTIONS SUBMITTED BY SENATOR CLAIRE MCCASKILL

COST ESTIMATING ON THE F–22

8. Senator MCCASKILL. Secretary Wynne, the cost estimating systems at Lockheed Martin Aerospace have come under attack several times in the past few years. The cost estimating on the F–22 has been particularly questioned and, for some, puts the extremely high cost of the F–22 into question. I am aware that the Air Force, in a perfect world, wants to buy 380 F–22s, but because of its cost and limited budget room in DOD, you are being limited to buying about 180 F–22s. Some say this reduced buy produces a national security risk. When you pair the Air Force's desire for more F–22s with a potentially questionable process that has been used to establish costs for its development, one might conclude that perhaps we could buy more F–22s if we hadn't let faulty systems drive its cost up.

Let me discuss some specifics that have me especially concerned. A July 2007 Defense Contract Audit Agency (DCAA) audit of Lockheed's cost estimating systems (Audit Report No. 3711–2006A24010501) "disclosed eight significant deficiencies in Lockheed Martin Aerospace's estimating system that result in the development of noncompliant cost estimates," including vast noncompliance with DOD regulations and Truth in Negotiation Act violations (as expressed in the audit executive summary). The audit further found that, "Lockheed Martin Aerospace's contract negotiators are often not informed by estimating personnel or the functional area of changes or updates to cost and pricing data that should be disclosed to the Government prior to final definitization of the contract price." The DCAA audit also noted that the control environment and accounting at Lockheed was inadequate as of April last year as well.

In a June 22, 1998, memorandum, Bill Bullock, then the President of Lockheed Martin Aeronautical Systems, stated, "Lockheed Martin Aerospace must have a measurement system that is capable of providing the information and data we need to manage the company . . . our current program and functional reviews are not capable of providing what we need" (underline in original).

Finally, I am informed that there was a February 19, 2008, meeting between numerous senior Air Force and Office of the Secretary of Defense (OSD) Under Secretary of Defense for Acquisition, Technology and Logistics officials to discuss Lockheed Martin's plan to get their cost estimating system compliant. Such a high level meeting seems to indicate that there are serious problems at Lockheed. How confident are we that the cost of the F–22 is not based on faulty cost estimating by Lockheed Martin?

Secretary WYNNE. The Air Force is confident F–22 costs are not based on faulty data. The contracts to procure F–22s are firm fixed price contracts and were negotiated with Lockheed Martin. As part of the negotiation process, the Air Force is required to have its own cost position independent of Lockheed Martin. In addition, there is enough historical data from previous lots, actual costs incurred, and enough insight by the Defense Contract Management Agency (DCMA) to assist in driving overhead costs as low as possible that the Air Force is confident it is receiving a fair and reasonable price for each lot of aircraft. Because multi-year procurement authority was provided by Congress, the Government receives the benefit of financial stability and obtains most efficient use of Lockheed Martin's supply chain and economic ordering.

9. Senator MCCASKILL. Secretary Wynne, what is being done to address Lockheed Martin's cost estimating faults in general?

Secretary WYNNE. The Air Force, in coordination with DCMA formally notified Lockheed Martin Aerospace on August 7, 2007, of their estimating deficiencies identified in DCAA Audit Report 3711–2006A24010501 via a DCMA Level II Corrective Action Request (CAR). The CAR listed the deficiencies and requested a formal, comprehensive Corrective Action Plan (CAP) by September 10, 2007. Prior to the audit being issued, the contractor had already started corrective actions based on preliminary findings. Those early responses by the contractor were captured in the CAP along with the detailed actions requested by DCMA. Biweekly meetings among DCMA, DCAA, and Lockheed Martin Aerospace took place in conjunction with those early responses. These meetings continue to take place to address the contractor's progress. Additionally, DCAA has begun its field work on their follow-up audit to assess the contractor's implementation of the CAP and should issue a report in July 2008.

10. Senator MCCASKILL. Secretary Wynne, how are they affecting Lockheed's work on other Air Force programs, such as the JSF and C–5 RERP?

Secretary WYNNE. The DCMA audit of Lockheed Martin's Earned Value Management System (EVMS) highlighted some shortcomings that may be impacting the Joint Strike Fighter (JSF) program office's ability to accurately project future performance based on earned value data. The JSF program office will continue to work with DCMA and Lockheed Martin to correct the deficiencies in the EVMS.

11. Senator MCCASKILL. Secretary Wynne, what has the Air Force done to address the issues raised in the DCAA audit discussed herein (Audit Report No. 3711–2006A24010501)? Please be very specific.

Secretary WYNNE. The Air Force, in coordination with DCMA, formally notified Lockheed Martin Aerospace on August 7, 2007, of their estimating deficiencies identified in DCAA Audit Report 3711–2006A24010501 via a DCMA Level II CAR. The CAR listed the deficiencies and requested a formal, comprehensive CAP by September 10, 2007. Prior to the audit being issued, the contractor had already started corrective actions based on preliminary findings. Those early responses by the contractor were captured in the CAP along with the detailed actions requested by DCMA. Biweekly meetings among DCMA, DCAA, and Lockheed Martin Aerospace took place in conjunction with those early responses. These meetings continue to take place to address the contractor's progress. Additionally, DCAA has begun its field work on their follow-up audit to assess the contractor's implementation of the CAP and should issue a report in July 2008.

12. Senator MCCASKILL. Secretary Wynne, has the Air Force recovered any payments made to Lockheed Martin where faulty cost estimating led to overbilling? If not, why not?

Secretary WYNNE. Lockheed Martin credited the JSF contract via a voucher (invoice) for the $126,637,869.76 billing error. In addition, a deposit of $28,346,781.00 was returned to the General Treasury for interest. The amounts identified and returned to the Air Force were a self-disclosed error that Lockheed Martin found within their award fee arrangement with their subcontractors and not a result of any cost estimating system issues.

QUESTIONS SUBMITTED BY SENATOR SUSAN COLLINS

AIR REFUELING TANKER FLEET

13. Senator COLLINS. Secretary Wynne and General Moseley, there has been much debate over the past few months about a split buy for the air refueling tanker fleet, and it was reported recently that the Air Force may be reconsidering its stance on its current acquisition strategy to support a winner-take-all position. I would encourage you to explore all options that will provide a best value capability and best value solution for our service men and women and the American taxpayer. Please comment on the current acquisition strategy for this program and the capabilities that each proposal would provide the Air Force.

Secretary WYNNE and General MOSELEY. The Air Force considered a split buy approach when it developed the KC–X acquisition strategy in 2006. We decided against split buy because it was not affordable. Such an approach would double the development costs and $3 billion annual production costs and complicate manpower and logistics by creating two production lines, two support networks, and two training systems. OSD approved the winner-take-all acquisition strategy just prior to release of the Request for Proposal (RFP) in January 2007; they reaffirmed this approach during a review in preparation for the KC–X Defense Acquisition Board in February 2008. The Air Force remains committed to a winner-take-all strategy. A decision to direct a split buy at this point would require termination of the awarded contract and a new competition, delaying the recapitalization of today's 47-year-old fleet at least 18 to 24 months.

Conducting a competition to select the KC–45 has served the warfighter and taxpayers very well. Both competitors offered viable solutions but Northrop Grumman was selected because their proposal represented the best value solution based on an integrated assessment of the evaluation factors. Since a protest has been filed with the GAO, we cannot discuss specifics about the proposals or any issues under review.

14. Senator COLLINS. General Moseley, based on the results of the initial award for the KC–X program, size does seem to have mattered apparently. Ultimately, the commitment to this aircraft will come at a cost of some other capability that the Air Force needs to meet its missions. It is my understanding that this award was to be a best value solution, is that correct? If so, are you concerned about the increased life cycle costs that logically come from supporting the KC–45 aircraft as the air refueling choice for the tanker fleet?

General MOSELEY. The Air Force articulated requirements based on capability, not on size. It was the offerors' responsibility to propose a solution that met the requirements in the RFPs and provided the best overall value to the government. They were free to offer a tanker of any size. There was also nothing to preclude them from offering more than one aircraft.

Northrop Grumman was awarded the contract because they proposed the best value solution. We were concerned about life cycle costs, and in fact, it was one of the five evaluation factors. Life cycle costs include development and production costs as well as operation and support costs. These were considered in making the best value determination.

The RFP stated the contract would be awarded on a "best value" basis using the following factors:

(1) Mission Capability which included Key System Requirements, System Integration and Software, Product Support, Program Management, and Technology Maturity and Demonstration,

(2) Proposal Risk (evaluating potential weaknesses of an offeror's proposal),

(3) Past Performance (recent and relevant),

(4) Cost/Price (based on a Most Probable Life Cycle Cost (MPLCC) analysis), and

(5) Integrated Fleet Aerial Refueling Assessment (IFARA).

Factors 1 through 3 were of equal importance and individually more important than Cost/Price and IFARA. Cost/Price and IFARA are of equal importance. Factors 1, 2, 3, and 5 combined are significantly more important than Cost/Price.

15. Senator COLLINS. Secretary Wynne, fiscal constraints need to be considered over the life of the program to help in determining best value. Where did life cycle cost factor into the evaluation criteria for this program?

Secretary WYNNE. Life cycle cost was one of the five evaluation factors. It was of less importance than mission capability, proposal risk, and past performance but it

was equal in importance to the IFARA which analyzed the offerors' aircraft in a wartime scenario.

16. Senator COLLINS. Secretary Wynne, based on the general reactions that I am hearing about the award, I want to ensure, as do my colleagues, that the process used for this evaluation was sound. Please provide information on the process and evaluation criteria used for this important competition.

Secretary WYNNE. The Air Force had extensive dialogue with the offerors through a Request For Information, Industry Days, and two draft RFPs in 2006. This dialogue promoted a clear understanding of the requirements and evaluation factors prior to the start of the competition. During the source selection, we spent an unprecedented amount of time to gain a thorough understanding of their proposals. Through hundreds of formal exchanges, including three face-to-face interim reviews, we provided the offerors feedback on the strengths and weaknesses of their proposals. We also shared government cost estimates during interim reviews; in the past, this typically was done during the post-award debriefings. Near the end of the source selection, both offerors praised the Air Force for the way the source selection was conducted.

The requirements were fully vetted through the Joint Requirements Oversight Council, which validated them in December 2006. The requirements are still the same today. For the source selection, the requirements were articulated in the System Requirements Document, which was released with the final RFP. The DOD Inspector General issued a report on May 30, 2007, that stated the requirements were properly established and documented.

As mentioned above, a best value determination was made based on an integrated assessment of the five evaluation factors: mission capability, proposal risk, past performance, Cost/Price, and the IFARA.

The requirements and the five evaluation factors did not change after the final RFP was released on January 30, 2007.

QUESTIONS SUBMITTED BY SENATOR JOHN THUNE

ACTIVE ASSOCIATION UNITS

17. Senator THUNE. Secretary Wynne, you note in your prepared testimony that the Air Force "is already the model for melding its Guard, Reserve, and civilians with its Regular Air Force elements," and I wholeheartedly agree. You also state that you are looking to "push this synergy to new levels." One of the ways the Air Force is doing this is through Active Association Units, which I understand is a program that brings Active Duty airmen and mechanics to Air Guard bases to receive training from their more seasoned Air Guard counterparts. Please provide more details about this program, such as how many Active Association Units currently exist, where they're located, and what the process is for an Air Guard base to obtain an Active Association Unit?

Secretary WYNNE. There are currently 22 Chief of Staff of the Air Force-approved Active Associations on the Total Force Integration (TFI) List.

The type of Association and their respective locations are:

F–16, Dannelly Field, AL
C–130, Peterson AFB, CO
A–10, Engine CIRF Bradley IAP, CT
F–22, Hickam AFB, HI
C–40, Scott AFB, IL
F–15, Engine CIRF NAS New Orleans, LA
C–21, Martin State, MD
RED HORSE, Seymour Johnson AFB, NC
KC–135, Seymour Johnson AFB, NC
F–16, McEntire AFB, SC
C–130, Cheyenne MAP, WY
C–130, Elmendorf AFB, AK
C–21, Petersen AFB, CO
F–16, Homestead ARB,FL
KC–135, Hickam AFB, HI
C–21, Scott AFB, IL
A–10, Barksdale AFB, LA
A–10, Whiteman AFB, MD
C–130, Pope AFB, NC
RED HORSE, Charleston AFB, SC
F–16, NAS Ft Worth, TX
F–16, Burlington AGS, VT

The objective of the TFI associations is to meet Air Force operational mission requirements by aligning equipment, missions, infrastructure, and manpower resources to enable a more efficient and effective use of Air Force assets. While the desire for associations is on the rise, proposed TFI initiatives require concurrence between both gaining and associating MAJCOMs, and must satisfy an existing MAJCOM/COCOM requirement. Headquarters Air Force, in close coordination with MAJCOMs and the National Guard Bureau, develop missions and identify potential integration opportunities that satisfy current and future capabilities requirements that align with national security requirements. Prior to making any TFI association

decisions, the Air Force takes into considerations factors such as facilities, environmental impact, available manpower, usable airspace, and current number of aircraft. Additionally, there is a prerequisite to craft and submit a TFI Initiative Review Worksheet and gaining MAJCOM/NGB legal review of the proposed initiative. The initiative must then be vetted through the Air Staff, approved by the Chief of Staff of the Air Force, and must ultimately compete for funding in the Air Force budget. A summary of the complete TFI vetting process can be found in AFI 90–1001.

TOTAL FORCE INTEGRATION INITIATIVE

18. Senator THUNE. Secretary Wynne, could you comment on the Air Force's ongoing TFI Initiative and how important it has been to you?

Secretary WYNNE. TFI continues to be a fundamental element of Air Force transformation. TFI creates efficiencies, retains invaluable human capital, and, above all, increases the capabilities of all the Air Force components. It encompasses new technology, new concepts of operation, and new organizational constructs. The Air Force's transformation to a more dynamic, integrated Total Force extends to all areas of Air Force operations. Integration initiatives range from Rapid Engineer Deployable Heavy Operational Repair Squadrons (RED HORSE) to space and cyberspace operations. In order to produce a smaller, more capable, more affordable Air Force, all areas of operations must be reviewed for efficiencies and integration opportunities. The Air Force is committed to recapitalizing the force by changing organizational constructs in a way that defends against, deters, and defeats every adversary in any future challenge to the American way of life.

To date, 130 individual initiatives are either being developed or are under investigation by integrated process teams. Some are near completion, such as the classic association of Regular Air Force and Reserve personnel on F–16s at Hill AFB, UT and the classic association of Regular Air Force and Air National Guard personnel on F–22s at Langley AFB, VA, both outstanding success stories. TFI has led to new, ground-breaking organizational constructs. The first ever Air Force Reserve and Air National Guard association in the KC–135 at Tinker AFB, OK, is bringing the inherent strengths of these two components together into one organization. In the future, full integration of the Air Force components at all levels of organizational construct should be one of the going-in assumptions as we beddown future weapon systems.

QUESTIONS SUBMITTED BY SENATOR ROGER WICKER

NEW TANKER AIRCRAFT

19. Senator WICKER. Secretary Wynne and General Moseley, what is the status of the current decision on where to locate the new tanker aircraft?

Secretary WYNNE and General MOSELEY. The KC–45 program is still in a very early stage of development, and analyses regarding future tanker basing are not complete. The first beddown locations are Edwards for testing and Altus for the Formal Training Unit. Beyond those two locations, the phasing and basing of the KC–45 will be based on several criteria, including objective operational requirements and environmental studies in accordance with the National Environmental Policy Act. As we make these decisions, the Air Force will optimize timing and placement of weapons systems in the best interest of our Nation's defense.

20. Senator WICKER. Secretary Wynne and General Moseley, could you discuss if the Air Force plans to begin retiring the KC–135 before the new tanker arrives in the field?

Secretary WYNNE and General MOSELEY. Fiscal year 2009 President's budget procures 44 KC–45A aircraft with 17 scheduled to be delivered by the end of fiscal year 2013. Fiscal year 2009 President's budget does not retire any KC–135R aircraft. There will be no KC–135R retirements before the KC–45A arrives in the field. However, the National Defense Authorization Act (NDAA) for Fiscal Year 2008 allows the retirement of 48 KC–135E air refueling aircraft with provisions for more pending a successful KC–45A contract award and the resolution of any contract protest. The Air Force will retire 48 KC–135E air refueling aircraft in fiscal year 2008 with the remainder retiring before the end of fiscal year 2009.

AIR GUARD BASES

21. Senator WICKER. Secretary Wynne and General Moseley, it is critical to maintain the proficiency of our pilots, crews, and maintenance personnel at our Air Guard bases, and we should ensure the capacity and flexibility these bases provide the Air Force is not lost. If some of the Air Guard bases lose their refueling mission, such as the 186th Air Refueling Wing at Key Field, MS, what can we do to ensure that these bases receive a new mission, such as a lift capability mission?

Secretary WYNNE and General MOSELEY. The Air Force agrees that it is critical to preserve the skills, experience, and proficiency of our Guardsmen at locations where aircraft are scheduled to be reassigned under BRAC. As such, we have worked closely with the National Guard Bureau, the Air National Guard, and leadership at the other Major Commands to identify future missions for all of these locations. In addition, we have identified transition, or bridge, missions for Guard locations scheduled to lose their aircraft before a new mission can begin.

The 186th Air Refueling Wing in Meridian, MS, is one such unit. The Air Force has identified Meridian as a location scheduled to receive the C–27B (JCA) mission. Since the KC–135Rs are scheduled to be reassigned in fiscal year 2011, the transition mission for the Mississippi Air National Guard will be flying the C–17 aircraft assigned to the 172nd Airlift Wing in Jackson, MS. This premier airlifter has an identical crew complement and similar mission to the C–27, and will serve as an ideal platform to develop the necessary skills for transition, as well as preserve the experience and proficiency of the Mississippi Air National Guard crews.

Meridian is also identified as a location for a Component Numbered Air Force mission, or C–NAF, beginning in 2011. This mission will begin after reassignment of the KC–135R aircraft. Some retraining will be required, but the skills and experience of the Mississippi Air National Guard will prove invaluable to this new, emerging mission. While some details remain to be finalized, it is expected this mission will require approximately 300 guardsmen.

C–17 AND C–5 AIRCRAFT

22. Senator WICKER. Secretary Wynne and General Moseley, does the current force of 301 C–17 and C–5 aircraft meet the Department's strategic airlift requirements, and if so, is it the Department's intent to allow the C–17 production line to shut down?

Secretary WYNNE and General MOSELEY. The current fleet does not satisfy the Department's strategic airlift requirements. The 2005 Mobility Capabilities Study (MCS 05) set the baseline for a strategic airlift fleet ranging from 292 to 383 C–5 and C–17 aircraft. The study concluded that 112 fully modernized and reliability enhanced C–5s were required. The 2007 National Defense Authorization Act further refined the low end of that range by directing the Secretary of the Air Force to maintain a fleet of at least 299 strategic airlift tails. Of these, 111 fully modernized C–5s became the standard as the Air Force lost 1 aircraft in a crash at Dover AFB.

However, the C–5 RERP Nunn-McCurdy process reduced the programmed number of fully modernized or RERP'd C–5s from 111 to 52. The capacity shortfall left by excluding the remaining 59 C–5As from the RERP program is equivalent to 8 C–17s. This shortfall is based on a Joint Requirements Oversight Council validated organic strategic airlift capacity of 33.95 million ton miles/day (MTM/D).[1]

Additional changes since publication of MCS 05 include Future Combat System Manned Ground Vehicle growth beyond C–130 transport capability, introduction of the Mine Resistant Ambush Protected (MRAP) vehicle, a 92,000 increase in Army and Marine forces, and the stand up of Africa Command. The next opportunity to gauge the effects of these changes on the airlift fleet will be the Mobility Capability Requirements Study 2008 (MCRS 08) due in summer 2009. Similar to MCS 05, MCRS 08 will include analysis of sealift and prepositioned requirements.

Without additional procurement, the C–17 production will begin to shut down in 2008. The last C–17 delivers in August 2009, which includes Air Force and foreign sales. Although the last delivery is not until late fiscal year 2009, the 34-month C–17 manufacturing span time dictates that procurement must significantly precede delivery. Boeing is currently protecting the manufacturing schedule by putting company funds at risk; however, without additional orders (i.e., fiscal year 2008 global war on terror additions), it is anticipated that Boeing will cease production.

[Whereupon, at 12:01 p.m., the committee adjourned.]

[1] Includes C–5 and C–17 contribution only.

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2009

THURSDAY, MARCH 6, 2008

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

UNITED STATES SOUTHERN COMMAND AND UNITED STATES NORTHERN COMMAND

The committee met, pursuant to notice, at 9:36 a.m. in room SH–216, Hart Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Lieberman, Reed, Bill Nelson, McCaskill, Warner, Inhofe, Collins, Thune, and Martinez.

Committee staff members present: Richard D. DeBobes, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Evelyn N. Farkas, professional staff member; Richard W. Fieldhouse, professional staff member; Gerald J. Leeling, counsel; Thomas K. McConnell, professional staff member; Michael J. McCord, professional staff member; William G.P. Monahan, counsel; and William K. Sutey, professional staff member.

Minority staff members present: Michael V. Kostiw, Republican staff director; William M. Caniano, professional staff member; Robert M. Soofer, professional staff member; Richard F. Walsh, minority counsel; and Dana W. White, professional staff member.

Staff assistants present: Fletcher L. Cork, Jessica L. Kingston, and Benjamin L. Rubin.

Committee members' assistants present: Frederick M. Downey, assistant to Senator Lieberman; Elizabeth King, assistant to Senator Reed; Richard Kessler, assistant to Senator Akaka; Christopher Caple, assistant to Senator Bill Nelson; M. Bradford Foley, assistant to Senator Pryor; Gordon I. Peterson, assistant to Senator Webb; Sandra Luff, assistant to Senator Warner; Anthony J. Lazarski, assistant to Senator Inhofe; Mark J. Winter, assistant to Senator Collins; Jason Van Beek, assistant to Senator Thune; and John L. Goetchius, assistant to Senator Martinez.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody. The committee meets this morning to hear from two regional combatant com-

manders with responsibility for the Western Hemisphere, General Gene Renuart, Commander, U.S. Northern Command (NORTHCOM) and of the North American Aerospace Defense Command (NORAD); and Admiral James Stavridis, Commander of the U.S. Southern Command (SOUTHCOM). We thank you both for your service, your personal service, your family support. We're particularly grateful, as we hopefully never miss saying, to the men and women who you lead for their commitment and service to this Nation, and also to their families, and we would appreciate your extending our gratitude, this committee's gratitude, to those men and women.

NORTHCOM was established in October 2002 after the terrorist attacks of September 11, so it's a relatively new command. It has the missions of Homeland defense and providing military support to civil authorities for response to domestic disasters, whether natural or manmade, including a terrorist attack using conventional weapons or weapons of mass destruction (WMD).

NORAD is a binational command with Canada, responsible for protecting the approaches to the North American continent. General Renuart assumed command of NORTHCOM and NORAD 1 year ago. We look forward to hearing his report on what has happened during the last year and what is planned for the future with this dual command.

Last month we received the report of the Commission on the National Guard and the Reserves. It contained a number of findings and recommendations relative to NORTHCOM and the role of the National Guard in domestic disaster response. Some of these findings and recommendations were controversial and some were critical of NORTHCOM. For example, the Commission recommended that the Governors of our States should be able to direct Active-Duty military forces in their States to respond to emergencies. The Commission also recommended that NORTHCOM be required to have a majority of its headquarters personnel with National Guard or Reserve qualifications. The Commission also suggested that NORTHCOM's planning and capabilities to support a Federal response to a domestic attack involving WMD are inadequate. We look forward to hearing General Renuart's views on the findings and recommendations of the Commission's report.

The committee also welcomes Admiral Stavridis, Commander of SOUTHCOM, who's responsible for an area including Latin America south of Mexico, the countries and territories of the Caribbean, as well as the surrounding waters. The greatest challenges here include State stability and illicit drug trafficking.

We're now entering the 8th year of U.S. assistance to Colombia in its fight against narcoterrorists. The Colombian Government has made great strides regaining territory and establishing a government presence in local municipalities. Over 30,000 paramilitaries have been demobilized and the Revolutionary Armed Forces of Colombia (FARC) numbers about 9,000 fighters, down from an estimated 12,000 to 18,000.

The FARC, which is the captor of about 750 hostages, including 3 Americans, remains a threat to Colombian society and to human rights. President Uribe has again instituted a one-time wealth tax to raise money for the fight against the narcoterrorists and has

committed his government to local development and to improving Colombia's human rights record.

Our government is working with Bogota to assist them in economic development, judicial reform, and human rights, and we will continue to push for implementation of those aspects of Colombia's plan.

The illicit drug problem that Colombia is fighting is one that threatens the entire hemisphere. According to the Department of State (DOS) 2008 International Narcotics Control Strategy Report that was released last week, Colombia's neighbor Venezuela "is a major drug transit country with rampant high-level corruption and a weak judicial system."

Recent increases in the price of cocaine in the United States have apparently been the result of the Mexican Government's crackdown on drug cartels, not, for example, a result of the millions of dollars that we have poured into eradication into Colombia. In light of this, the committee will want to hear what we can do to forge a counterdrug strategy for the Western Hemisphere that applies U.S. assistance most effectively.

We also hope to hear SOUTHCOM's perspective regarding the leadership change in Cuba, and United Nations (U.N.) peacekeeping operations in Haiti. With the direct responsibility of the command, Admiral Stavridis, we would also like to have your assessment of the ongoing detention and interrogation operations at Guantanamo Bay.

Senator Warner.

STATEMENT OF SENATOR JOHN WARNER

Senator WARNER. Mr. Chairman, I take note that we have a vote at 10:50. Therefore, I'll ask to have my statement placed in the record so that the committee can receive the testimony.

Chairman LEVIN. We appreciate that.

Senator WARNER. I'd like to make a comment. General Renuart, in our discussions yesterday I raised the issue of the Commission on the National Guard and Reserves, headed by Major General Arnold Punaro. I said you'd be given an opportunity this morning to reply to some of their observations. It is a commission that this committee established and I think on the whole they did some very constructive work. This happens to be one of the more controversial elements and we welcome to hear your testimony.

Admiral, I'm interested in how you have stressed the need to include economic, political, and social developments as part of your overall approach, just not heavy—well, heavy emphasis on, the needed emphasis on the military, but you recognize that in your area of responsibility that is a very heavy component of what you achieve.

Your thoughts on Plan Colombia—that was a bipartisan achievement of this committee some several years ago, that seems to have worked.

Mr. Chairman, I felt your statement was very comprehensive, so I'll just put mine in the record. But I also join you in expressing our appreciation to our witnesses today and their families and the men and women under their command for doing such an outstanding job. Thank you.

[The prepared statement of Senator Warner follows:]

PREPARED STATEMENT BY SENATOR JOHN WARNER

Thank you, Mr. Chairman. I join you in welcoming our witnesses here today. I would like to thank General Renuart and Admiral Stavridis for their long and distinguished service to our Nation. I also wish to convey my deep appreciation for the fine men and women serving in your command. While much of our attention is focused in other theaters, we cannot neglect our responsibility to protect the Homeland and our vital national interest in the Western Hemisphere. As combatant commanders, we value your insights on the challenges facing your respective areas of responsibility. We also welcome your assessment of the fiscal year 2009 defense budget request.

We welcome General Victor Renuart, Commander of U.S. Northern Command (NORTHCOM). NORTHCOM, stood up in 2002, has the important mission of providing both Homeland defense and defense support to civil authorities, drawing upon Active-Duty, Reserve, and National Guard units. Over the past few years, NORTHCOM has experienced growing pains associated with military planning, interagency coordination, equipment shortages, and its relationship with the National Guard and Reserve.

On January 31, the Commission on the National Guard and Reserve, headed by Major General Arnold Punaro, submitted its report and recommendations regarding the role and mission of the Reserve components. The Commission generated some controversy with its assessment that current planning for crises within the United States is deficient and that the Defense Department is not prepared to play a primary role, at the President's direction, in restoring order and providing assistance in the aftermath of weapons of mass destruction (WMD) events and other incidents likely to produce mass casualties.

This committee conducted a hearing on the Commission's report on February 7. I entered into the record at that hearing the official response of NORTHCOM to the Commission's report, which stated: "U.S. NORTHCOM's primary mission is Homeland defense, and the command stands ready to respond to any Homeland defense or civil support mission requirement. . . . Americans can be assured the U.S. military is ready and capable of responding to attacks within the United States." This, along with Assistant Secretary of Defense McHale's public comments, was reassuring. I'm aware that the Department is preparing a formal response to the most recent report of the Commission, but I hope we can learn more from you today about the Nation's readiness to deal with the consequences of a WMD event that is likely to quickly overwhelm the capability of local first responders.

We also welcome Admiral Stavridis, Commander of U.S. Southern Command (SOUTHCOM) who has the awesome responsibility of fostering peace and stability in our Western Hemisphere. We often forget how vital Latin America is to our national interests. Our national defense is intricately tied to the prosperity and security of our southern neighbors. SOUTHCOM's area of responsibility, comprised of 32 nations, represents a region full of diverse challenges and opportunities. It requires a comprehensive approach—to include economic, political, and social development. Under your command, SOUTHCOM has embarked on an ambitious reorganization that embraces this concept. I am confident your efforts will serve as model for other combatant commands. I look forward to hearing about your progress integrating various components of the interagency into your command.

SOUTHCOM is responsible for what is perhaps one of this committee's greatest bipartisan achievements—Plan Colombia. For years, Colombia teetered on the brink of being a failed state. Today, Colombia has emerged from being a nearly failed state to one that has aggressively disrupted narco-trafficking in the country and gained control over regions and towns once controlled exclusively by the terrorist group, the Revolutionary Armed Forces of Colombia (FARC). Today, Colombia is a functioning democracy and our best partner in the region, but there is still much work to do. Earlier this week, Colombian forces killed a senior FARC rebel in Ecuador, which prompted Venezuela and Ecuador to close their embassies in Bogota and send troops to their Colombian borders—raising tensions between the three nations. I look forward to hearing your assessment of this recent development and the role we might play to enhance stability there and throughout the region.

In addition to recent troop movements in Venezuela and Ecuador, the committee will be interested in your assessment of: the threat of radical Islam, including violent extremists with ties to Hamas, Hezbollah, and al Qaeda in the region; efforts to curb the flow of illegal drugs into the United States from the south; the links between violent regional criminal groups and gangs in the United States; the effects of referendum defeat on Hugo Chávez's popularity; Cuba after Fidel Castro; foreign

influences on the Panama Canal, particularly the Chinese influence; operations at the Guantanamo detention center; and, to the extent you can tell us of the progress to locate our three hostages held by FARC guerrillas in Colombia since 2003.

Again, I would like to express my deep appreciation to all of you, and to the brave men and women of your commands, for all of their efforts to provide for the Nation's defense. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Warner.

General Renuart?

STATEMENT OF GEN. VICTOR E. RENUART, JR., USAF, COMMANDER, NORTH AMERICAN AEROSPACE DEFENSE COMMAND AND U.S. NORTHERN COMMAND

General RENUART. Good morning. Thank you. Chairman Levin, Senator Warner, and members of the committee. It is really a privilege to be here this morning representing the men and women of NORTHCOM and NORAD and truly, most especially, to sit here with my very close friend, Jim Stavridis. Not only is our personal relationship strong, but our professional relationship between the two commands grows stronger every day, and I think we do have the ability to answer some of the questions that you have, both of you have mentioned with respect to drug trafficking and mutual interest areas in the Caribbean.

I also want to take a moment to introduce and make note of three members of my team who are critical to our success every day. Major General Steve Villacorta is my advisor from the Army National Guard. He serves in a key position within my staff. We're also pleased to have with us a member of the National Guard Bureau team, Brigadier General Fick, who is here again to demonstrate the partnership that we have. Finally, to represent the young men and women who wear the cloth of our Nation every day in harm's way, Command Sergeant Major Dan Wood. I appreciate them being here to witness the proceedings.

Chairman LEVIN. We welcome them and thank them.

General RENUART. Sir, you talked about the relationship of these two commands in the hemisphere, and we have worked very hard over the last couple years with SOUTHCOM, with Admiral Stavridis' joint interagency task force, to begin to close the seams that may be there as we move from one area combatant commander to another. I'm pleased to say that that collaboration is continuing to strengthen. We're finding new ways to collaborate, and I know Jim and I are happy to talk about those in the course of the day.

As Commander of NORTHCOM, I'm assigned two distinct and critical missions: to defend our Homeland from attack, whether it is an attack of a conventional nature or one of unconventional nature, and then to support the Nation with unique Department of Defense (DOD) capabilities during time of crisis, the natural or manmade disaster.

We really can't prioritize one or the other because they move across the spectrum almost simultaneously. So we put a great deal of effort each day to both our Homeland defense and to our support of civil authorities mission. As we move into the hurricane season, for example, that mission of civil support becomes very significant in terms of the weight of effort, but those mission sets can move back and forth.

Our missions we believe are especially meaningful because nothing is really more important than keeping our citizens, our families, all safe. This requires a culture of anticipation. We understand all too well that failure is not an option. In fact, we rewrote our mission statement soon after I arrived and added the keyword "anticipate" to emphasize this new standard of preparedness. Over the past year we have substantially increased our focus on planning, training, exercising, and readiness.

We updated our Homeland defense and civil support plans. We ensured our plans are consistent with the National Response Framework and Department of Homeland Security (DHS) support plans for those 15 National Planning Scenarios. All of this is done in close partnership with DHS's Incident Management Planning Team. In fact, we carry the lead DOD role for concept planning across the Department.

We have successfully completed the Maritime Domain Awareness Concept of Operation and the interagency investment strategy to go along with that. These developments improve situational awareness and provide a way ahead to rapidly assess and respond to maritime threats. We have made historic progress in both military and civil response collaboration with our friends in Canada. On our southern border, the United States and Mexico work more closely every day to confront the threat of narcotics trafficking and we are hopeful Congress will continue its support of the Merida Initiative as it provides a real opportunity for meaningful progress in this area.

We train with over 50 Federal, State, and local partners at all operational levels. As an example, we exercised our Chemical, Biological, Radiological, Nuclear, and High-Yield Explosives Consequence Management Response Force during Exercise Ardent Sentry and Northern Edge not quite a year ago and exercised a portion of that again this past fall in the State of Oregon.

We have assisted the National Interagency Firefighting Center in battling wildfires in the northwest and the southwest, prepared for the worst when Hurricane Dean threatened Puerto Rico and Texas, and we provided a broad range of DOD capabilities to a lot of events around the country, such as the I–35 bridge collapse, the Utah mine tragedy, and midwest ice storms.

Supporting DHS and the Government of Canada during National Special Security Events has also been one of our principal tasks over the last year. We provide military support to Federal law enforcement partners along the borders as they continue to counter transnational threats.

At the same time, we provide civil assistance and continually watch intelligence indicators, early warning information, and the operational picture. Specifically, we monitor, assess, and evaluate 12 to 20 potentially dangerous events affecting the Homeland every day, every day. This includes such things as vessels of interest, suspicious aircraft activity, missile launches around the world, and myriad manmade and natural disasters.

As an example, we worked closely hand-in-hand with the State of Florida during the recent power losses to ensure that if there was a requirement that could be met by DOD we were ready.

Every day we see the benefits of this collaboration in so many ways. Our officers sit side-by-side with the Federal Bureau of Investigation (FBI) in the Joint Terrorism Task Force and the National Counterterrorism Center (NCTC), all to ensure that we have the same threat picture. This allows us to routinely collaborate and assess information. We've built a high degree of confidence with our partners and I'm happy with that.

We also rely on the information expertise provided by our Joint Interagency Coordination Group. This group synchronizes and integrates the activities of over 40 Federal and regional support agencies, including a private sector cell which allows us to tap into the private sector for areas of Homeland response.

We recognize there's plenty to do. There's still more improvements that can be made. But we spend a great deal of our effort trying to anticipate the threats to our security, to improve Homeland defense and our global support plans, and strengthen relations with our mission partners both at home and abroad.

Mr. Chairman, before I close I'd like to briefly comment on the final report of the Commission on the National Guard and Reserves. It is clear that a great deal of effort went into the report. In conjunction with the DOD, we are continuing our review to provide Congress a thorough assessment of each of the recommendations in that report.

I agree with the Commission that we need to increase support to our Nation's Active-Duty and Reserve Forces, to build and enhance the Nation's capability to provide chemical, radiological, biological, and nuclear incident consequence management capabilities. I am leading the DOD charge to do just that and have received strong support from both the Chairman and the Secretary.

My Integrated Priority List to the Secretary of Defense supports recapitalizing and equipping our National Guard to support domestic missions. I firmly believe that our Nation needs a strong and well-equipped Guard and Reserve Force. That said, some of the findings in the final report I believe are incomplete and can be misleading. I disagree with the Commission's assessment of a so-called "appalling gap" in our capabilities to respond to a WMD attack. Let me assure you there are plans in place and there are forces available and a range of capabilities across the government to respond to these events, and we are ready to respond today.

The Commission also suggests that the Governors should have complete command and control of Title 10 forces in certain circumstances within their State. I disagree. I believe current command provisions allow the Governors to have the authority they need to direct all efforts within their States. Upon taking command, I made relationship-building with each of these Governors a high priority. I'm pleased to say that I've visited now over 30 States and in those visits I've met now with 19 Governors and Lieutenant Governors, every State Adjutant General, and most of their emergency management directors.

My message is clear and consistent: NORTHCOM is here to support you. These Governors and Lieutenant Governors with whom I have spoken are confident in their adjutants general and their ability to lead State efforts in times of crisis, and they know they can count on NORTHCOM for the support when it is requested.

I believe it's more important to ask the Governors, are they receiving the support they need, than to have a struggle over the lines of command and control. They are the supported elements in their State and our role is to make sure that they have all they need.

Finally, let me set the record straight on the Commission's comments regarding the need for State-level experience within NORTHCOM. Today 46 percent of my staff has Guard and Reserve experience and, as you see General Villacorta here, 6 of my 13 general and flag officers, my key advisors, are guardsmen and reservists. I rely on them daily and they are integral members of my team. We're also doubling the number of full-time Guard positions within our headquarters. I believe these statistics stand on their own two feet and provide the right kind of experience in our command.

In closing, our mission is to protect our fellow citizens and the freedoms that uphold our way of life. We are proud to be part of a combined Federal, State, and local team. Coordination with international, Federal, State partners, Governors, and the National Guard is paramount. General Steve Blum, the Chief of the National Guard Bureau, said just recently: "The coordination and cooperation between our two agencies has never been better," and I do agree.

By anticipating threats, exercising our capabilities, and increasing information-sharing with our partners, we strengthen our ability to protect each of you, your families, our families, and our Homeland.

Chairman, thank you very much for the opportunity to be here and I look forward to your questions.

[The prepared statement of General Renuart follows:]

PREPARED STATEMENT BY GEN. VICTOR E. RENUART, JR., USAF

Chairman Levin, Senator McCain, distinguished members of the committee, I very much appreciate the opportunity to appear before you and report to you on the state of our two commands, U.S. Northern Command (NORTHCOM) and North American Aerospace Defense Command (NORAD). Together, these Commands protect and defend the United States and Canadian homelands. I want to leave no doubt in your minds that in the 5-year history of NORTHCOM and 50-year history of NORAD, the men and women assigned to these Commands have never been more committed to this no-fail mission—they are vigilant, prepared, and responsive to threats that may harm our families and our countries.

Since standing up in 2002, NORTHCOM, partnered with our NORAD teammate, has protected our Nation from attack. The NORTHCOM and NORAD team has been successful thanks to the combined work of our Nation's leaders, the Department of Defense (DOD), the interagency community, and especially support from Congress. Additionally, since the Hurricane Katrina disaster, NORTHCOM has re-defined readiness; we have made landmark improvements in our planning, anticipating, communicating and coordinating the Federal, State, and local response to natural disasters and other events requiring civil support. The National Strategy for homeland security states, "as we face the dual challenges of preventing terrorist attacks in the Homeland and strengthening our Nation's preparedness for both natural and manmade disasters, our most solemn duty is to protect the American people." This pledge underscores the missions of NORTHCOM and NORAD, as we monitor 12–20 potentially dangerous events every day.

We continue to place strong emphasis on three focus areas: anticipating threats to our continental security, improving our homeland defense and civil support plans and capabilities, and strengthening relationships with our mission partners. It is my privilege today to report not only on the state of our commands, but also on our goals for the future.

OUR MISSIONS—ANTICIPATE, PREPARE, AND RESPOND

NORTHCOM and NORAD are separate commands—neither being subordinate to the other—with complementary homeland defense missions. We share common values, understand the urgency and significance of our duties in light of very real and present dangers, and operate in a dynamic and uncertain security environment. A range of threats across all domains represents an immediate and future challenge for both commands. Whereas the enemies of yesterday were relatively predictable, homogeneous, hierarchical, and slow to change, today's adversaries are agile, unpredictable, diverse, increasingly networked, and dynamic. These adversaries benefit from technologies and materials readily accessible in world markets, to include disruptive systems or the ingredients required to fabricate weapons of mass destruction (WMD). This potential availability of WMD to terrorist groups is of vital concern, especially as terrorists thrive in the "gray area" where notions of crime and armed conflict overlap.

Our missions require a culture of anticipation. With every potentially harmful event, through constant vigilance throughout NORTHCOM's area of responsibility (AOR), we anticipate appropriate levels of DOD response to provide capabilities that protect and defend the American people to prevent and minimize loss of life, suffering, and property damage.

NORTHCOM is prepared to support its Federal, State, and National Guard partners in responding to a wide range of events. Natural disasters such as major hurricanes, earthquakes, or pandemics can quickly exceed the capabilities of local and State emergency response assets and require significant allocation of military resources to help mitigate the effects of and support for relief and recovery efforts. Likewise, a terrorist attack, particularly one involving WMD, may not only cause overwhelming numbers of casualties, but may also initiate a multitude of cascading events which could require substantial defense support of civil authorities. When needed, our military assets are organized, trained, equipped, and immediately accessible to leverage national, and as appropriate, continental strengths.

An essential element of NORTHCOM and NORAD success is our ability to anticipate events that may require a military response. We work hard to have global situational awareness of potential events that can affect the safety and security of our homeland. Toward this end, in 2006, the commands began a project to build a single, integrated command center that supports our requirements for global situational awareness and interconnectivity with key homeland defense and civil support partners. This remains a high priority for the commands, and we are on track to begin initial operations out of the new, integrated command center by May 2008. The NORAD and NORTHCOM command center will provide a more efficient and effective means of executing homeland defense against threats coming from all domains. In addition to an increased capacity to coordinate defense activities with other stakeholders, especially Canada command, the integrated command center will provide a significantly enhanced capability to execute defense support of civilian authorities.

We understand Congress' concerns with the Command Center Integration project. In response, we provided the House and Senate Armed Services Committees' leadership a cost-benefit analysis for the integration and a summary of our actions to mitigate physical security vulnerabilities in early December 2007. As required by the 2008 National Defense Authorization Act, we have completed a report to Congress on command center integration and provided that report to the Chairman of the Joint Chiefs of Staff for coordination and subsequent submittal to Congress.

PLANNING EFFORTS—INTEGRAL TO OUR RESPONSE

The number one priority for NORTHCOM is continuing to build Active-Duty and Reserve component capabilities to support training and readiness for response to chemical, biological, radiological, nuclear, and high yield explosives (CBRNE) incidents. On behalf of DOD, NORTHCOM is prepared to provide a rapid and effective Federal-level response to a catastrophic domestic CBRNE incident, whether it is a deliberate terrorist attack or an accident. Currently, our Nation has 53 certified National Guard WMD Civil Support Teams, one in every State, the District of Columbia, and Puerto Rico, ready to provide initial detection and identification in a chemical, biological, radiological, or nuclear event. Additionally, there are 17 regional consequence response Joint National Guard CBRNE Enhanced Response Force Package units, each consisting of nearly 200 trained people, as well as an active-duty military response unit of nearly 450 marines which is the gold standard for responding to a WMD attack. Should the event require additional Federal forces, we have active duty units of over 3,000 members in each unit who are on a short recall to reinforce the initial response teams.

We refined our CBRNE Consequence Management Concept Plan and led efforts within DOD to identify, train and make ready the CBRNE consequence management response capabilities the plan enumerates. Although the DOD response force is intended to augment those of state authorities, such as National Guard WMD-Civil Support Teams and CBRNE Enhanced Response Force Packages, we strongly recommend robust Federal response units, referred to as CBRNE Consequence Management Response Forces (CCMRF). This capability is needed because local and State capabilities will likely require additional DOD resources in the event a CBRNE incident is catastrophic or multiple events occur simultaneously. When operational, each CCMRF will deliver a range of ready capabilities, including incident assessment, command and control, medical, decontamination, logistics, transportation, mortuary affairs, general support, and public affairs. In May 2007, NORTHCOM successfully exercised the first-ever substantial CCMRF deployment to Camp Atterbury, IN, during Exercise Ardent Sentry-NORTHCOM Edge 07; we will exercise these CCMRF capabilities again in May and then annually to maintain critical readiness.

Today, we have notional sourcing for the units we have been tasked to build. This remains a high priority for our command, and we are diligently working with the Office of the Secretary of Defense, the Joint Staff, U.S. Joint Forces Command, the Services, and the National Guard Bureau to source the full CCMRFs. The Secretary of Defense has directed a full-time, dedicated force be trained and equipped by the end of this fiscal year. I appreciate Congress' direction to establish an advisory panel to assess DOD's capabilities to provide support to U.S. civil authorities in the event of a catastrophic CBRNE incident, and look forward to providing input to the panel's assessment.

We worked hard to complete detailed plans that will guide our operational response in the event of a catastrophic event. NORTHCOM's homeland defense and civil support plans are vital to our Nation's ability to deter, prevent and defeat threats to our security, and assist civil authorities when called upon by the President or Secretary of Defense. We continue to adjust these plans as we evaluate lessons learned from exercises and real world operations. Since the inception of NORTHCOM, our planning efforts with our mission partners, particularly Department of Homeland Security (DHS), the National Guard Bureau, and Canada command, have matured significantly.

Our Nation uses the 15 National Planning Scenarios as a vehicle to shape nationwide planning efforts for terrorist attacks and synchronize planning for natural disasters such as hurricanes and earthquakes. NORTHCOM plans, such as CONPLAN 3501, Defense Support of Civil Authorities, address each of the National Planning Scenarios that may require NORTHCOM support. We have established a close partnership with the DHS's Incident Management Planning Team to ensure DOD plans are integrated into the broader government-wide plans being developed by DHS. These plans will address the range of activities across the prevention, protection, response, and the recovery phases for each of the National Planning Scenarios. In coordination with the Joint Staff, the Office of the Assistant Secretary of Defense for Homeland Defense and Americas' Security Affairs, and DHS, we have developed a yearly civil disaster assistance Execute Order and 26 Pre-Scripted Mission Assignments to put specific capabilities on alert in order to respond to specific predetermined requests for assistance from designated primary agencies, which streamline DOD response activation.

In preparation for a potential Pandemic Influenza, NORTHCOM is leading the DOD effort to globally synchronize military efforts to minimize contamination and prevent further spread of the pandemic. In October 2007, NORTHCOM completed a DOD Global Synchronization Plan for Pandemic Influenza. This plan provides guidance to all the geographic combatant commands, functional combatant commands, Services, and DOD agencies to assist in development of regional plans addressing operations in a pandemic influenza environment.

Each year, NORTHCOM anticipates, prepares, and trains for significant events that may require a DOD response. The command, in partnership with NORAD, annually sponsors two large-scale exercises (Ardent Sentry and Vigilant Shield) and participates in over 30 additional exercises. Our exercise scenarios have involved: air (civil and military) incidents and attacks, maritime and port security, maritime interception operations, missile defense, consequence management in support of civil authorities, nuclear proliferation, nuclear weapon accidents, weapons of mass destruction attacks, and natural disasters such as hurricanes and earthquakes.

Our exercises (in full partnership with Canada, primarily through Canada command) arc integrated within the annual DHS-coordinated national exercise program, wherein we participate in National Level Exercises, and demonstrate our full response capabilities, including the deployment of elements of the CCMREs. We en-

thusiastically support and participate in the national level exercises, particularly those with senior cabinet involvement, because they are tremendous demonstration and training opportunities for the spectrum of civil and military personnel who may respond to a real world event.

OUR OPERATIONAL RESPONSE—HELPING AMERICANS WHERE THEY LIVE AND WORK

We implemented many improvements following Hurricane Katrina that make NORTHCOM well-prepared for seasonal natural disasters that occur in our homeland, such as hurricanes, floods, and wildfires. For example, in August 2007, Hurricane Dean threatened the United States Gulf Coast as a Category V storm. In anticipation of the significant threat posed by the storm and the possibility of a Presidential Emergency Declaration under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, NORTHCOM quickly responded, including the following:

- Established direct linkage to the Texas and Puerto Rico State Emergency Operations Centers and the Adjutants General Joint Task Force Headquarters.
- Activated our Future Operations Center.
- Pre-deployed Defense Coordinating Officers and their staffs to St. Thomas, U.S. Virgin Islands (Federal Emergency Management Agency (FEMA) Region II) and Corpus Christi, TX (FEMA Region VI) in coordination with DHS (FEMA).
- Coordinated with U.S. Transportation Command to transport the FEMA Mobile Emergency Response Support vehicles from Westovcr, MA, to Puerto Rico to provide emergency communications support to Puerto Rico and the U.S. Virgin Islands, if necessary.
- Developed the first-ever validated transportation plan for a pre-hurricane evacuation of citizens from Texas and Louisiana.
- Propositioned Mobile Aero-Medical Staging Facility teams in south Texas, prepared to evacuate special needs medical patients.

As Hurricane Dean advanced across the Western Caribbean and gained strength, the State of Texas requested activation of the National Disaster Medical System and the President approved a pre-landfall Emergency Declaration for Texas. We had already anticipated these developments and, in coordination with U.S. Transportation Command, prepared to assist in the immediate general air evacuation of up to 26,000 people from the Rio Grande River Valley. As it turned out, Hurricane Dean made landfall on the Yucatan Peninsula of Mexico on 21 August 2007 and did not reach the United States. However, if the storm had made landfall in Texas or elsewhere along the U.S. Gulf Coast as some storm models predicted, we were positioned to assist state and local authorities in all aspects of disaster response.

Last fall, we quickly provided the DOD response to help fight the fast-moving, Santa Ana-driven wildfires that threatened hundreds of thousands of California residents. To help save lives and protect homes, we:

- Deployed a Defense Coordinating Officer and staff element to facilitate Federal response efforts;
- Deployed U.S. Army North's Operational Command Post to command and control Title 10 forces engaged in assisting State and local authorities, as well as a Mobile Air Staging Facility to process any potential casualties, especially burn patients;
- Tasked, in coordination with the National Guard and Reserves, six Modular Airborne Fire Fighting Systems (MAFFS). MAFFS-equipped, C–130 aircraft: flew a total of 76 sorties, dropping retardant to help contain the fires;
- Employed Incident Awareness and Assessment assets that provided critical imagery for local responders.

This was a historical first-use of a DOD unmanned aerial system, the Global Hawk, for a Defense Support of Civil Authorities event. It identified 50 additional hotspots, enabling local responders to optimize the firefighting locations. We conducted these Incident Awareness and Assessment activities while simultaneously safeguarding the civil liberties of American citizens and adhering to appropriate statutes and DOD regulations. NORTHCOM employment of three Incident Awareness and Assessment/Full Motion Video communications suites enabled the Command to receive real-time video from incident sites and then disseminate unclassified video to all of our partners via the Internet.

In summary, NORTHCOM remains vigilant and ready to respond to all types of disasters, large or small. Our support even extended to several small-scale events,

such as the Minnesota I–35 bridge collapse and the Utah mine collapse. When the I–35W bridge over the Mississippi between downtown Minneapolis and St. Paul collapsed into the river in August 2007, killing several people and injuring many more, we responded. In support of Minnesota Governor Pawlenty's request, NORTHCOM deployed the FEMA Region V Defense Coordinating Officer and coordinated with U.S. Transportation Command and the U.S. Navy for the deployment of underwater salvage capabilities to support Federal (Department of Transportation, Federal Bureau of Investigation, Environmental Protection Agency, and U.S. Army Corps of Engineers) assistance to the State and local efforts at the scene.

Just 5 days later, when a portion of the Genwal Coal Mine collapsed in central Utah, trapping six miners approximately 1,500 feet below the surface and 4 miles from the mine entrance, we responded again. NORTHCOM, in coordination with U.S. Transportation Command, synchronized the delivery of the Department of Labor's Seismic Detection equipment to the incident site.

OUR OPERATIONAL RESPONSE—HOMELAND DEFENSE IS JOB ONE

Although NORTHCOM is better known for coordinating the DOD response to disasters in our AOR, the men and women of NORTHCOM and NORAD remain vigilant in our number one responsibility, homeland defense. Through our operational missile defense program, maritime and air defense activities, both Commands are vigilant and maintain a high state of readiness to respond as necessary against man-made threats.

NORTHCOM is responsible for directing missile defense operations within our AOR and Hawaii to protect the homeland, allies, and other national interests from potentially hostile acts. We have made great strides in the Ground-Based Midcourse Defense System (GMD) capability and have fielded 23 Ground-Based Interceptors and additional sensor capability standing ready to defend the United States' and its allies' infrastructure and population centers, if needed.

Last year, I testified that I would do my best to make sure Missile Defense flight tests realistically reflect NORTHCOM's operational environment. In September 2007, I personally participated in a flight test conducted by the Missile Defense Agency (MDA), which successfully demonstrated the GMD's warfighting capability. We are also working with MDA to develop systems such as the Multiple Kill Vehicle program, the 21-inch SM–3 program, and the Theater High Altitude Air Defense program. These improved capabilities will significantly enhance our Nation's protective shield against missile threats.

For over 6 years now, NORAD has executed Operation Noble Eagle and provided the air defense of the United States and Canada through airspace surveillance, a ready alert force, air patrols, and the unique National Capital Region Integrated Air Defense System. We have flown over 48,000 sorties for this operation, and appreciate the National Guard's contribution of flying over 70 percent of these sorties. We continue to fly irregular air patrols to achieve a balance between readiness and sustainability while assuring the defense of our homelands. Despite a grounding of 37 percent of the U.S. Air Force F–15s due to structural cracks in aging airframes, NORAD air defense fighters remain mission-capable and on alert protecting North America. Reflective of the enduring nature of the NORAD Agreement, during the initial phase of the F–15 grounding, Canadian F–18s seamlessly supported NORAD'S Northern Sovereignty Operations.

While our mission requirements are now being met by other aircraft with similar capabilities, such as the F–16s and F–22s, this places an operational strain on the globally-committed F–16s and F–22s. Maritime patrols of our homeland have similar operational challenges, due to the grounding of U.S. Navy P–3 aircraft caused by deterioration of airframes. As such, we strongly support the U.S. Air Force and U.S. Navy efforts to recapitalize the air defense and maritime patrol aircraft to keep our Nation safe and ensure future homeland defense missions are supported at the required levels.

In the National Capital Region, NORAD continues to improve the robust air- and ground-based air defense system. Improvements to aircraft surveillance systems and close coordination with our interagency partners have resulted in quicker detection and identification of intruders into the protected airspace around Washington, DC. In addition to the alert fighters at Andrews AFB, the U.S. Coast Guard supports NORAD with alert helicopters to intercept low-and-slow aircraft in the National Capital Region. NORAD's ability to detect and deter intrusions to the National Capital Region will be further enhanced in the coming year by the interagency effort to delineate the airspace around the region. This rulemaking effort is critical to the long-term goal of securing the skies over the Nation's capital.

In January 2008, NORAD and NORTHCOM provided DOD support to the President's 2008 State-of-the-Union Address, designated as a National Special Security Event. We provided unique DOD capabilities, including small medical teams of advanced cardiac and trauma life support teams and the Initial Response Force of the Chemical Biological Incident Response Force. We are currently planning support for two other National Special Security Events: the Democratic National Convention, 24–28 August 2008, in Denver, CO, and the Republican National Convention, 1–4 September 2008, in Minneapolis-St. Paul, MN.

NORTHCOM and U.S. Coast Guard coordinate operations in multiple national defense mission areas: maritime intercept operations, mine countermeasure operations, maritime security and defense, theater security cooperation, and environmental defense operations. Twenty U.S. Coast Guard personnel are integrated within the NORTHCOM staff, and the command is fully engaged with U.S. Coast Guard Pacific and Atlantic Area commands in maritime planning and execution. Although maritime defense operations are not widely publicized, this quiet mission remains a strong deterrent capability for our Nation. In any given month, our Command tracks, and in partnership with DHS and other DOD agencies, takes appropriate measures to ensure these potential threats do not reach our shores:

- 40 foreign flag vessels with potential for intelligence gathering;
- 25 vessels of interest to law enforcement (potential contraband);
- 8 foreign nation warships entering NORTHCOM's AOR;
- 100 regulatory vessels (containing hazardous materials or other dangerous cargo); and
- 7 vessels of interest to our national security.

Our command also supports DHS in the conduct of port security operations, and we developed plans enabling a rapid response to Secretary of Defense-approved requests for assistance. A significant challenge for port security is our ability to counter underwater mines. An underwater explosive device, either purpose-built or improvised, is a credible threat that could have huge consequences for our Nation's port facilities, and would prompt an expensive and challenging recovery effort. The Maritime Operational Threat Response Plan tasks DOD as the lead agency for mine countermeasures in the maritime domain with NORTHCOM assigned that responsibility for the continental United States. NORTHCOM, in coordination with the U.S. Coast Guard, will employ tailored, rapidly deployable forces to respond to a domestic mine incident to re-establish maritime commerce in an expeditious manner balanced with acceptable risk.

The trafficking of illegal drugs continues to be a threat to national security. While our interagency partners have scored record seizures of illegal drugs this year, drugs continue to flow across our northern and southern borders. NORTHCOM's Joint Task Force-North (JTF–N) supports law enforcement agencies and ensures unity of effort between Title 10 and Reserve component forces and those National Guard forces operating under State control (Title 32). Through JTF–N's missions and activities, we continue to sustain important relationships with Federal law enforcement agencies and National Guard counterdrug task forces engaged in securing our Nation's borders against drug traffickers and their associated activities.

PARTNERING WITH RESERVE FORCES

We understand the vital contributions of the National Guard and Reserves and are firmly committed to helping reconstitute and improve the Reserve component's operational capabilities. It is in our Nation's best interests to enable the States and Federal authorities to have the robust resources they need in times of catastrophic events.

Toward that end, NORTHCOM has been closely coordinating with the Office of the Secretary of Defense and the Joint Chiefs of Staff to meet milestones laid out in the DOD implementation plan for recommendations made by the Commission on the National Guard and Reserves Second Report (1 March 2007), and will do so as well for the Final Report (31 January 2008). Much of what has been said in the press about the Nation's ability to defend itself is not correct. I agree that NORTHCOM's plans can always be improved; however, make no mistake—we are trained, ready, and prepared to defend our homeland. I look forward to providing my perspective on some of the more significant recommendations made by the Commission in the Final Report.

Specifically, I take exception to the recommendation regarding Governors directing Federal forces. NORTHCOM is committed to supporting Governors. Based on the Secretary's direction, we have numerous options that allow Federal forces to assist State emergency response personnel in order to have a coordinated response to domestic catastrophes and other emergency operations. NORTHCOM's role is

clear—we respond in support of Governors, adjutants general, and designated Federal agencies.

I also believe the commission's recommendation regarding NORTHCOM staff qualifications is unnecessary. The Commission recommends that "a majority of NORTHCOM's billets, including those for its service component commands, should be filled by leaders and staff with Reserve qualifications and credentials. Job descriptions for senior leaders and other key positions at NORTHCOM should contain the requirement of significant Reserve or National Guard experience or service." In fact, this already occurs. This recommendation does not reflect the fact that in addition to the nearly 50 full-time National Guard officers we have in NORTHCOM, 46 percent of NORTHCOM servicemembers have previous experience working with National Guard and Reserve personnel and units. I have six two-star National Guard and Reserve officers who serve as my Chief of Staff, subordinate commanders and direct advisors. Virtually all of my air component and a large percentage of my land component are guardsmen or reservists. Thus, while we can always improve, and we will, I am satisfied that we possess sufficient experience levels to provide timely and effective support to the States.

Furthermore, I take my role as the combatant commander advocate for the Reserve component very seriously. This advocacy role was also one of the many recommendations in the second report of the Commission on the National Guard and Reserves that has been implemented throughout the DOD. In each of NORTHCOM's annual Integrated Priority List and Program Objective Memorandum submissions to the DOD, we advocate for and support correcting Guard and Reserve capability shortfalls for both Federal and non-Federal roles. NORTHCOM also advocated for and supported National Guard Bureau efforts to validate key initiatives such as Joint Force Headquarters-State and CBRNE Enhanced Response Force Packages through DOD's Joint Requirements Oversight Council. We advocate for changes to DOD policies that allow for more collaborative planning to ensure proper resourcing for National Guard and Reserve units' equipment, personnel, and training for civil support operations.

Lessons learned during past events serve to underscore the importance of providing training and education opportunities to members of the National Guard including potential Joint Task Force-State Commanders, Commanders of Joint Force Headquarters-State and their respective staffs. At the request of the National Guard Bureau, NORTHCOM eagerly took the task to further develop these important National Guard Joint Task Force capabilities. Upon completion of training, participants are better able to conduct and support operations across the entire operational spectrum (State Active Duty, Title 32 status, and Title 10 status). In the past year, this program trained over 750 students; in 2008 we plan to train up to 1,000 students.

Three years ago, NORTHCOM, National Guard Bureau and U.S. Joint Forces Command launched a combined initiative entitled Joint Force Orientation. The primary objective of this program is to facilitate a mutual understanding of joint operational concepts and information sharing between States, territories, and NORTHCOM. The program currently uses two avenues for reaching the States. The first engagement is a 2-day conference held at the NORTHCOM headquarters targeting senior civilian and National Guard leadership from States within a FEMA region. The second engagement consists of a team from NORTHCOM's Standing Joint Force Headquarters North (SJFHQ–N) traveling to a State's Joint Force Headquarters. To date, NORTHCOM has engaged all 54 States and territories through the 2-day conference and our SJFHQ–N team has traveled to 23 States and territories for individual State engagements, the most recent being New Hampshire in early February. State feedback has been extremely positive, reflecting the value and importance of a NORTHCOM-state mission partnership that is based on mutual trust.

We support proposed DOD legislative changes regarding the expanded employment of Army, Navy, Air Force, Marine, and Coast Guard reservists in the homeland. Normally, these reservists are only available for civil emergencies while in voluntary Inactive-Duty for Training status. To eliminate this restriction, we ask for your support of DOD's fiscal year 2009 legislative proposals that will allow the President to order Army, Navy, Air Force, Marine, and Coast Guard reservists to Active-Duty to provide assistance in large-scale manmade, natural, and accidental disasters or catastrophes when the response capabilities of Federal, State, and local civilian agencies have been, or will be, exceeded. For example, a third of the Army's medical capabilities are resident with the Army Reserve. By enacting the legislative changes, these medical capabilities would also be available in the case of a domestic disaster or emergency. The bottom line is that enactment of these legislative pro-

posals will increase the source of force options available to the President to support the Governors and likely decrease the need to Federalize National Guard forces.

PARTNERING WITH STATES AND TERRITORIES

Working with our mission partners is essential to ensuring the American people obtain assistance during times of need, whether at the international, interagency, or State and local level. Our Nation's Governors take very seriously their role as Commanders in Chief of their State and we respect that authority. Our job is to support our Nation's Governors in their leadership role to respond to emergency situations and threats in their States.

We are expanding working relationships with the State Adjutants General. Since taking command, I have personally met with 19 Governors, 32 State Adjutants General, and 25 Emergency Management Directors. In 2007, our Command hosted many Adjutants General, including members of the Adjutants General Association Homeland Security Committee, in forums designed to increase information sharing, promote unity of effort and facilitate mutual advocacy. I have also addressed the annual meeting of the National Guard Association of the United States and the Adjutant General Association's Winter Meeting. In each instance, my message is the same: Our forces are trained, equipped and ready to support the needs of a State when disaster strikes or during special security events, and we do it in direct support of the Governor, his or her Adjutant General, and the primary Federal agency. In the years since Hurricane Katrina, we have built much stronger mutual understanding and respect between NORTHCOM and the State Adjutants General as we work together during exercises and real-world incidents.

PARTNERING WITH THE INTERAGENCY COMMUNITY

NORTHCOM supports and enables other agencies in our common objectives of homeland defense and civil support. Our NORAD and NORTHCOM Interagency Coordination Directorate and the Commander's Joint Interagency Coordination Group integrate and synchronize activities of multiple civilian, Federal, state and private sector organizations. The group includes 60 full-time people from 40 other Federal and DOD-supporting agencies resident at NORTHCOM. Among the Federal agencies are DHS (FEMA, U.S. Customs and Border Protection, and U.S. Coast Guard), Department of State, Department of Health and Human Services, Department of Justice (Federal Bureau of Investigation), Transportation Security Administration, U.S. Army Corps of Engineers, U.S. Geological Survey, and the Central Intelligence Agency. We also integrate similar expertise from five Canadian agencies.

Cooperation with DHS on requirements, science and technology is a key aspect of our partnership. Improvements in coordination have led to a forward-leaning, anticipatory, operational sequence that reacts quickly to requests for assistance from civil authorities, as approved by the Secretary of Defense or the President.

NORTHCOM closely coordinates and cooperates with FEMA in a number of areas related to the planning process. DOD liaison officers from NORTHCOM, the Joint Director of Military Support, and the National Guard Bureau have been assigned to FEMA Headquarters. These experts help ensure effective coordination of activities, provide advice, and facilitate relationship building. We maintain visibility of FEMA's logistical preparations and Defense Logistics Agency-sourced deliveries. This improves situational awareness, helps reduce the need for short-notice airlifts and improves our ability to anticipate and rapidly respond to emerging requirements during civil support missions.

Additionally, NORTHCOM assigned Defense Coordinating Officers, supported by a six-person Defense Coordinating Element, to each of FEMA's 10 Regions to ensure close coordination in planning. FEMA and NORTHCOM also co-sponsor an annual Federal Coordinating Officer-Defense Coordinating Officer Conference that maintains and enhances civilian-military understanding and support for planning and disaster response activities.

During the 2007 hurricane season, NORTHCOM and U.S. Transportation Command provided in-depth evacuation planning assistance to FEMA Headquarters and Region VI planners, resulting in an updated Louisiana Hurricane Plan. We have maintained this planning momentum throughout the off-season to prepare for the 2008 hurricane season through involvement in FEMA's Joint Coordination Evacuation Planning teleconferences. Additionally, we volunteered to assist FEMA in the development of their 2008 Hurricane CONPLAN. We are also in the midst of coordinating a 2008 Hurricane Transportation Planning Conference for DOD and Federal partners.

Working with the DHS Private Sector Office, we have facilitated appropriate relationships for planning with the private sector (business, nonprofit, nongovern-

mental, faith-based, and academia) to promote mutual understanding, situational awareness, and unity of effort for homeland defense and civil support arenas, including hurricane and other natural disaster support. For instance, we have a particularly strong relationship with the American Red Cross. They participate in our Joint Interagency Coordination Group and we maintain close contact with their representatives to coordinate actions during real-world contingencies and exercises.

One of our primary goals is to ensure DOD is prepared to provide a prompt and effective health services support response to homeland events as delineated in the 15 National Planning Scenarios. To meet this goal, we are working hard to:

- Improve synchronized medical pre-event planning with public, private and Federal partners through participation in exercises, working groups and planning efforts.
- Encourage paradigm shifts in the provision of health services support, presenting alternative solutions to event preparation and execution, e.g., Shelter-in-Place planning versus sole reliance on Strategic Air Evacuation during a hurricane event.
- Enhance utilization of our Joint Regional Medical Planners at all levels of medical planning, providing greater visibility of state and local plans while also working to fully train and integrate National Guard Joint Regional Medical Planners to bridge the gaps in synchronization between Title 32 and Title 10 medical support.
- Improve unity of effort for health services support with our international medical partners in Canada and Mexico, coordinating planning efforts for cross-border events.
- Refine National Disaster Medical System planning in our organizational plans to improve and increase DOD's capability to evacuate patients through a well-coordinated effort among Active, Guard, and Reserve component personnel.

PARTNERING WITH CANADA AND MEXICO

The DOD Security Cooperation Guidance's top priority is to build the capacity of allies and partners to help win the global war on terror by enhancing coordination with our continental neighbors. In 2007, NORTHCOM, NORAD, and Canada command initiated a study to examine future roles, missions, and relationships for the three commands, with a desired end state of increasing North American defense and security while enhancing the valued relationship between the United States and Canada. The study will focus on strengthening the U.S. and Canadian armed forces' ability to act in a timely and coordinated fashion to identify, deter, disrupt, and defeat threats to the United States and Canada in all domains and to provide timely, effective, and efficient support of civil authorities as directed.

The development of NORTHCOM's Theater Security Cooperation Strategy and Implementation Plan have significantly strengthened our relationship with our Mexican defense and interagency counterparts. In 2007, NORTHCOM hosted high-level members of the Mexican military and interagency community to improve their understanding of our mission in defending the U.S. Homeland, while fostering trust and confidence.

The Government of Mexico has undertaken an unprecedented war against narco-violence and organized criminal groups, which has been accompanied by improving Mexican interagency relations, with new partnerships being born between the Mexican military and police. The Merida Initiative captures an opportunity with our critical neighbor to jointly confront the threat of narcotics trafficking and organized crime. We are hopeful that Congress will be able to move this initiative forward this year.

We greatly appreciate Congress' action to lift American Servicemembers Protection Act sanctions in the National Defense Authorization Act for Fiscal Year 2008. Your action removed longstanding barriers to enhancing our ability to build partner capacity to effectively counter threats such as terrorism and narcotics trafficking in North America by modernizing Mexico's capabilities and improving interoperability against common threats. In support of the Building Partnership Capacity Execution Roadmap, we are already collaborating with other U.S. and Mexican governmental agencies to enhance emergency preparedness and response activities along the southern border.

While much progress has been made, building partnership capacity is an area that still requires additional congressional support. There are serious shortfalls in the U.S. Government's ability to help build the capacity of foreign partners-both within and outside DOD. The Departments of State and Defense conducted a systematic review of gaps in authority and developed an omnibus bill called the Build-

ing Global Partnerships Act, which was personally brokered by the Secretaries of State and Defense. I strongly urge Congress to enact all of these authorities. Building partner capacity is fundamental to our national security strategy and will make our Nation safer.

IMPROVING OUR HOMELAND DEFENSE AND CIVIL SUPPORT CAPABILITIES

As part of the larger DOD effort to assess its roles, missions, capabilities, and resources needed to combat threats to our Homeland, NORTHCOM and NORAD are leading a comprehensive homeland defense and civil support Capabilities-Based Assessment. This Assessment will define DOD's core capability requirements in our AOR; evaluate existing capabilities; understand capability interdependencies; and determine where gaps, excesses, and redundancies exist and prioritize them to help inform the Department's decisions on risk management and resourcing in a limited resource environment. DHS and the National Guard Bureau are playing an integral role throughout this analytical effort. Most importantly, DHS will lead the effort to define the contributions of non-DOD agencies to homeland defense and civil support, thus identifying DOD's capability requirements as well as facilitating DHS's continued actions under Homeland Security Presidential Directive "National Preparedness" (HSPD–8).

NORTHCOM's Joint Intelligence Operations Center North (JIOC–N) relies on collaborative Intelligence Community networks to gain insight and understanding of emerging international terrorist and strategic threats to North America. Recognizing the challenges of sharing information across agencies and with partner nations, JIOC–N continues teaming efforts with the Federal Bureau of Investigations, National Counterterrorism Center and the Central Intelligence Agency's Counterterrorism Center. Additionally, as a result of lessons learned during the NORTHCOM response to the California wildfires, JIOC–N is working to centralize the sharing of critical imagery and geospatial information to support first responders and deployed DOD personnel responding to crises.

To effectively execute our missions, NORAD and NORTHCOM rely on the uninterrupted use of the internet and communications systems that comprise our Nation's cyber infrastructure. There are a variety of global actors who threaten the security of commercial and government cyber infrastructure. To reduce vulnerabilities and defend against cyber infrastructure attacks, we are working closely with the DHS and U.S. Strategic Command.

Space situational awareness is essential to our ability to predict threats from space. Distinguishing a foreign space launch from a missile launch is central to our Nation's defense and NORAD requires this space data to determine if North America is under attack. Similarly, the re-entry of a spent rocket body over North America has consequence management implications for NORTHCOM and NORAD. Having a window from which to view space activities enables us to have an overall picture of the next threat to North America. There are over 17,000 manmade objects orbiting Earth and thousands more we cannot track. There are eight nations able to launch their own spacecraft and a few that are perfecting this technology. At the same time, there are commercial assets that could—even if unwittingly—launch a malicious payload into space. Saying "don't know what we don't know" is not good enough. I recommend that Congress support the efforts of U.S. Strategic Command to enhance our space situational awareness capability. NORAD requires survivable, protected and dynamic tactical satellite communications capabilities throughout our area of operations, including coverage of the northern Polar Regions.

NORTHCOM requires dynamic satellite communications for capacity and coverage throughout our entire area of responsibility that will support real-time joint force networking, battle space awareness and land air, and sea-borne command, control, communications, computers, intelligence, surveillance, and reconnaissance. Both Commands' networks must seamlessly bridge with Federal, State, and local agencies. In our view, transformational satellites offer the most viable course of action to satisfy our requirements for high-speed, secure, protected, dynamically-allocated and efficiently-utilized communications.

NORTHCOM communications efforts are focused on ensuring DOD is completely interoperable with our partners in DHS, FEMA, the National Guard, States, and local organizations to rapidly and effectively share information to ensure a prompt, coordinated response. We made advances in the area of deployable communications by aggressively addressing shortfalls identified during the response to Hurricane Katrina. In partnership with FEMA and the National Guard, we now have a combined total of 25 deployable cellular-based suites which include cellular towers, satellite communications connectivity, Land Mobile Radio interfaces, and ancillary devices for emergency responders. All of the suites are interoperable and can be imme-

diately deployed to an incident site to provide reliable communications for civil authorities.

In 2007, we published our Concept of Operations for Domestic Unmanned Aerial System (UAS) Operations, which explains how NORTHCOM envisions domestic employment of DOD UASs to help accomplish our missions of homeland defense and civil support. UASs will be employed in homeland defense missions to accomplish intelligence, surveillance and reconnaissance, communications, and CBRNE detection. Civil support applications of UASs include Incident Awareness and Assessment, communications, search and rescue, and CBRNE detection.

Beyond our efforts to solve interoperable communications challenges, we must also resolve challenges with our surveillance radars. Inhibitors to these systems significantly impact our situational awareness and threat detection capability.

The U.S.-Canada Surveillance Gap Filler Strategy is the NORAD and NORTHCOM centerpiece strategy for improving wide area surveillance of the North American continent. Current surveillance gaps leave our countries vulnerable to attacks in multiple domains. We are conducting a command and control gap filler joint capability technology demonstration (JCTD) and are developing a Next Generation Over-the-Horizon Radar JCTD candidate as near-term steps in the strategy to achieve eventual full operational deployment. These technology demonstrations will focus on integrating surveillance sensor data in a developmental command and control system, fielding an enhanced sensor data fusion correlation system at the Continental U.S. NORAD Region Air Operations Center, and operationalizing a more capable wide area surveillance radar system for the homelands.

Our Nation lacks an integrated air and missile defense of the homeland against cruise missiles, low-flying aircraft and short-range ballistic missile attacks. As the threat of terrorism looms and the proliferation of advanced asymmetric capabilities grows, I recommend the DOD initiate the development of a truly integrated air and missile defense system-of-systems tailored to meet the unique needs of the homeland. This system-of-systems must allow for military action to protect the homeland and our citizens against surprise attack while operating within the constraints appropriate to protect our way of life and national freedoms.

The Maritime Domain Awareness Concept of Operations and Interagency Investment Strategy, advocated by NORAD and NORTHCOM and, approved this past year, provides an interagency way ahead to continue to improve maritime awareness in this vital domain. NORTHCOM directly supports the newly established Global Maritime Situational Awareness Office and also coordinates with the Global Maritime and Air Intelligence Integration office in their efforts to improve awareness. NORTHCOM has worked extensively with U.S. Joint Forces Command to conduct an experimentation series to further understand the current maritime domain awareness practices and allow evaluation of future ideas.

Since Maritime Warning was added to the NORAD Agreement in 2006, mission development has steadily progressed, with the planning staff working in cooperation with several external agencies in the United States and Canada. Building upon the initial maritime warning capability established in late 2006, our staff prepared a strategic concept that will set the framework to establish and formalize agreements for improved maritime information sharing, to ensure a comprehensive shared understanding between both nations, and to institute the Maritime Warning process.

NORTHCOM and NORAD continually evaluate global changes that may impact our continental security. One area of concern recognized by the United States government and DOD is the need to study the implications of Arctic climate change and how it will affect our military capabilities, organizations, and infrastructure in the area. Our homeland defense and civil support plans address the DOD response to potential effects of climate change. We support prudent steps to strengthen our Nation's disaster preparedness regardless of the political debate on climate change. We are grateful for Congress' direction in the National Defense Authorization Act for Fiscal Year 2008 that the next National Security Strategy and the new National Defense Strategy include guidance for military planners to assess the risks of projected climate change to current and future missions of the Armed Forces. We also urge the Senate to ratify the Law of the Sea Treaty, as it will enable the U.S. to be party to the adjudicating body which will determine rights to the region's resources.

There is no doubt future threats will look to exploit seams and vulnerabilities. Our Commands must close seams, eliminate vulnerabilities and enhance security so as to meet evolving challenges that are associated with an interconnected world. Achieving a truly seamless security posture is our perpetual objective.

CONCLUSION

NORTHCOM and NORAD are steadfastly committed to our mission of defending our homelands, and we know we cannot fail. Through continued emphasis on anticipating and preparing for all-hazards response with our mission partners, strengthening relationships with our mission partners, improving our homeland defense and civil support capabilities and anticipating future impacts to our continental security, we are on the right path for a secure nation.

Our committed team of active duty members, civilians, Reserve component forces, Canadian personnel, interagency personnel, and contractors is trained, ready, and vigilant in our missions to defend our homelands and provide civil support. We appreciate the committee's efforts to ensure our men and women in uniform continue to have the best possible equipment, education, training, and care for their families. We applaud the President's call for Congress to enact legislation to allow U.S. servicemembers to transfer their education benefits to family members, to expand access to childcare for military families, and to increase government employment opportunities and funding for professional certification for military spouses. If enacted, these initiatives will greatly help military families cope with the challenges they face with frequent moves. We also strongly encourage support for the lifelong needs of our Wounded Warriors—it is an obligation our Nation must meet. With Congress' sustained support, NORTHCOM and NORAD will continue to protect and defend our fellow citizens and the freedoms they enjoy.

Chairman LEVIN. Thank you, General.

Admiral Stavridis?

STATEMENT OF ADM JAMES G. STAVRIDIS, USN, COMMANDER, U.S. SOUTHERN COMMAND

Admiral STAVRIDIS. Good morning, Mr. Chairman, Mr. Ranking Member, Senators of this truly bipartisan committee. I thank you so much for the opportunity to appear today. I thank you also for the great support this committee has given to the men and women not only of SOUTHCOM, but of the entire Armed Forces.

I'd echo what Gene said, that he and I are close friends and I'm very proud to sit next to him. It's not just a personal relationship. There's a deep professional relationship between NORTHCOM and SOUTHCOM that has to exist to address the security issues that we face together in this region.

I know we want to get right to questions, so I'll be very brief. I would like to have my statement entered in the record, Mr. Chairman, if I could.

I would make the comment, sir, that as I go about my business at SOUTHCOM people often say to me: Admiral, what you do is so important; you know, that's America's backyard. I think that's the wrong expression. This is America's home that we share together in the Americas. So our mission at SOUTHCOM is to approach the security challenges in this home we share together in a way that brings to bear international cooperation, interagency partnership, and partnerships within the military, like working with our brothers and sisters north of us in NORTHCOM.

It's an area of the world with extraordinary promise, but it is burdened by poverty and, Mr. Chairman, as you said, it is burdened by narcotics, and it is burdened by instability. It's our home and I think we need to address the challenges in it seriously, and we should move forward in a variety of programs that do so.

I put two photos up here today. I just want to mention what they are. Mr. Chairman, you spoke about the drug threat. On the right, this is a self-propelled semi-submersible submarine. It was captured off the coast of Guatemala between Colombia and Mexico. It

was moving more than 5 tons of cocaine to the United States. It was captured in August 2007.

[The information referred to follows:]

It is indicative of the magnitude of the threat of narcotics flowing north and also indicative of the challenges of facing up to this threat.

Senator INHOFE. Mr. Chairman, could he explain the position of this? I don't understand what we're looking at here.

Admiral STAVRIDIS. Sir, it's a semi-submersible submarine. It floats just below the surface of the ocean, and it was caught carrying 5 tons of cocaine from Colombia bound for Mexico and transshipment to the United States.

It's again indicative of the drug threat. Mr. Chairman, the drug threat is a big national threat. There's a demand side in the United States, there's a supply side that you alluded to in Colombia and other parts of the Andean Ridge, and there's an interdiction challenge. Our part of the mission at NORTHCOM and SOUTHCOM is the interdiction portion of it. I put this graphic up to show that this is a significant threat and we are addressing it hard every day.

Second, on my left is a photograph of something very good. It's the Hospital Ship *Comfort*. The DOD with interagency partnership and with international partners deployed this ship to the Caribbean and South America last summer. We did 400,000 patient encounters, 100,000 individual patient treatments, and 25,000 pairs of eyeglasses. I could go on and on. It was a tremendous demonstration of positive U.S. engagement in the region.

[The information referred to follows:]

So I put those two pictures up to simply make the point that there are challenges in this region, many of them stem from narcotics, instability, gangs, corruption, and drugs, but there are also solution sets that we need to think about applying, as we did last summer, and I hope we'll talk about some of those.

In closing in my oral statement, sir, again thank you for taking the time. I look forward to your questions about current events in the region, which are certainly bubbling. Again, I want to close by thanking the committee for all the support over the years. Thank you, sir.

Chairman LEVIN. Admiral, thank you very much.

[The prepared statement of Admiral Stavridis follows:]

PREPARED STATEMENT BY ADM JAMES G. STAVRIDIS, USN

INTRODUCTION

Mr. Chairman, ranking member, and distinguished members of the subcommittee, thank you for the opportunity to appear before you today to discuss the United States Southern Command (SOUTHCOM) and our work in Latin America and the Caribbean. I would like to thank all the committee members for your support over the past year and for your continued support as we face the challenges and opportunities of this promising, yet complex 21st century.

SOUTHCOM is charged with promoting security cooperation and conducting military operations in Central America, the Caribbean, and South America in order to achieve U.S. strategic objectives. Successfully accomplishing this mission enhances the security and stability in the Western Hemisphere and ensures the forward defense of the United States.

Our efforts are significantly influenced by our understanding of the complexities of the hemisphere and our ability to foster cooperation with—and among—willing and capable partners. As globalization trends continue, we are certain that our security will involve deeper cooperation with multinational, interagency, and public-private partners.

2007 was an important year for SOUTHCOM. We celebrated our headquarters' 10th anniversary in Miami, conducted numerous bilateral and multilateral exercises, responded to several natural disasters, built new relationships and strengthened existing ones, launched a series of valuable medical missions, and put the command on track for a reorganization to meet the security challenges of the new millennium. With the ongoing support of Congress, we hope to continue our progress.

Today in the Americas, from northern Canada to the tip of South America, 45 nations, territories, and protectorates are interdependent in many ways. While each of us celebrates our uniqueness and diversity across the hemisphere, we also share tremendous linkages and natural alignments that bring us closer together with each year that passes. As our hemisphere "virtually" shrinks, each of our Nations—working together—becomes more important in facing the challenges posed by this new century.

Last year, in my first posture statement, I reported on the status of the diverse region we are assigned. I discussed the tremendous linkages that we share with Latin America and the Caribbean—important geographic, cultural, economic, and geopolitical linkages. I outlined some difficult underlying conditions faced by the region—led by poverty and unequal wealth distribution—and how they contribute to specific challenges such as crime, violence, and illicit trafficking of drugs, people, and weapons.

This year, I would like to give you an update on our region, discuss the challenges we still face, report on SOUTHCOM's key initiatives, and detail our efforts to modify our organization to meet current and future security demands.

ECONOMICS AND CULTURE

Economic momentum

According to the United Nations' Economic Commission on Latin America and the Caribbean, this past year was an encouraging one for the region in terms of economic growth, with all of Latin America and the Caribbean benefiting from 5 consecutive years of positive economic performance. The year 2007 ended with an average overall economic growth rate of 5.6 percent, with some individual economies growing as much as 8 percent. From a historical point of view, the region has not seen an equivalent sustained economic performance in over three decades.

A key contributor to this growth was the increase in formal employment, with an overall reduction in the unemployment rate to 8 percent and an increase in real wages of about 1.5 percent—all leading to a rise in household consumption and a slight decrease in poverty levels. These positive economic indicators, coupled with expanding credit and rising commodity prices, stimulated the region's demand-driven economic performance.

"Ours is a region of cruel contrasts," wrote one of the current Presidents in the region. Despite its economic growth, great wealth, abundance of natural resources, and the vast potential of its creative people, Latin America and the Caribbean still suffer from widespread poverty, unequal wealth distribution, and social exclusion. The level of these social ills does vary, however, by region, country, and the economic policies and practices of each government. But, as a developing region, notwithstanding its recent year-on-year growth, Latin America and the Caribbean are still lagging behind other developing areas.

In terms of trade, the rest of the Americas continue to be a major trading partner with the United States, with almost 40 percent of total U.S. trade—imports and exports—flowing north and south in the hemisphere. From important sources for oil, metals, and other commodities, to key destinations for our exports such as machinery parts and other technical equipment, the Nations of the Americas are increasingly interdependent and important to the United States. In fact, we are either the primary or the secondary trading partner with almost every nation in the Americas. This continuous two-way flow of materiel, ideas, and people is reshaping the hemisphere. In essence, our economic exchange is the lifeblood of the hemisphere, sustaining our economies and ultimately providing security and prosperity for our people.

The Free Trade Agreements we have with our partners in the region help facilitate this beneficial exchange and contribute to the demonstrated growth of all of our economies, thus contributing to security and stability. I would like to thank Congress for its support of the Peru Trade Promotion Agreement late last year—this is extremely important for security in the region. Additionally, we currently have a unique opportunity to strengthen our economic ties to two key friends and allies—Colombia and Panama—by passing Free Trade Agreements that could help bolster their economic security, and in the case of Colombia, help solidify the significant gains it has made towards achieving peace and stability for its citizens. Both agreements would help the overall level of security in the region.

Dynamic Cultures

The Americas are an interacting system—a diverse, yet interconnected community, which in every sense of the word is our home. We have tremendous geopolitical, economic, and social linkages that make up the foundation of this home,

and Latin America and the Caribbean are an integral part of its structure. Frequently, this important region is offhandedly referred to as the "backyard" of the United States—an image that is inaccurate and inappropriate—especially since it is vitally important to our hemisphere and to the future of the United States. It is not our "backyard," nor our "front porch." The Americas are a home we share together. A clear indication of this is the mixing and merging of cultures we see in the region, with a significant amount occurring here in the United States.

To see some of the linkages, all you have to do is turn on the television or walk down the street. Fifteen percent of our population traces its heritage to Latino origin. Almost 50 million people, who as a popular commercial once said, "live in English, but feel in Spanish." By the middle of this century, almost 30 percent of the U.S. population will be of Latino descent.

In fact, the Latino advertisement sector is booming and seeks to attract this growing Latino population—a population with a combined economic power of nearly $1 trillion. Steadily, more channels and broader programming are available in Spanish, with viewers concerned about issues affecting their population and that of their countries of origin.

This past year, the United States probably became the second largest nation of Spanish-speakers in the world—behind only Mexico, but ahead of Argentina, Colombia, and Spain. Four of the top 15 surnames in the United States are now of Latino origin, and as the U.S. Census Bureau statistics illustrate, seven of the top ten largest cities in the United States are now arrayed in States along our southern border—San Jose, Los Angeles, San Diego, Phoenix, Dallas, Houston, and San Antonio. This represents a huge population density shift from 100 years ago, when all 10 major cities were in the northeastern part of the United States.

What does this great mixing of cultures in our country mean? For starters, it represents a U.S. population interested in and connected to Latin America and the Caribbean. It represents a linkage to the hemisphere that we should leverage along with our various other natural alignments. We should couple this human connection with our country's natural generosity and ability for innovation and ultimately apply them to solve our shared challenges.

CHALLENGES

When it comes to security challenges, fortunately, we do not see any conventional military threats to the United States developing in the region, nor do we foresee any major military conflict between nations in Latin America or the Caribbean. Although some historical competition and occasional tension between neighbors do exist, we are confident that any disagreements will be resolved through dialogue—a strength in the region—and not through state-on-state violence. However, public security threats—such as crime, gangs, and drug trafficking and use—pose the principal near-term security challenges to the region. Given the depth of our linkages in the Americas, these ills pose a threat to the United States as well. For example, the U.S. Department of Justice's National Drug Intelligence Center reports that there were an estimated 5,500 U.S. deaths that listed cocaine poisoning as a factor in 2004—a 43 percent increase from 1999. If this statistical trend continues at the same rate, and considering all cocaine-related deaths—such as accidents and homicides—it can be assumed that several thousand more people will die in the United States this year related to cocaine, most of which comes from Colombia, Peru, and Bolivia in the Andean Ridge of South America.

Poverty and inequality

In many cases, the underlying conditions of poverty and inequality provide fertile soil for the principal security challenges in the region. Although recent positive economic growth has begun to make a dent in poverty rates, still about 35 percent of Latin Americans are living in poverty—subsisting on less than $2 U.S. per day.

Moreover, about 13 percent of the people in the region live in extreme poverty—less than $1 U.S. daily—and nearly 80 percent of the entire region lives on less than $10 per day. When you add these poverty figures—which represent millions of people trying to provide for their families—to the world's most unequal distribution of wealth and a high level of corruption, you have a strong catalyst for insecurity and instability. Poverty and inequality—although not uniform across the region—make whole populations susceptible to the lure of illicit activity—such as an involvement with the drug trade, crime, gangs, or illegal immigration. It also creates a large constituency predisposed to vote for any demagogue espousing political or economic changes that might improve their financial circumstances, regardless of the ultimate consequences. This also provides a basis for terrorists seeking to exploit such conditions.

Drugs

Drug trafficking is one of the greatest threats to public order in our hemisphere. The Andean Ridge in South America is the world's only significant source of coca cultivation. Cocaine is the fuel that feeds many public security ills in Latin America and the Caribbean—from criminal violence, to corruption, to political instability. But the drug trade's toxic effects are not isolated to our south. As mentioned earlier, we estimate that several thousand people will die in the United States this year due to cocaine-related events that can be traced to illicit drugs from this region.

The global business of illegal drug production, distribution, and consumption is devastating societies in Latin America and the Caribbean. Narcotraffickers continuously adjust their operations to adapt to law enforcement efforts by developing new trafficking routes and consumer markets. Consequently, nations that were once isolated from the illicit drug trade are now experiencing its corrosive effects. Most nations in the hemisphere are now struggling to counteract the drug trade's destabilizing and corrupting influence.

Each nation that finds itself affected by the drug trade will need to increase cooperation and dedicate more resources to combat this growing and adapting threat. Drug traffickers are innovative, adaptive, and organized. For example, as we interdict their shipments along coastal routes, they reroute west of the Galapagos Islands to avoid detection. As we stop them on the high seas, they build and operate self-propelled semi-submersibles that skim along the water line to avoid visual and radar detection. Through international and interagency efforts, we have interdicted several such semi-submersible vessels, which are showing improved capability and technology. Last year, a "ship building" site was discovered in the Colombian jungle where five semi-submersibles were being built—each with a capacity to bring several tons of cocaine into the United States. To put this threat into perspective, each load aboard one of these vessels is the rough equivalent of one cocaine hit for each U.S. high school student—all 18 million of them.

Fortunately, we are making progress in Colombia—the major global source of cocaine. Colombian efforts have significantly eliminated key leaders involved in the drug trade. In September 2007, Colombian authorities captured Diego Leon Montoya Sanchez, one of the world's most dangerous drug traffickers responsible for nearly two-thirds of the hundreds of tons of cocaine exported from Colombia each year. Experts attribute nearly 1,500 murders to this ruthless criminal. Through fear and corruption, Montoya, like Pablo Escobar before him, played a huge, destabilizing role throughout Latin America. His arrest marks a major milestone for Colombia—a nation that has labored for years to build a foundation for legitimate governance and rule of law.

Here in the United States, illegal drug use continues to be a serious challenge that needs to remain a high priority on the national agenda. There are legitimate needs on the "demand side" as well as on the "interdiction and supply side." Every effort devoted to solving the drug abuse epidemic in this country and preventing the flow of illicit drugs is an effort well spent in directly saving the lives of U.S. citizens, enhancing our national security, and stabilizing fragile democracies in our hemisphere.

SOUTHCOM's unique counternarcotics task force located in Key West, FL, is a role model for the kind of innovative cooperation and fusion of capabilities we need to counter this dynamic and pernicious threat. This Joint Interagency Task Force-South (JIATF–S) combines the efforts of international partners, the U.S. armed services, and numerous U.S. and international departments and agencies, including Panama Express, an interagency Strike Force of the Organized Crime Drug Enforcement Task Force supported by the Department of Justice dedicated to maritime interdiction originating in Colombia and related investigations. Thanks to this cooperative and effective arrangement, large quantities of narcotics moving through the region are interdicted each year. Last year this task force stopped approximately 210 metric tons of cocaine from entering the United States and facilitated the capture by law enforcement or partner nations of hundreds of drug traffickers. These efforts prevented the equivalent of roughly 1 billion cocaine hits from reaching our streets. More must be done, however. Drug traffickers respond to pressure by changing their tactics, as well as by diversifying their markets, such as in Europe and beyond, thereby compounding the global drug problem. JIATF–S has an outreach plan that includes interaction with European law enforcement agencies and liaison with most of the U.S. geographic combatant commands.

Our task force uses a multinational and interagency approach that bridges the gap between the military's role of detection and monitoring and law enforcement's role of interdiction and apprehension. We will continue to address this problem with all available resources.

Violence and crime

Violence and crime have become a major threat to the security of many nations in the Western Hemisphere. In fact, murder is one of the five main causes of death in several Latin American countries. The annual homicide rate for Latin America and the Caribbean is one of the highest in the world at 27.5 murders per 100,000 people. This murder rate stands in stark contrast to 5.5 in the U.S. and 1 in Western Europe. Recent surveys in Central America report that two-thirds of the respondents cite crime as the number-one problem facing their countries—six times the number of respondents choosing poverty.

These crime rate trends are exacerbated by the growing influence of gangs and are severely challenging security and civil society throughout Latin America, with some gang population estimates reaching over one hundred thousand in Central America alone. Primarily, these are urban gangs comprised of disenfranchised youth, thus creating a challenging long-term and generational aspect to this threat. Central American street gangs—maras—are known for their brutal initiations and their extortion of "protection" money—or "War Taxes" as the locals call it. These gangs do not just pose a concern in Latin America. Central American gangs routinely cross borders and operate inside the United States.

The size and reach of these gangs severely stress regional law enforcement capabilities. Partner nation law enforcement units are often out-gunned, out-manned, and overwhelmed when attempting to counter these criminal enterprises. As a result, partner nation military forces are often called in to support their law enforcement counterparts. These militaries then turn to the U.S. seeking assistance and advice, yet U.S. military forces are legally prohibited in our ability to provide such support. Support in these areas often resides in Department of Justice, Department of State (DOS), or U.S. Agency for International Development (USAID) programs, underscoring the fact that coordinated interagency solutions will be required to confront these threats.

In recognition of these dynamics and the need for broader interagency involvement on crime and gang issues in the region, SOUTHCOM has worked with counterparts in the intelligence community, in Federal development agencies, and in domestic U.S. law enforcement organizations to improve mutual understanding of these complex social issues. Gang challenges and the need to address broad rule of law issues regionally have also led, in part, to expanded personnel representation at SOUTHCOM by the Federal Bureau of Investigation (FBI), the USAID, the DOS, and the Drug Enforcement Administration (DEA).

In September 2007, we hosted a major Interagency Coordination Group conference on gangs in Latin America and the Caribbean. This conference underscored the pivotal role U.S. law enforcement and development agencies play in countering the regional criminal threat, linked disparate U.S. agency and law enforcement representatives, facilitated information exchange, and reinforced understanding of why U.S. military involvement in such efforts remains appropriately constrained.

Colombia

Colombia continues to be a focus nation and valued partner for SOUTHCOM. Colombia is a strategic ally, an important friend, and a crucial country for the future stability and security of this hemisphere. Colombia has access to the Pacific and the Atlantic Oceans, shares a border with Panama that forms a natural land bridge to the United States, and is the second oldest democracy in the hemisphere. Yet Colombia continues to face challenges: it has been waging an internal struggle for peace for over four decades, and it remains the source for most of the world's cocaine.

Overall, Colombia continues to make great progress in its complex struggle for peace and security. There is a building momentum for real peace in this long troubled country. I encourage the members of the committee to visit Colombia to experience first hand the sense of accomplishment and hope most Colombians feel today. A tour of Bogota—recently named by the New York Times as one of "The 53 Places to Go in 2008"—will quickly highlight the economic growth and progress the country has made. Cartagena is an international tourist destination and a U.N. World Heritage City on the Caribbean coast. New construction is booming, citizens flock to the malls, restaurants are packed, and ordinary people routinely drive across the country in relative safety—all activities unheard of a decade ago.

With the steady support of the United States, Colombia is on the brink of winning its peace and making its successful gains against terrorism and social disorder irreversible. Desertions by members of the various subversive armed groups continue to rise. For example, Colombia's main narcoterrorist group—the Revolutionary Armed Forces of Colombia (FARC)—has been reduced to an estimated 9,000 fighters today—a significant decrease from the 17,500 fighters in 2002. The Colombian

armed forces have had numerous operational successes against the FARC with the clearing of former FARC strongholds and the removal or bringing to justice of numerous high-ranking FARC leaders, such as Negro Acacio and Martin Caballero. Over the course of the last 5 years, homicides have decreased by 40 percent, kidnappings for ransom decreased by 76 percent, and terror attacks against civilians decreased by 61 percent—due in large part to the current Colombian administration's strategy of establishing security and governance throughout its sovereign territory.

Colombia has made these difficult gains within an increasingly open and transparent political and judicial system. The press in Colombia has free reign to investigate and publish on any subject that it wishes. Just as in the United States, as illegal activity becomes known, accusations are made public and trials take place in an open legal system. Like many nations fighting for peace against capable and well-resourced foes, Colombia has uncovered some excesses and abuses linked to corruption and human rights violations. To Colombia's credit, regardless of the level of implication, they are attempting to prosecute these cases in a transparent and public manner.

All of these and many other hard-fought successes are the result of dedicated effort on part of the Colombian Government with the assistance of the United States. Continued U.S. support at current levels for the next 3 years is critical, and we believe it will enable Colombia to achieve irreversible gains as it moves into the consolidation phase of its peace plan. During this important phase, as the Colombian Government extends effective government services and security presence throughout its territory, we predict this key strategic ally will benefit from progress toward peace, while the ability of narcoterrorists to grow, process, and ship illicit drugs will be significantly reduced—ultimately saving U.S. lives and resources.

Over the next 3 years, support for the Colombian armed forces' campaign to defeat the FARC and for their interagency efforts to bring governance and economic opportunity to areas recaptured from the FARC is essential. Paramount to this support will be training, mobility, and sustainment of key infrastructure programs to provide long-term self-sufficiency. Our continued support over the next 3 years will be critical through the "nationalization" period, as the Colombian government assumes responsibility and funding of the majority of current programs through the resources raised by its tax system—specifically $3.7 billion that Colombians have agreed to generate between 2007 and 2010 to increase their defense budget by 12 percent.

U.S. Hostages

For 5 years, U.S. citizens Marc Gonsalves, Keith Stansell, and Thomas Howes have been held hostage by the FARC in Colombia. Their safe return to the United States is a top priority for SOUTHCOM. Unfortunately, the FARC are extremely capable and experienced at holding and hiding hostages in the dense Colombian triple-canopy jungles. We are hopeful that our efforts and those of Colombia and the international community will soon see Marc, Keith, and Tom returned to U.S. soil alive and well. Last fall, a videotape seized from FARC operatives by Colombian authorities showed our three U.S. hostages alive. Since their capture in February 2003, we have maintained vigorous 24/7 activities in pursuit of their recovery, including tens of thousands of hours of surveillance and intelligence gathering in concert with our Colombian partners. We dedicate numerous personnel to this end, and have recently conducted a review of all activities and procedures to expand coordination, integration, and cooperation with our interagency partners and international efforts to achieve their repatriation.

Terrorism

Since September 11, the potential for terrorist activity in the region is a growing concern. We consider Latin America and the Caribbean to be potential bases for future terrorist threats to the United States and others in the Americas. The conditions in parts of the region—easily skirted borders, black market economies, corruption, poverty, established illicit trafficking routes—all could provide maneuvering room for any form of terrorism to exploit, to include Islamic radical groups. The alleged plot to bomb the gas lines leading to John F. Kennedy International Airport in New York and the leading suspects' roots in the Caribbean raise the specter of Islamic terrorist activity gaining traction. We believe members, facilitators, and sympathizers of Islamic terrorist organizations are indeed present in our hemisphere.

As with all of the Department of Defense (DOD), SOUTHCOM dedicates significant effort to remaining vigilant of terrorism. We have a unique regional plan to combat this threat through multiple avenues—including shaping the strategic envi-

ronment through humanitarian operations that deter radical organizations from gaining a foothold in the region, and building partner nation capacity to detect and defeat threats in a cooperative environment. These efforts will help ensure the forward defense of the United States and increased security of our partners. We thank the committee for providing us the resources dedicated to this mission. We appreciate any effort that will provide flexible funding sources, such as those requested in the administration's Building Global Partnerships Act, to help us rapidly address emerging capability gaps of our partners as the strategic situation develops. SOUTHCOM will continue to work with our interagency and regional partners to ensure our Nation and those of our friends remain secure.

Guantanamo Bay

We conduct safe, humane, legal, and transparent care and custody of the less than 280 detainees currently at the facility. More than 500 detainees have left Guantanamo, and all activities there occur under close supervision and in full compliance with U.S. laws, Common Article Three of the Geneva Convention, the Army Field Manual, and the Detainee Treatment Act. Hundreds of reporters and legislators have visited the facility and observed the operations there first hand.

Of particular note, the task force and the detainee camps exist on the grounds of U.S. Naval Station Guantanamo. Whatever the future holds for the detainee facility, the U.S. Naval Station, which reports through the U.S. Navy chain and not to U.S. Southern Command, will continue to be an important strategic location with both port and airfield facilities for the United States in the Caribbean.

International Competition and Cooperation

There is much debate over where Latin America and the Caribbean are heading in a geopolitical sense. Some argue that there are "two Americas" with various distinctions between the two—left or right, pro-U.S. or not, market friendly or protectionist. Our job at SOUTHCOM is simply to build cooperative security relationships and to promote U.S. interests in the region. Unfortunately, some trends in a few countries impede security cooperation as their governments espouse vocal anti-U.S. messages and undertake policies that portend a less stable and secure hemisphere.

Additionally, there are other international actors—notably Iran—who are establishing political and economic inroads in the Americas. Unfortunately, they often espouse anti-U.S. messages, and, in the case of Iran, bring the potential for radical Islamic activity into this hemisphere.

In order to counter these trends, we need to continue to engage proactively in the region and to counter anti-U.S. messaging with persistent demonstrations of our goodwill. The U.S., in general, needs to be capable of assisting our partners in addressing underlying conditions of poverty and inequality, while SOUTHCOM needs to build relationships and create innovative security initiatives with cooperative partners to confront transnational security threats.

Cuba

Cuba continues as a vestigial colony of the failed communist system. It literally and figuratively stands as an island of oppression and tyranny amidst the democratic nations of the Americas. Over a year-and-a-half ago, Fidel Castro's failing health sparked renewed hope that Cuba might soon join the community of democracies. Despite Fidel Castro's recent comments indicating he will not serve as the President, Cuba appears to remain entrenched in its repressive past. To the detriment of its people, the Cuban regime continues to embrace totalitarian control and the subjugation of its citizens. Consequently, we saw the highest levels of migration activity from Cuba last year since the 1994 migrant crisis, and we are prepared to support interagency efforts, if necessary, to respond to a mass migration emergency.

INITIATIVES

Throughout the year ahead, SOUTHCOM is committed to executing innovative initiatives to build capacity and capability to counter security challenges, enhance our own readiness, and increase linkages with our neighbors.

U.S Naval Ship Comfort

A very visible and successful recent initiative was the deployment of the hospital ship *Comfort* to the Caribbean, Central America, and South America. For 4 months last summer, this unique ship—with its specially tailored joint, interagency, international, and private sector crew—traveled to 12 countries in Latin America and the Caribbean to bring modern medical care to almost 100,000 men, women, and children through nearly 400,000 patient encounters. This symbol of goodwill brought renewed hope to those who might have given up on a healthy future and to those who

might have previously been sympathetic to anti-U.S. rhetoric. This one deployment alone directly changed the lives of many and indirectly touched the lives of several hundred thousand throughout the region.

More than just a medical mission, U.S. Naval Ship *Comfort* provided dental care to about 25,000 patients, conducted medical training for almost 30,000 host nation students and medical providers, and sponsored over 20 construction and restoration projects at local schools and health care facilities. U.S. Naval Ship *Comfort* also extended veterinarian services throughout its journey, treating and vaccinating thousands of animals, which constitute the livelihood of many families.

It is difficult to assess precisely the overall impact of a training mission with humanitarian benefits of this scale. But based upon the positive local and international press, the number of national leadership visits, and the vast number of people touched by the U.S. Naval Ship *Comfort* mission, we believe it was a significant success. Certainly, there are many lessons learned from this first-ever deployment to Latin America and the Caribbean—and we will incorporate them into any future deployments—but the integrated and cooperative nature of this mission really serves as a model for the future of engagement and training: Joint . . . Interagency . . . International . . . Public-Private. We plan to conduct similar missions on a regular basis.

Disaster Relief

Also demonstrating U.S. goodwill, last year, SOUTHCOM directed military forces to provide disaster relief to six of our partner nations in times of dire need. These disaster relief operations, which were integrated with USAID-led efforts and those of the international community, helped alleviate the suffering of many and assisted affected regions in their recovery. Specifically, we provided much needed flood relief to Bolivia in March, and quickly provided relief to Peru following an earthquake in August. Also in August, we assisted Belize after the passage of Hurricane Dean. We were critical first-responders to a Nicaraguan request for relief following Hurricane Felix in September, arranged the procurement of firefighting equipment for Paraguay during a widespread wildfire also in September, and assisted the Dominican Republic after Tropical Storm Noel ravaged the island nation in October.

In almost every case, our Joint Task Force-Bravo (JTF-B), located in Soto Cano, Honduras, was a major contributor to the success of these disaster relief operations. Essentially a small, joint air wing comprised of 18 helicopters, JTF–B is our only permanently deployed contingency force in the region. JTF–B responds to crises as a first-responder and routinely participates in humanitarian assistance, disaster relief, search and rescue, personnel recovery, and noncombatant medical evacuations. JTF–B has a long history of answering the call for assistance and is a tremendously valuable asset to SOUTHCOM's partnership and goodwill efforts in the region.

Humanitarian Assistance

Throughout the year, SOUTHCOM's Humanitarian Assistance Program augments traditional military-to-civilian engagement activities in order to increase our partner nations' ability to respond independently to natural and manmade disasters. Our program helps local populations who could benefit from completed projects such as schools, clinics, community centers, orphanages, emergency operations centers, disaster response warehouses, wells, and potable water systems. Last year we completed 49 construction projects and provided critical training programs for first responders, disaster managers, firefighters, and disaster warehouse managers.

A close corollary to the Humanitarian Assistance Program is the New Horizons series of joint and combined humanitarian assistance exercises that SOUTHCOM conducts with Latin American and Caribbean nations. These exercises provide readiness training for U.S. Engineer, Medical, and Combat Service Support units, but also provide great benefit to the host nation. Each New Horizon exercise lasts several months and usually takes place in remote areas. SOUTHCOM strives to combine these efforts with those of host nation doctors and civic personnel. In 2007, we conducted these exercises with four Nations—Belize, Guatemala, Panama, and Nicaragua.

Along with the New Horizons exercises, SOUTHCOM also conducts medical readiness training exercises to bring medical aid to needy rural, isolated populations and to provide valuable training for our medical units—primarily from our Air Force and Army component commands. These demonstrations of goodwill reached over 200,000 patients in 13 countries. Complemented by our coastal U.S Naval Ship *Comfort* mission, these unique training exercises had tremendous humanitarian impact inland across the region at 63 separate locations—changing lives, influencing opinions, and spreading goodwill through quality donated medical assistance.

Global Fleet Station—Pilot Deployment

Last summer, SOUTHCOM sponsored the pilot deployment of a new U.S. Navy program called Global Fleet Station. The new concept provides a modular platform for sustained engagement tailored to each unique region. SOUTHCOM quickly realized the great benefit for this program, given that all but two of our partner nations have direct access to the sea. Last summer, the High Speed Vessel (HSV) *Swift* conducted a 7-month tour of the Caribbean Basin with visits to seven countries.

The focus of the HSV *Swift* deployment was to train local security units on port security operations, small boat operations and repair, and small unit tactics. This floating theater security cooperation platform hosted more than 1,000 military and civilian personnel and involved a joint, multinational, and interagency approach at each training site. HSV *Swift* also conducted community relations projects in each port to refurbish local schools and community centers and to deliver tons of donated goodwill materials. As with U.S. Naval Ship *Comfort*, this deployment represents the future of engagement—visible, persistent, scalable, and cooperative engagement that trains our personnel and demonstrates the goodwill of the United States while building partner nation security capabilities.

The return on investment of the HSV *Swift* is very high. It is relatively inexpensive to operate; it can maneuver into very shallow ports; and it supports modular, tailored security cooperation missions. Providing more of this type of capability would greatly facilitate the achievement of SOUTHCOM's mission.

Partnership of the Americas 2007

For the second year in a row, SOUTHCOM conducted a maritime Partnership of the Americas (POA) event in our region. Evolving from the initial 1-month event in 2006, POA 2007 involved a 6-month Navy and Marine Corps mission throughout Latin America and the Caribbean that focused on enhancing relationships with regional partners and improving operational readiness and interoperability. During the deployment, a four-ship multinational task force circumnavigated South America, participated in several multinational exercises sponsored by SOUTHCOM, and conducted theater security cooperation and community relations events on shore. Our POA events serve as visible symbols of U.S. commitment to bilateral and multilateral military cooperation and have evolved into comprehensive engagement missions that maximize exposure to international partners and local communities.

Operation Enduring Freedom-Caribbean and Central America (OEF–CCA)

This year, SOUTHCOM began OEF–CCA as a key initiative to address potential terrorist threats in the region. Within a cooperative regional environment, OEF–CCA seeks to improve the capabilities of Caribbean and Central American partners to interdict and disrupt terrorists who might leverage illicit transnational routes and uncontrolled areas to threaten the United States and/or our neighbors. OEF–CCA is a long-term endeavor and will create a multi-layered counterterrorism posture of mutual benefit to the United States and regional partners.

Exercises

In 2007, SOUTHCOM sponsored numerous military and security force training exercises throughout the region. Our largest exercise, Fuerzas Aliadas (Allied Force) Panamax, brought together 19 nations from three continents, all operating in a combined task force to simulate the defense of the Panama Canal and surrounding region from traditional and nontraditional threats. Panamax also involved representatives from the United Nations and the Organization of American States. As one of the DOD's largest exercises, Panamax 2007 was a resounding success. The exercise placed 30 ships, numerous aircraft, and several brigades of simulated ground forces under the control of multinational staffs, and all participants left with an improved understanding and capability for multinational cooperation.

We also conducted a multinational exercise—Tradewinds—that focused on transnational threats in the Caribbean Basin. This successful exercise brought together security forces and interagency personnel from 18 nations to practice coordinated first-responder, fire, police, and military responses to security threats. The exercise scenario emphasized basic security operations, counterdrug activities, and disaster preparedness in a field environment with a focus on regional cooperation.

We conducted two multinational peacekeeping exercises (PKO North and PKO South) designed to improve the capability of partner nations to plan and conduct peacekeeping operations. The emphasis of this exercise series was operational planning, command and control, and interoperability with regional armed forces assigned to U.N. missions and involved the integration of nongovernmental agencies and international organizations.

Another of our exercise is Fuerzas Comando (Commando Forces), a skills competition and senior leadership seminar designed to enhance cooperation and trust between international Special Operations Forces while improving their training, readiness, and interoperability. Eighteen countries from throughout the region participated in this SOUTHCOM-sponsored exercise in 2007. Each year, this exercise assembles antiterrorism experts to exchange information and share tactics, techniques, and procedures for counterterrorism operations.

Another significant exercise is our Unitas maritime exercise program that we conduct on both the Atlantic and Pacific sides of South America. These two exercises sponsor multinational maritime forces to enhance security cooperation and improve coalition operations. Unitas is our longest running exercise program and is coming up on its 49th year. Last year's exercises were conducted as part of our Partnership of the Americas event and trained each participant in a variety of maritime scenarios designed to practice operations within a multinational force.

Building Partnership Capacity

Throughout U.S history, our Nation has depended upon external partners to help maintain our own security and to spread the benefits of security and stability to ensure a cooperative worldwide economic system. This is true now more than ever, as today's transnational security threats cross borders, use distributed networks, and leverage information technology to threaten peace-seeking nations worldwide.

In addition to conducting exercises that build understanding and multinational cooperation, SOUTHCOM conducts a comprehensive Theater Security Cooperation program to develop the capability and capacity of our partners to respond to mutual security threats—either independently or with regional partners.

SOUTHCOM participates in the Regional Counter Terrorism Fellowship Program that sponsors seminars, symposiums, and tactical and operational training designed to build the counterterrorism capability of participating nations. Our training involves information collection and sharing, professional development, port security procedures, quick-reaction force actions, explosive device response, and civil-military responses to terrorism.

Another of our partnership capacity building programs is Enduring Friendship (EF)—a multi-year maritime security assistance program that enhances the capability of select Central American and Caribbean partner nations to patrol their sovereign waters and share information. EF provides interceptor boats, operation and maintenance training, command and control systems, and a common operating picture to improve maritime domain awareness and interoperability. This key program shares U.S. information on illicit traffickers and builds or improves partner nations' ability to detect and interdict illicit trafficking along their shores.

Besides our peace operations exercises, we also assist with the Global Peace Operations Initiative (GPOI), which is a DOS-funded and DOD-executed program. The intent of GPOI in our region is to train a multinational peacekeeping battalion from the Conference of American Armed Forces (Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua) and two multi-role engineer companies from Paraguay to prepare them for deployment on U.N. peacekeeping missions. Through GPOI, SOUTHCOM assisted in the establishment of a regional training center located in Coban, Guatemala, which became operational in 2007 and is the primary location for peacekeeping training, unit qualifications, and exercises. This important training center will also receive instructor and curriculum support from Argentina, Chile, and Uruguay—who already have their own well-established peacekeeping training centers.

The State Partnership Program (SPP) is another example of successful partnership building that has had a tremendous benefit and return on investment. The SPP links 26 partner nations to 18 U.S. States using the U.S. National Guard as the executive agent. Last year, state National Guards conducted 113 separate training events that developed core competencies in regional military forces, promoted the concept of citizen-soldiers as public servants, and reinforced our bilateral relationships.

In order to build understanding, SOUTHCOM conducts or facilitates military and defense exchanges, numerous defense seminars, and mobile training teams throughout the region. We also facilitate International Military Education and Training (IMET), which invests in the professional development of key military officers and senior enlisted leaders of our partners. IMET improves the professionalism and interoperability of partner military and defense forces and builds a sense of mutual understanding between the United States armed forces and the partner nation armed services. Training at our security institutions continues to be very popular and beneficial to our partners in the region, and access to funded billets at U.S. schools significantly diminishes the draw of extra-hemispheric military influence.

A significant tool for building capacity is the Foreign Military Financing (FMF) program. FMF represents a powerful method of supporting military relationships, ensuring interoperability of equipment in coalition operations, regional cooperation, and developing partner nations' response capability to mutual threats and challenges. Although SOUTHCOM's focus region covers one-sixth of the globe and represents a region with significant linkages and shared challenges with the United States, FMF to this region in 2007 amounted to a slight fraction of the worldwide total. The FMF we did receive was spent on critical capacity building programs with our partners.

A number of nations from this region were previously subject to sanctions under the American Servicemembers Protection Act. I would like to thank Congress for the recent lifting of the sanctions on those nations. This will have an enduring and positive effect on building long-lasting partnerships.

Human Rights Initiative

All of our exercises, training evolutions, and partnership building activities are done within a framework of respect for human rights. SOUTHCOM has a unique and dedicated group of experts that assist the region's militaries and security forces in the human rights arena. Several nations in Latin America are still dealing with a not-so-distant history darkened by abuses committed by uniformed militaries, militias, and guerrilla groups. We sponsor a Human Rights Initiative in a unique public-private partnership with a Costa Rica-based human rights organization. This initiative has created a consensus document on human rights through which the militaries and security forces of nine nations and a multinational organization have committed to advance an institutional respect for human rights and promote a zero-tolerance environment for violations. We support development of doctrine, education and training programs, internal control systems, and civil-military outreach efforts by military and security forces of the region.

AN INTERAGENCY APPROACH

The 21st century security environment presents us with some significant new challenges, both globally and regionally, such as the global reach of radical organizations, nation states fighting in unconventional settings with unfamiliar tool sets, and growing environmental security concerns to name a few.

These global conditions and the already described realities in this region, all require an interagency-focused approach. With the approval of the Secretary of Defense, we are initiating action toward reorganizing the command along more interagency lines—with interagency, multinational, and even limited private sector partnering as core organizing concepts.

This is a critical and logical step towards better accomplishing our mission. Our goal is to establish an integrated interagency team with senior representatives from key departments and agencies assigned throughout the command. Toward that end, we are coordinating closely with those other departments and agencies in ensuring that our goal can be met in a manner that is consonant with their core mission interests and resources. This new organization will have functional divisions that reflect the types of missions we face in the 21st century. We will focus on teaming with DOS and will seek new and expanded partnering arrangements with the Nations and territories in the region. Despite its new integrated structure, however, SOUTHCOM will always retain a principal competency to conduct military operations, with an unbroken and capable military chain-of-command and authority.

Fortunately, we already have significant interagency integration at SOUTHCOM. Over the last year, we created a directorate designed to foster collaboration with interagency partners. We have exchanges, liaisons, and/or representatives from 17 Federal agencies and departments that participate in our planning efforts and help coordinate command activities. We have hosted extremely successful interagency conferences, exercises, and coordination group meetings on a number of strategic topics related to our assigned region. Each of these events, from the tactical worker level to senior interagency leadership, gave all participants an improved understanding of complex issues and a baseline for future cooperation.

In addition to our interagency integration efforts, we have also created a staff section dedicated to understanding and developing public-private cooperation. This unique group reaches out to the private sector and finds where we can legally build synergy in our efforts to engage in the region. To date, we have coordinated the delivery of tons of donated goodwill material to the needy of the region and have facilitated the delivery of higher-end needs such as donated ambulances and operating room equipment. This effort, which truly has the potential to harness the good nature and resources of the U.S. private sector, will add depth and breadth to our interaction with our partners in Latin America and the Caribbean.

Together with our partners in the U.S. Government, private sector, and international community, we should be able to better defend the United States and to enable a secure, stable, and prosperous hemisphere of cooperating and democratic nations.

LOOKING AHEAD

Looking forward, we have identified critical capability requirements that will allow us to confront the challenges we see in the region today and the security trends noted for the future.

Fusion

In order to coordinate joint, multinational, interagency, and even limited public-private efforts in our region, SOUTHCOM needs the physical and virtual capability to fuse information from diverse entities and to operate from a location that facilitates idea exchange and integrated planning. This location will allow our diverse partners to integrate into our organization in a transparent manner, allowing them to participate in daily activities while building mutual trust and cooperation. Our new headquarters building and the information systems scheduled for installation will serve to meet this requirement. We thank the committee for its support in authorizing the new construction of our headquarters, which we are scheduled to occupy in 2010. The construction timeline should greatly enhance our effectiveness once complete.

Persistent engagement

As discussed above, the capability to forge willing and capable partnerships throughout the region and to create a sense of goodwill towards the United States are essential to achieving our mission. In order to do this, we need persistent engagement. We plan to conduct deployments similar to the U.S.N.S. *Comfort* and HSV *Swift* on a regular basis. We need military and civilian, public and private exercises and initiatives throughout the region, with more microbursts of assistance, as well as long-term initiatives integrated across the Federal Government. In short, we need coordinated, whole-of-government, persistent efforts that meld with the efforts of the international community and the private sector.

In order to strengthen and/or gain partners, first we need to earn and maintain their trust. This will require a unified approach with consistent, effective, and flexible engagement. It will require cohesive strategic messaging and innovative and earnest information sharing across the board. It will require innovative ways to make our various exercises, programs, and partnerships more inclusive and more effective in reinforcing our connection to the peoples of the region.

Along with this engagement, we need to ensure our message gets out effectively and that we understand the impact of our efforts. Over the past year, SOUTHCOM has refocused efforts on strategic communication, making it a priority at all levels of the command.

Capable partners

Continued globalization and the diffusion of high technology have made it certain that the United States cannot ensure its forward defense alone. Working alone, we cannot stop drug traffickers from penetrating our borders; nor can we locate and neutralize terrorist threats abroad without capable partners willing to cooperate with us. Persistent engagement will go a long way toward building willingness, but we also need to identify capability shortfalls with these partners and flexibly expend resources to build overall regional security capability and capacity. Just as important, we need to be able to rapidly address capability shortfalls with key partners to meet emerging transnational threats.

Sovereignty and peacekeeping

As our partners build capability and capacity, we need them to be able to deny transnational threats from using their sovereign territory. We need them to be able to "see" these threats, whether on land, in the air, on the sea, or in cyberspace. This involves the appropriate awareness systems—coastal radars and air surveillance radars, for example—as well as physical assets such as patrol boats and aircraft with crew trained and proficient to operate and maintain them. It will also require the ability to share information with the United States and with adjacent neighbors in order to build a common operating picture in a regional sense.

We also need these partners to be able to conduct peacekeeping operations. Already, we see many nations in the region contributing to international peacekeeping in places such as Haiti. By developing a regional capability, we will reduce the de-

mand for U.S. forces to perform peacekeeping missions, while also increasing the legitimacy of peacekeeping forces by diversifying international representation.

Interagency core

Besides the ability to fuse information and efforts across the command, we also need to create an environment where the various U.S. Government agency representatives are willing and authorized to integrate into our efforts. We need to create a whole-of-government program where integrated planning and career exchanges are the norm. It should be a positive career step for someone from the military to fill an exchange in one of the other Federal agencies, and the converse should be equally true. By working together and building a regional focus point for policy implementation, we should be able to reduce redundancy, gain resource efficiencies, and ultimately better ensure our security and that of our partners.

Flexible access

The use of the sea affords us tremendous flexibility for maritime partnering with the Nations in the region. But in order to maintain persistent engagement and more fully cooperate with our partners, we are looking for more flexible land and aviation access agreements under the Secretary of Defense's Global Defense Posture. Our current access agreements limit us to aerial counternarcotics detection and monitoring missions from existing cooperative security locations and to a single, more flexible agreement at the forward operating site of our Joint Task Force-Bravo. We are looking to establish improved regional access that supports broad-spectrum operations and that is mutually beneficial to the host partner nations and the United States.

Understanding

The last of our required priority capabilities is probably the most important—the ability to understand the region, know what transpires, and how to act or interact with our partners. Modern information systems, extensive language capability, and cultural training and study are the tools necessary for this command to achieve this understanding. The importance of Latin America and the Caribbean to the United States cannot be overstated. It merits frequent high-level visits to see first hand the tremendous linkages and challenges we share and to demonstrate U.S. interest and commitment to our partners in Latin America and the Caribbean.

COMMAND HEADING

Thanks to the support of Congress, this year is already on track to be another good year for SOUTHCOM and the pursuit of our mission in the region. We will be planning and executing numerous multinational exercises, exchanges, and humanitarian events. We are building on lessons learned from last year and are further integrating joint, multinational, interagency, and public-private efforts into as many of our actions as possible.

Soon the aircraft carrier U.S.S. *George Washington* will be sailing around the region as the centerpiece of our Partnership of the Americas event. As we did last year, this deployment will encompass much more than just traveling around the region; it will encompass our major maritime exercises and other smaller exercises. We have the perfectly named ship for this event, U.S.S. *George Washington*. Washington was an early idol of Simon Bolivar, who was the father of liberty in South America and an iconic "American" in the broadest sense of the term.

We also are revamping our land engagements this year, with the beginning of a program called "Beyond the Horizon." This program will maximize the impact of our land events by increasing the number of "microburst" engagements—engineer construction, small unit familiarization, subject matter exchanges, medical readiness training exercises—as well as establishing longer-term programs that integrate the efforts of other U.S. Federal agencies, host nations, and the private sector.

Also this year, we will be conducting Continuing Promise, a multi-month training mission with the U.S.S. *Kearsarge*—a large deck amphibious ship—which will continue the successful mission of the hospital ship U.S.N.S. *Comfort* from last year. This deployment will highlight persistent engagement with innovative interagency, multinational, and public-private cooperation.

We will continue our Regional AirSpace Integration (RASI) initiative with a focus on improving Central American capability to detect and monitor aircraft in their predominantly unmonitored airspace. This initiative involves integrating the civil, military, and security air domain in the region, modernizing air traffic management, and building a multinational common operating picture through a regional surveillance center and new surveillance radars. A complementary program to RASI is our Regional Aircraft Modernization Program (RAMP), which conducts surveys to iden-

tify gaps in the aviation capability of our partners to respond to transnational threats. Ultimately, RAMP aims to promote regional air sovereignty through increased cooperation, interoperability, and modernization of regional air security assets, with cooperating nations better prepared to perform humanitarian and air sovereignty missions.

We have numerous other programs and initiatives coming on line—all working to advance our mission in the region. We are progressing steadily on our reorganization efforts and have received significant support from our sister agencies on this effort. We continue to track along our command heading: understanding the linkages the United States shares with the region; working together with partners to overcome shared challenges; and fulfilling the promise of a secure, cooperating, and prospering hemisphere through innovative and effective strategic initiatives.

CONCLUSION

I take great pride in our exciting and important mission and in the tremendous efforts of the men and women of SOUTHCOM. I believe we have made good progress over the last year; and that this year and those to come promise to see solid return on Congress's investment in the region. I would like to thank all of the members of the committee and indeed all the Members of Congress for your support of SOUTHCOM and the hard work we are doing for our country in Latin America and the Caribbean.

Although the likelihood of large-scale military combat in our region remains very low, this region continues to play a critical role to the continued security and prosperity of the United States. Despite some challenges, I believe that through the sharing of ideas, economic interdependence, cultural understanding, and an integrated approach to partnering, the United States will continue to be a welcomed partner of choice in this hemisphere. At SOUTHCOM, we will work hard to help make this vision a reality. We are committed to being the military partner of choice and will continue to harness innovation and to develop the relationships necessary to accomplish our mission.

Finally, I would like to say a word about the superb soldiers, sailors, airmen, marines, coastguardsmen, and civilians—Active-Duty, Reserve, and Guard—who serve in the region. They are volunteers and patriots, and I am proud and lucky to serve with them everyday. Our greatest strength is our people, and I ask continued support for the programs that support them and their families.

I thank you for your support and am prepared to answer your questions.

Chairman LEVIN. Let's have a 6-minute round for our first round.

Admiral, in June 2006, the President declared that he "would like to close Guantanamo." Have there been any directions to you relative to that policy?

Admiral STAVRIDIS. No, sir. Since that time I believe the Secretary of Defense and the Chairman of the Joint Chiefs have both spoken to the subject. They have also indicated a desire to close Guantanamo Bay. At this moment I'm unaware of any direction to me to do so.

I will make the point that since the high point of 800 detainees we're down to about 270. I know the administration in cooperation with other international partners is seeking to reduce that number.

Chairman LEVIN. How many of the 270 detainees have had status determination hearings?

Admiral STAVRIDIS. Sir, I'll take that one for the record, because I don't at SOUTHCOM—I'm not involved in the judicial side of this. That is a totally separate part of the command. Our mission at Guantanamo is the humane and transparent treatment of the detainees, and I'm very satisfied we're living up to our part of it at SOUTHCOM.

Chairman LEVIN. Give us that number for the record.

Admiral STAVRIDIS. Yes, sir, I will.

[The information referred to follows:]

According to the Office for the Administrative Review of the Detention of Enemy Combatants (OARDEC), all detainees held by Joint Task Force-Guantanamo (JTF–

GTMO), except for the six most recent arrivals, have been determined to be enemy combatants through the Combatant Status Review Tribunal (CSRT) process. As neither U.S. Southern Command nor JTF–GTMO conduct CSRTs or control the CSRT process, I defer further questions on the matter to the Deputy Assistant Secretary of Defense for Detainee Affairs and OARDEC.

Chairman LEVIN. Relative to Cuba, what changes, if any, do you expect in Cuba's approach to security in the hemisphere and to the United States under Raul Castro?

Admiral STAVRIDIS. Sir, unfortunately I do not expect significant change under Raul Castro. Sir, he was elected on a Sunday and, as I've said to people, Cuba on Monday looked a lot like Cuba on Friday. The change was the first name of the president, from Fidel to Raul.

Raul quickly consolidated his power by bringing into his immediate organizations his senior vice presidents, a group of men who are in their 70s by and large and also very much reflect the Castro view of how power ought to be consolidated. This is a national assembly with 614 seats and 614 candidates ran for office. It's not a vibrant democracy, to say the least.

So as I look at the future of Cuba under Raul, sir, I do not see significant political change in the offing.

Chairman LEVIN. Do we have any military contacts with the Cuban military?

Admiral STAVRIDIS. Sir, there is one set of routine contact that occurs between the commander of the Guantanamo Naval Station and a senior Cuban colonel, and those are the so-called Fenceline Talks. They happen about once a month and they are to discuss routine issues of the management of the air space and the water space over Guantanamo Bay. Beyond that, I'm not aware of any military-to-military contacts.

Chairman LEVIN. Are they professional?

Admiral STAVRIDIS. Yes, sir, they are very professional, very courteous. There is absolutely no problems between those two.

Chairman LEVIN. Do you welcome increased military-to-military contacts with the Cubans?

Admiral STAVRIDIS. Sir, that's clearly a national policy decision that would have to be taken by the administration in concert with Congress. I don't think that's mine to address.

Chairman LEVIN. General, you talked about coordination with Governors and with The Adjutants General (TAGs), the State TAGs. You have indicated that coordination and cooperation is very close. You've given us your statistics in terms of the number of reservists and guardsmen that are on your staff. So I think I'll ask you about some different aspects of your work, even though that is a critically important subject.

Your prepared statement mentions a U.S.-Canada surveillance gap and a strategy to fill that gap. I gather this is the number one unfunded priority. Could you describe that program briefly and why is it your highest unfunded priority?

General RENUART. Mr. Chairman, thank you for that question. Today the surveillance network that we use—and it's important to note that this is both a NORAD and a NORTHCOM-related program—those surveillance tools that we use, the network that is created is aging rapidly. Congress and the Department have funded a service life extension program, and again these are predomi-

nantly for older style radars that allow us to maintain visibility on aircraft working in our national air space system of both countries.

I am also tasked to provide maritime warning for both countries and as the NORTHCOM commander, respond to maritime threats for the United States. We have a gap in the ability to maintain situational awareness on vessels in the maritime domain. So this initiative allows us first to look at advanced technologies that can replace the fixed radar sites that we use around the country today with a combination of other sensors, both active like a radar and passive, that might be available.

So it is a program, a project, that will allow us to look at the advanced technologies available and be prepared for the time in the vicinity of 2015 to 2020 where these radar systems truly will be at the end of their capable life cycle, and to have an integrated set of sensors available to us that can continue to carry that load.

As an example, the Federal Aviation Agency is moving towards a more compliant system based on global positioning systems and the like. The challenge for us in our Homeland mission is that threat-based capabilities aren't necessarily compliant. So we need a means of identifying those.

We are working closely with the Government of Canada and with their defense department on technologies. We've looked at places like Australia who have done some great work in over-the-horizon radar and we're trying to find the best sweet spot, if you will, for a smart investment strategy, but capable sensors for the future.

Chairman LEVIN. Senator Warner?

Senator WARNER. General, I'd like to go back to the question of the Commission's report, which was critical of our current national state of preparedness or lack of preparedness for natural and man-made disasters. That was a very substantive criticism directed, not to you personally, but to your command and the work of your predecessor. Secretary McHale came up and talked to Congress.

I want to make certain that the record that is before Congress, before this committee and perhaps other committees, really has a reply from your command which addresses each one of the points that they raise, because should they have the misfortune of an incident in this country, people will turn to determine what was the problem and, if there is a problem which Congress, as opposed to the executive branch, has some responsibility, I and others on this committee would like to know what it is that you think should be done. Is it a shortage of appropriations, is it a shortage of authority? Or how would you summarize—and I'll ask you to put the rest of it into the record, we're so short on time this morning—but summarize.

Say, for example, is it your professional judgment we're prepared today, the United States and our 50 States, to react to a WMD? I suppose there's a whole spectrum of them out there, but just take the logical one, a dirty bomb type situation or something of that nature.

General RENUART. Senator, thanks for that question. Actually, I do take the report somewhat personally because I sat with Secretary Gates before taking command and listened to the interim briefing from the committee. Frankly, I agreed with the——

Senator WARNER. From the Commission or the committee?

General RENUART. From the Commission, I'm sorry. From the Commission.

I agreed with a number of those early recommendations and took those on, with the Secretary's support, a personal mandate as we arrived at NORTHCOM. But having said that, I think that, first, your question is do I have the authority necessary from Congress to conduct our mission. The answer absolutely is yes. I believe that the gaps in our national capability that we saw post-Hurricane Katrina, we have worked aggressively to ensure those gaps no longer exist. We have a relationship with the National Guard Bureau, with the States, all through the country now that has created through this idea of anticipation a sense of what bad could happen and then how are we prepared to respond to that.

With respect to WMD, the capabilities are available to me today. I would ask the Secretary for them to be deployed and have them made available to me. In the future, I would like forces assigned to me that I have every day, that I can exercise and train and evaluate their readiness every day. We're on the road to creating that force. By early this fall, we will have a dedicated force fully trained, fully equipped, fully funded, and then exercised and certified that will allow us a near-immediate response to a catastrophic event, whereas today it may take a few days in order to have that force available.

Senator WARNER. Now, should an incident occur—let's talk about the command and control. With due respect to the sovereignty of our States, and very proud, and hard-charging Governors presumably in each, is there a clear chain of command to who takes charge, particularly when it's a multi-State?

General RENUART. Senator, I think each event begins as a local response, obviously. So that local first set of first responders, supported by State responders, clearly are the right people to be the first ones on the scene. The Governor in many cases——

Senator WARNER. Our units which we establish nationwide, the name has changed now. They're responders. They could be first responders.

General RENUART. They could be, but again it would depend on the size of the event and the circumstances surrounding it. If we use the concept of a catastrophic event as the test case of this, I think you would still have various State Governors beginning to respond. The President would clearly make a decision on the Federal nature of this response. But our forces would be in a position to be on the ground within hours and to begin to assist.

In terms of the command and control, if the President's decision is to allow Governors to continue to manage for their State and have a regional Federal military capability that can go across lines, we have processes agreed to with our National Guard friends, that are understood by the States, that can allow——

Senator WARNER. I'm going to stop at that because I have just a few minutes.

General RENUART. I'm sorry.

Senator WARNER. Please finish, but put it in the record.

General RENUART. I will put that in the record.

[The information referred to follows:]

Today, Governors have the authority to direct all operations in their States and I am very supportive of this authority. My goal is to achieve the highest levels of coordination between State and Federal military forces. Our current system achieves that goal with the Federal military forces under the command and control (C2) of U.S. Northern Command (NORTHCOM) responding to requests from State or local governments through the primary Federal agency. All of my operations would be seamlessly coordinated with National Guard State Joint Task Force Headquarters, National Guard Bureau, and all appropriate Federal agencies.

As a combatant commander, my primary concern regarding this recommendation from the Commission on National Guard and Reserves is that it would create more issues than it would resolve by impeding the coordinated Federal response established in the National Response Framework (NRF) and the comprehensive National Incident Management System (NIMS). It simply is not necessary; and in the end, our response would not be as effective as it is today.

When conducting consequence management in support of State and local officials, NORTHCOM is part of a coordinated Federal response under the NRF and NIMS. Under this structure, NORTHCOM provides support requested by State and local officials, through the primary Federal agency. The scope and focus of each mission is controlled by a State's initial request to the primary Federal agency, and the subsequent request for support from the primary Federal agency through the Department of Defense (DOD) to NORTHCOM. NORTHCOM remains, at all times, under the C2 of the Secretary of Defense. Within the general parameters of the approved mission and keeping the integrity of its Federal C2, NORTHCOM coordinates with the on-site State or local commander, and responds to the developing needs of the situation.

Currently, there are few, if any, problems with this C2 structure. NORTHCOM tests this C2 structure on a daily basis as various situations arise, and puts the structure under immense pressure during our national level exercises. But even with that, we have continued to work on improvement. In July 2007, I directed a comprehensive Organizational Mission Analysis. This analysis included NORTHCOM Headquarters and our subordinates. Our intent was to assess C2 structures and internal procedures to determine if they provided the best framework for success. Based on that analysis, I approved a realignment that will further streamline NORTHCOM's internal C2 structure and provide for a more seamless integration with our mission partners.

Senator WARNER. You give us the assurance it is in place, it is understood, and it will work?

General RENUART. Senator, I will give you that personal assurance and I will put that in the record.

Senator WARNER. Thank you.

Admiral, as you look back over your long, distinguished career, I dare say the chapter when you had a mere three stripes and was the commander of a destroyer was one of your greatest. As a matter of fact, you're working on a new book to cover that.

That is an interesting vehicle right there. The first question is, was it homemade in a garage or is there somebody making these, and how many of them are out there now? That's a destroyer's job together with air assets.

Admiral STAVRIDIS. It is a combined job of surface ships, of aviation. It certainly is an intelligence function. It's an interagency.

Senator WARNER. It's everything.

Admiral STAVRIDIS. It is everything.

Senator WARNER. How many of them are out there?

Admiral STAVRIDIS. Sir, we don't know how many of them are out there. Let me give you a set of numbers, though. In 2006 we were tracking either via intelligence or capturing around three of these, in 2006. In 2007, it jumped to about 30. This year so far, in 3 months we've seen about 30. So we are seeing more and more of these.

We don't know how many there are that we are not seeing.

Senator WARNER. Have you captured one?

Admiral STAVRIDIS. Yes, sir, we've captured several and we are exploiting them. Typically what happens—

Senator WARNER. Reverse engineered it?

Admiral STAVRIDIS. Yes, we are doing all of that. At the moment we have a prosecution that we have just completed. What normally happens with these guys is they scuttle them and they go to the bottom, and we're lucky to recover the drugs and get the people off. We have captured several. We are reverse engineering them and we are very aggressively pursuing this.

Senator WARNER. Are they made in a shipyard somewhere?

Admiral STAVRIDIS. No, sir, I don't think they're made in shipyards. They really are essentially garage-level technology. It's just a diesel engine, a fiberglass hull, a snorkel, a primitive periscope, seating in a crude sense for two to four personnel.

We are working very hard on the intelligence front to find out where they are coming from.

Senator WARNER. They're able to traverse quite a long distance?

Admiral STAVRIDIS. They can go hundreds of miles. They have diesel engines, which are very economical. Then the drug cartels will come out and do a refueling at sea, if you will, and then they'll continue on.

Senator WARNER. That's quite interesting. My time's up.

Chairman LEVIN. Thank you so much, Senator Warner.

Senator Lieberman.

Senator LIEBERMAN. Thanks, Mr. Chairman.

Thanks, General and Admiral. You're really two impressive people and we're lucky to have you working for us. I appreciate it very much.

I do want to ask on this first round, Admiral Stavridis, a few questions. But before I do that, General, following up on the earlier questions on the Commission report, I just want to reflect from my point of view wearing my other hat as chairman of the Homeland Security and Governmental Affairs Committee (HSGAC) that we are a lot better prepared to respond today than we were on September 11, 2001, or during Hurricane Katrina. I think you'd be the first to agree. We have a ways to go.

But I just want to ask you very briefly. I've been impressed with the development of the Consequence Management Response Teams.

General RENUART. Yes, sir.

Senator LIEBERMAN. I say this for my colleagues and for the public insofar as anybody's watching. Just spend a moment. Your goal is to have three almost brigade-sized units, 4,000, ready with the unique and targeted purpose of responding to homeland disasters, terrorist or natural.

General RENUART. Senator, thank you. That is exactly right. Today there are elements of that in place in our States, 53 Civil Support Teams, 17 smaller units.

Senator LIEBERMAN. Right.

General RENUART. But these forces in particular are substantial in size and in capability. They're trained and equipped with the technical skills necessary to respond to an all-threat catastrophic event. We do intend, the Secretary's intent is to grow these incrementally over the coming couple of years so that we would have

three of those forces in place very soon. As I said, the first one will be full up this fall.

Senator LIEBERMAN. This fall, and of course, none of that existed on September 11, 2001.

General RENUART. No, sir, that did not.

Senator LIEBERMAN. Or at the time of Hurricane Katrina.

General RENUART. It did not.

Senator LIEBERMAN. Thank you.

Admiral, I wanted to ask you a couple of questions about the current crisis around Colombia, Venezuela, and Ecuador. It certainly seems to me, and I'm going to ask you what your position and understanding is and what our government's is, that the Colombian Government had the right to take action against the terrorists who were striking at them from a camp in Ecuador. Is that your position and the position of our government?

Admiral STAVRIDIS. Sir, I can't speak for the U.S. Government. My understanding, reading the President's remarks yesterday and listening to what I can at the policy level, is that that would be an accurate representation. But I would not speak for the U.S. Government position.

I can tell you that from a SOUTHCOM position we are monitoring events closely. We are talking to our interlocutors. I agree with what Secretary Gates said yesterday, that I personally see a very low likelihood, very low, of actual shooting conflict here. I think there is some level of troop movement. We're watching that on the Venezuelan-Colombian border, and a lesser movement on the Ecuadoran-Colombian border.

I'm encouraged over the last couple of days by the Organization of American States, which has held meetings on this and is providing a forum. Certainly this is a diplomatic issue that needs to be worked between the three countries.

I'm also encouraged to see significant actors in the region, like President Lula of Brazil and President Bachelet of Chile, making offerings of the ability to hold talks and help the three countries through this.

The good news in this region is that there is not a strong history of prolonged warfare, and so again I think there's a low likelihood of conflict and I'm encouraged over the last day or so by what I've seen in that regard.

Senator LIEBERMAN. I appreciate that answer.

Have you been privy to any review of the information that's led I guess the Colombian Government to conclude that the Chávez Government in Venezuela has made substantial monetary contributions to the FARC, the narcoterrorists in Colombia?

Admiral STAVRIDIS. Sir, we have not seen those actual computer hard drives at SOUTHCOM. I don't know whether anyone else in the U.S. Government has seen them yet. But we are certainly following very closely the open source reporting on that. I would comment that, even if a fraction of what is reported in the laptop revelations that are being reported is true, that, as Ambassador Tom Shannon said yesterday from DOS, is extremely worrisome, to say the least.

Senator LIEBERMAN. I agree.

Let me ask you, because in your position at SOUTHCOM you have a really unique overview of what's happening, and I like what you said. It's not our backyard; it's our home. We're all part of the same region.

Admiral STAVRIDIS. Yes, sir.

Senator LIEBERMAN. A critical part of your work, it's always seemed to me has been the partner-to-partner, military-to-military relationships. I want you to talk a little bit, because we get information that there are other countries from around the world who have been moving into Latin America to develop similar relations, weapons sales, even military-to-military, on the most threatening level Iran, less threatening but worth following, China. Give us your sense of what you see from other nations to the south of us, from elsewhere in the world; and two, how are you doing in your partner-to-partner relations, and do you need anything else from us to improve those relations?

Admiral STAVRIDIS. Sir, thank you. That is a terrific question. First of all, the good news is the United States remains the partner of choice to I would say the majority of nations in the region, including almost everywhere in Central America, most of the Caribbean, and most of South America. We have close military-to-military relations with almost every state, with the exception of Cuba and Venezuela. Even in countries where we have differences at the government-to-government level like Nicaragua or Bolivia, Ecuador at times, we continue to have strong military-to-military relations. So that's a good thing.

In terms of the competition, if you will—and we are, in this part of the world, in the competitive marketplace. We the United States need to be engaged, show that we should be the partner of choice. So the competition, if you will—just as you mention, I worry a lot about Iran.

Senator LIEBERMAN. What do you see?

Admiral STAVRIDIS. What I'm seeing from the Iranian side is the president of Iran making frequent trips to the region. I see Iranian embassies opening all over the region. Iran is a state sponsor of terrorism. I am concerned as I see Iran move into the region.

On the other nation you mentioned, the Chinese, I think it's more of an economic interest that they have. There is some military-to-military contact, but I would not categorize it as large or rising at this point.

Finally, Russia is involved I think almost strictly on a commercial sales basis, most notably to Venezuela. The Russians have recently sold 30 advanced fighter aircraft, 50 attack helicopters, 100,000 AK–103 rifles with a license to produce 25,000 more per year. There's a large component of Russian arms sales to Venezuela that is of concern.

So that's a bit of an overview, but I would close by saying again that I think the United States remains the partner of choice and we're working hard at SOUTHCOM to make sure that stays that way.

Senator LIEBERMAN. Thanks, Admiral. I appreciate that.

My time is up. At some point I'd like to ask you, not now, whether you have enough in the way of authority and resources to meet that competition in the interest of American security. Thank you.

Thanks, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Lieberman.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

These are 6-minute rounds, so I'm going to ask for very brief answers to several questions here. First of all, General, I think you outlined very well the operational tempo (OPTEMPO), the problems that we're having right now with the Guard. I'm very proud of the 45th from Oklahoma. They're in Iraq now. I'll be with them in a week or 2. I was there when they were in Afghanistan. They actually were participating in the training of the Afghan National Army to train themselves and they've done a great job. So the performance is wonderful.

The OPTEMPO is not. It's a serious problem. So I'd like to have you get on record here. My feeling is Operation Jump Start, it was a good idea, it worked very well. It's going to sunset in I think 2008. There is legislation now that would leave that open, that would provide and mandate 6,000 of our Guard on the borders, southwest borders, until the borders were secure. So that means it's open-ended.

I need to ask you, number one with the OPTEMPO, do you agree that this is a good policy? I guess that would be the main question. Would you like to address that for us?

General RENUART. I would, Senator. Thank you. First, you're right, the Guard has been asked to do a great deal for the Nation and they have served selflessly every time we've asked. This Operation Jump Start was designed to be a gap-filling capability for a period of time, and the Secretary extended the numbers of that for an additional period and that will expire this July. The Secretary has been very clear that he believes that's the right time to draw that mission down.

I would tell you from both a NORTHCOM perspective and having watched the Guard that I think that makes sense. I think there are other——

Senator INHOFE. Correct me if I'm wrong, but in the event there's a reason that they have to have more down there they can still make application after this expires.

General RENUART. Absolutely.

Senator INHOFE. You can then evaluate where it's needed the most.

General RENUART. Senator, absolutely, either in State Active-Duty or in a Title 32 status that could be done.

Senator INHOFE. Now the question I always ask every group that comes in, and just for a very, very brief response. My three favorite programs are: first, train and equip, that's 1206, 1207, 1208, which is due to expire next year and we were trying to extend it, but we just didn't have time to do it before, and there's not really opposition to it; second, the Commanders' Emergency Response Program, to take it out of its position now and include—make it global; and then third, the International Military Education and Training program.

Those three, I'd like to know from each one of you real quickly just how a priority do you put on these three programs?

General RENUART. Senator, from my Central Command days, my Pacific Command (PACOM) days, and now, those are critical to our ability to generate coalition support in their own countries. I'm very much supportive of each of those and would look forward to their continuing.

Senator INHOFE. Admiral?

Admiral STAVRIDIS. I completely associate myself with General Renuart in every regard. I would add just as a quick example 1206-type moneys are how we equip partner nations to go after things like these self-propelled semi-submersibles. We have used them to provide our partners with high-speed boats, command and control, the ability to control the area around them. So all of those programs are excellent and critical in every way.

Senator INHOFE. Yesterday or the day before when we had the special operations people in here they were talking about 1208 being the same thing.

Admiral STAVRIDIS. Yes, sir.

Senator INHOFE. Okay, that's good.

Now let me ask you, Admiral. I saw that—I think there are two of them. There's the U.S.S. *Comfort* and the U.S.S. *Mercy*, is that right?

Admiral STAVRIDIS. Yes, sir. They are sister ships.

Senator INHOFE. Did I see one in the west, the west side of Africa?

Admiral STAVRIDIS. Yes, sir.

Senator INHOFE. I saw one there, but I'm not sure it was one of ours.

Admiral STAVRIDIS. No, sir. The U.S.S. *Comfort* is on the east coast and comes periodically into my area and it has been to Africa. On the west coast, the U.S.S. *Mercy* went after the tsunami, for example, and 2 years ago went through the Philippines. They are powerful, powerful statements.

Senator INHOFE. I'm very much impressed. I think that was the one I saw on the west coast. I think it was the U.S.S. *Mercy*.

Admiral STAVRIDIS. Yes, sir.

Senator INHOFE. Now, probably the only area where you and I disagree is in the Law of the Sea Treaty. What I'd like to do, rather than just start any kind of a debate here, because I consider you an expert—I've opposed this since the Reagan administration and I haven't seen a lot of changes in it. But I have four things I'd like for the record you to respond to specifically, four things.

One of my objections is, the International Seabed Authority and the fact that it has regulatory powers over some 70 percent of the Earth. I'm concerned about the sovereignty issue.

Second would be, the way I read it—and we've had several hearings for this committee about 3 years ago and then also the other committee that I'm on, the Environment and Public Works Committee—that it has the power to level a global tax. I just would like to know, if you disagree with that, specifically what precludes that from happening.

Third, there are only four circumstances under which they can be stopped on the high seas, which are listed as human trafficking, drug trafficking, piracy, and then unauthorized broadcasting. I'm not sure what that is. I'd like to see, have you comment on that.

Then lastly, they always argue that military actions are exempt, but it doesn't define military actions.

So if you would do that for the record so that I would be able to have that, I would appreciate it.

Admiral STAVRIDIS. Yes, sir.

[The information referred to follows:]

As an official policy matter, I defer questions associated with the U.N. Law of the Sea Convention to the Chief of Naval Operations. However, as a professional naval officer, I support U.S. accession to the Convention and offer the following personal thoughts on the questions posed:

First, as to your seabed and sovereignty concern, I believe the United States would have more influence on deep seabed mining than any other nation. The United States would have a permanent seat in the Council of the International Seabed Authority (ISA) and a seat on ISA's Finance Committee, and any decision that could result in a substantive obligation on the United States, or that could have financial or budgetary implications, would require U.S. consent. Additionally, no deep seabed mining revenues, should any ever be accumulated, could ever be distributed without U.S. approval.

Second, as to your concern as to a global tax, I understand that the Convention does not provide for or authorize any international institution (the United Nations, the ISA, or any other body) to tax the United States, its citizens, or its corporations.

As to your third concern regarding circumstances under which vessels can be stopped on high seas, the Convention does not limit or restrict our maritime interdiction activities in any regard—in fact, it bolsters them. With regard to your specific question concerning the meaning of "unauthorized broadcasting," Article 109 of the Convention defines "unauthorized broadcasting" as the transmission of sound radio or television broadcasts from a ship or installation on the high seas intended for reception by the general public contrary to international regulations. "Unauthorized broadcasting" from the sea is rare; but, by way of example, if a ship were suspected of broadcasting radio or TV into the United States illegally, the U.S. Navy could rely on Article 110 to board the suspect vessel.

Finally, as to your fourth concern regarding whether military actions are exempt, Article 298 of the Convention permits the United States to completely exempt its military activities from dispute resolution and, under the express terms of the Convention itself, a determination by the United States that its activities are military activities exempt from dispute resolution may not be overturned by any court, tribunal, or foreign state.

Senator INHOFE. Now, General Renuart, one of the things, a presentation that I make quite often on the missile defense system, which I've been concerned with for many, many years, is the boost phase, midcourse phase, and terminal phase. Now, on the boost phase what I'd like to have you do, and either comment now in whatever time I have left or, if I run out of time, then do it for the record—it's my understanding we really don't—we're kind of naked on the boost phase. We're working on these things, the Airborne Laser, the Kinetic Booster, but they aren't to a position to do us much good.

We've seen on the midcourse phase the performance of Aegis. We're very, very pleased with that, and also some 23 or 24 ground-based systems that are working as far as the Multiple Kill Vehicle, that's still in design.

Then third, on the terminal defense segment, the High Altitude Area Defense, I think that's going to come up in 2009 or 2010. I'm not sure. Then of course, the PAC–3, which is already very capable.

So any of those that you could comment on. Where do we need to do the most the quickest in these phases?

General RENUART. Senator, I'll try to be very quick, but our principal role is in the ground-based midcourse interceptor mission for

defense of our Homeland. We've been involved in a series of both spiral development tests as well as——

Senator INHOFE. In case you have to write it for the record, I understand that for the Homeland, but I'm talking about for the overall system, which goes beyond that. I know you're familiar with that.

General RENUART. Let me do this. Let me provide you a little bit more detail for the record if I might, in the interest of time. But I think there are some real capabilities that we need to continue to pursue, both in the boost and in the terminal phase.

Senator INHOFE. For Homeland, what would be the weakest link?

General RENUART. For the Homeland, I think maybe the one of least applicable right now is the capability in the boost phase. We really don't have something there that is immediately available.

Senator INHOFE. When you answer this for the record, if you don't mind, have it go beyond just the Homeland, and also get as many dates. We're getting conflicting information sometimes, and then of course this requires legislation every year.

General RENUART. Absolutely.

Senator INHOFE. We just need to know just where the greatest needs are in your opinion.

General RENUART. Senator, I'll be happy to do that.

[The information referred to follows:]

[Deleted.]

Chairman LEVIN. Thank you, Senator Inhofe.

Senator Collins.

Senator COLLINS. Thank you.

General, welcome——

Chairman LEVIN. Senator Collins, would you forgive this interruption.

I didn't have a chance to ask Senator Warner if he agreed with this. Because there's at least a chance that we may be able to finish by 11 o'clock, which would be about 10 minutes after the vote starts, could we ask our staffs to find out if any of the Senators that are not here now are expected to come back after that vote, so if we do vote and finish by 11 o'clock we'd be able to agree to adjourn, unless there are Senators that we don't know of who are going to come back after that vote expecting that we will still be in session.

Thank you, Senator Collins. Excuse the interruption.

Senator COLLINS. Sure. Thank you.

General, you testified this morning that you disagree with the Commission on the National Guard and Reserves' assessment of an appalling gap in our ability to respond to an attack with WMD. You and I had a good discussion about this in my office. I want to put aside what may be overblown rhetoric and look very directly at our capabilities.

If you read before that term of "appalling gap," the assertion of the Commission is that we do not have sufficiently trained and ready forces available. The Commission says that they're not fully budgeted for, sourced, manned, trained, and equipped, which is a very specific indictment.

Clearly we've made tremendous progress since the attacks on our country and since Hurricane Katrina, as my friend and colleague Senator Lieberman points out. But aren't there in fact still gaps in our ability to respond effectively? You've talked about troops coming on line, but if there were an attack tomorrow would you be able to marshal sufficiently trained and equipped troops to respond quickly?

General RENUART. Senator, I think the best answer to that is yes, I would. Are they the best available? We clearly would have to take those forces from what is at home today. We certainly have those forces available who have the skill sets necessary. But as I mentioned to you, they have not trained together on a routine basis. So we would, if you will, create the integrated team on the scene.

Would it be as effective? It's not as effective as I would like, and that's the reason why we're pushing for this dedicated force that I mentioned to Senator Lieberman. But they would be capable within a matter of days to respond to the scene and provide credible capability to respond.

Senator COLLINS. Right now, however, the system is pretty ad hoc.

General RENUART. It is.

Senator COLLINS. You're bringing units from here and there. You've talked about the new team that will come on line, I think you said this fall will be the first one.

General RENUART. Yes, ma'am.

Senator COLLINS. But don't we need three such teams? Isn't that the plan?

General RENUART. Yes, ma'am.

Senator COLLINS. When will we have three such teams in place?

General RENUART. Right now the plan is to in each subsequent year add a second team, again budgeted for, equipped, trained, and evaluated. So at the embarrassment of doing public math, I would say that would get us out to about fiscal year 2011 with three full capable teams. So I think that's the plan that we currently have. If there's an ability to accelerate that, we'll continue to look at that.

But I'm comfortable that that gives me the ability to respond with the right forces and I think we're on the right track.

Senator COLLINS. I am skeptical about the Commission's recommendation of giving Governors operational control of Title 10 forces in the event of a catastrophe. At the same time, however, I know from the HSGAC's intensive investigation into the failed response to Hurricane Katrina that there were enormous coordination problems involving the National Guard units and the Active-Duty troops. Indeed, Admiral Keating, your predecessor, testified very frankly that he was unaware that the levies had been breached until he read it in the paper or saw it on television. He did not have visibility into the whereabouts of National Guard units that were coming under the Emergency Management Assistance Compact agreements from all over the country to assist. There was an appalling—I use that word in this case because I think it's appropriate—there was an appalling lack of coordination.

I know you're concerned about that. I know you don't dispute that. What have you done to improve the coordination with our

States, our emergency managers, the TAGs, our Governors? Is this more of a problem of inadequate planning and exercising, rather than truly a problem of command?

General RENUART. Senator, thanks. What I'd like to do, twofold. I'd like to put a very detailed answer in the record if I might.

[The information referred to follows:]

I fully and enthusiastically recognize the need to coordinate directly with States and State leadership to accomplish our mutual missions. We have the imperative to anticipate, plan, and respond collaboratively with the States and tribal nations within the U.S. Northern Command (NORTHCOM) area of responsibility. Developing understanding, trust, and mutual respect between NORTHCOM and the National Guard is of particular importance as we plan and execute our mutual State and Federal missions. We are developing strong relationships with Governors, Emergency Managers (in collaboration with DHS and FEMA), and Adjutants General (in collaboration with National Guard Bureau). Each time I visit a State, I try to meet with the Governor, his Adjutant General, Homeland Security Advisor, and Emergency Manager. I've met with 19 Governors, all of the TAGs, and every State director of emergency management. I recently had the honor of being the keynote speaker at both the National Guard Association of the United States Annual Meeting in Puerto Rico and the recent National Emergency Management Association Conference. As a matter of priority early in my command, I met with the Homeland Security Committee of the Adjutants General Association.

Direct State engagement is not a specified task for the Department of Defense (DOD) or for NORTHCOM. However, it's imperative that we develop relationships with our State mission partners that will contribute to success in saving lives, protecting infrastructure, and promoting a resilient society. I'm working to ensure my staff understands Governors' concerns and that senior State staff have an appreciation for NORTHCOM's role in security and defense. This understanding will promote the unity of effort our citizens deserve.

We develop relationships with States in concert with National Guard Bureau and DHS. Planning partnerships ensure we have unity of effort with the States in addressing areas of mutual concern, including the 15 National Planning Scenarios directed by the Homeland Security Council. In day-to-day operations, we connect to the States through the National Guard Bureau Joint Operations Center and maintain situational awareness 24/7 through a dedicated National Guard desk in my Command Center. In the training and exercise arena, we work with National Guard Bureau and DHS to develop and execute a comprehensive knowledge exchange and exercise program that facilitates State and regional exercises and develops the military skills of both my staff and State Joint Force Headquarters staffs. NORTHCOM partnerships with National Guard Bureau and DHS result in direct benefit to Governors, State emergency managers, and Adjutants General.

Senator COLLINS. Yes.

General RENUART. Let me summarize just very quickly. I think your last statement actually is really the key. If you plan ahead, if you exercise routinely, and if you train together, then there is no gap in so-called command and control. We each know what each other brings to the fight. We each know what capabilities are needed and we then exercise and execute them when called for.

I would just use the example of our two national level exercises. I think Senator Lieberman mentioned the dirty bomb scenario. We trained with our Federal, State, and local responders on that this past October, three events across the country simultaneously. We planned and exercised against a nuclear detonation in Indianapolis last May. Those allowed us to see the synergies that can be created when you work together. That has become part of our culture every day, that plus the relationships, as I talked about earlier, that we are building with State and local responders, as well as our Federal partners, have put us in a significantly better position than we were during Hurricane Katrina, and I'm comfortable that there will not be a dispute of command and control, but rather the under-

standing of how we support a State or a Federal agency in a large response.

Senator COLLINS. Thank you.

I know my time has expired. I'm going to submit for the record a question for you, Admiral, on Venezuela.

Admiral STAVRIDIS. Thank you.

Senator COLLINS. I know we'll have that opportunity.

Thank you.

Chairman LEVIN. Thank you, Senator Collins.

Senator Martinez?

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

Gentlemen, thank you for being here with us. We appreciate your service.

Admiral, I want to go back to Venezuela. Actually, it's really the Colombian-Ecuadoran situation. I saw you say the three countries. The fact is from my understanding this was an action by the Colombians that apparently did violate territorial integrity of Ecuador, but Venezuela had nothing to do with it.

Admiral STAVRIDIS. Not that I can see.

Senator MARTINEZ. In fact the only thing Venezuela may have to do with it is what was found on the computer files of this rebel leader Reyes, correct?

Admiral STAVRIDIS. Yes, sir.

Senator MARTINEZ. There's an apparent indication of maybe $300 million transferred to the Colombian narcoterrorists from the Venezuelan Government?

Admiral STAVRIDIS. That has been reported in the open press. I have not seen that myself, nor do I know that's verified yet. But that is what has been reported repeatedly in the open press.

Senator MARTINEZ. This fellow Reyes that was killed in action is reported to be the number two person in the FARC.

Admiral STAVRIDIS. Yes, sir.

Senator MARTINEZ. My understanding is that this was also an international criminal, on the FBI Most Wanted List and Interpol's Most Wanted List, with a long string of kidnappings and murders in addition to narcotrafficking to his credit, correct?

Admiral STAVRIDIS. Yes, sir. I would underline that he was the number two leader of the FARC, who are holding, as the chairman said, at least 750 hostages, including three U.S. citizens: Tom Howes, Marc Gonsalves, and Keith Stansell.

Senator MARTINEZ. Those hostages—by the way, also some Venezuelans are held as hostage.

Admiral STAVRIDIS. That's correct also.

Senator MARTINEZ. To this date, I've not heard the Government of Venezuela express any concern about the Venezuelan hostages that are kept.

But the conditions of hostages kept by the FARC, would you describe what you know about that and how they're kept?

Admiral STAVRIDIS. I will. Sir, we think we have good visibility on that because some hostages have escaped, some have been rescued, and some have been released in international negotiations. To use a word we've used several times this morning, the conditions are appalling. They really are appalling.

These individuals are kept either chained or in cages. They are not well fed. Their medical condition is reportedly very bad. We have firsthand reports on that from other released hostages. We are deeply concerned, we at SOUTHCOM are deeply concerned about all the hostages, and we focus a great deal of our attention and effort on the search for our three U.S. hostages in cooperation with our Colombian partners.

Senator MARTINEZ. Presidential candidate Ingrid Betancourt of Colombia is one of those hostages——

Admiral STAVRIDIS. Yes, sir.

Senator MARTINEZ.—as well as over time several members of the Colombian parliament——

Admiral STAVRIDIS. Yes, sir.

Senator MARTINEZ. The current serving Foreign Minister of Colombia is a former hostage.

Admiral STAVRIDIS. He is an escaped hostage.

Senator MARTINEZ. Escaped hostage. I talked to him and——

Admiral STAVRIDIS. He's an extraordinary man.

Senator MARTINEZ. He is. It's gripping to hear his tale.

There was some report of a dirty bomb interest. What do you know about that?

Admiral STAVRIDIS. Well, again——

Senator MARTINEZ. By the FARC.

Admiral STAVRIDIS. Yes. I hasten to say this is strictly what is being reported in the open press, so I would hesitate to categorize it at all as a dirty bomb. What I have seen reported is that there were allegations of interest on the part of the FARC in obtaining uranium. There was no mention to my knowledge that I read in the press about a dirty bomb, but there was interest on the part of the FARC in obtaining uranium and that's as far as it has been reported in the press. Obviously, very worrisome and we are working hard from an intelligence perspective to learn all we can about that.

Senator MARTINEZ. Admiral, I know for some time I have suspected that the FARC were receiving aid and comfort and sanctuary by the country of Venezuela. This evidence now suggests that that may in fact be the case. Venezuela is increasing its armament purchases beyond their national defense needs in my view and they do maintain a close level of cooperation with the Cuban dictatorship.

What can you tell us about the influence that Venezuela is creating for the region in terms of the stability of the region and the military needs of Venezuela and Cuba and their cooperation?

Admiral STAVRIDIS. I would start by observing that historically the United States and Venezuela have had very close relations, and it is unfortunate that at the moment we do not enjoy that at a government-to-government level. At a military-to-military level, Senator, we have no relationship, unfortunately. We have tried to reach out to the Venezuelan military. We've invited them to conferences. We want to have some level of understanding and dialogue with them. But they have rejected that.

The Government of Venezuela has not been cooperative in the narcotics fight, and we are very concerned about transshipment of cocaine through Venezuela.

Finally, I would say from a political perspective it is clear that the current Government of Venezuela espouses positions that are very contrary to those of the United States and they seek to influence others. They have a very close relationship in particular, as you mentioned, with Cuba and that is of concern to us at SOUTHCOM.

Senator MARTINEZ. Would you speak for a minute about the U.S.S. *Comfort*? I know you spoke about what it does, but I'd love for you to tell the committee about the journey of the U.S.S. *Comfort* and the ports of call and some about the tour.

Admiral STAVRIDIS. I will, very quickly. U.S.S. *Comfort* is a large hospital ship. It's essentially a big hospital that floats. It's manned up by about 1,000 people. We put a crew on it that is both military and loaded up with nongovernmental charitable organizations, volunteers. We had some international partners who came with us, notably the Canadians.

We sent it on a 4-month voyage through 12 different ports throughout South America and Central America and the Caribbean. It was extremely well received—400,000 patient encounters, 25,000 sets of eyeglasses, thousands of surgeries. A very visible, prominent, and compassionate signal from our country to the region.

Thank you for that opportunity.

Senator MARTINEZ. My time is up, but I want to close by saying to you that I have visited Guantanamo on more than one occasion. When I have, I had the opportunity to see the care and treatment of the detainees there by our forces and, as having been a former Mayor of Orange County, FL, I assure you that their conditions are far in excess of what Orange County provides common prisoners in the Orange County jail. They're well cared for. They seem well fed, with sensitivity to their religious needs and all of that and more.

I would say that, as compared to the way that our three Americans are being kept by the FARC in the jungle or the way that many Cubans are kept in Cuban prisons by the mere expression of a political view different from that oppressive government, that we're doing pretty well by the detainees in Guantanamo.

Thank you very much.

Chairman LEVIN. Thank you, Senator Martinez.

Senator Reed.

Senator REED. Thank you very much.

Admiral Stavridis, I think when General Craddock was here in April 2006 he indicated that we would be able to draw down some of our military forces in Colombia within, at that time, 18 months. We're bumping up against that proposed deadline. What's your comment on the forces in Colombia?

Admiral STAVRIDIS. I'm optimistic, sir. Colombia has made enormous progress as a result of Plan Colombia, which came out of the Clinton administration, was followed in the Bush administration. Murders down 40 percent, kidnappings down 76 percent, terrorist incidents down 60 percent. Police presence throughout the country. It's a much safer country.

As the chairman indicated, the Colombians have just self-financed with a wealth tax $3.5 billion. I fully expect over the next 24 months we should be able to move toward a reduction in our

very small forces that are there. Senator, we have a cap of 800 U.S. military. We typically average well below that, in the 500 range. I'm very confident that Colombia can handle herself, as Secretary Gates said yesterday in reference to this Venezuela issue.

Senator REED. Thank you, Admiral.

General, Mexico is within your responsibilities.

General RENUART. Yes, sir.

Senator REED. For many times my understanding was it was outside of anyone's responsibility, that it was sui generis. But now you have essentially operational responsibility. There is a proposal to significantly increase aid to the Mexican security forces. But of more imminent concern to me is the repeated reports in the press of open gun battles along the border of the United States, as Mexican security forces try to interdict drug operations.

Can you give me a sense of how you're supporting Mexico and your outlook as to what's happening on the border? That's a startling revelation when you read about these open gun battles.

General RENUART. Senator, I'd be happy to. Thank you for the question. I would say first that the Mexican Government under President Calderon's leadership has really made a commitment to take on the mission of counternarcotics and the narcoterrorism efforts and events that occur.

In doing so, he has given a clear mandate to both of his senior military leaders that they would engage actively, and they have. We've seen, as was mentioned by the chairman, the price of narcotics in our country rise significantly, due in substantial part to the efforts of the Mexicans to interdict. As Admiral Stavridis mentioned, these boats are trying to get their products into Mexico to then move over land into the United States.

We have been involved with our partners in the Federal agencies—Drug Enforcement Agency; Alcohol, Tobacco, and Firearms; Immigration and Customs Enforcement; and others—in a support role along the border to help identify and interdict cross-border transit. We've been substantial partners to our friends in Customs and Border Protection in terms of providing them logistical support, surveillance capabilities, and the like. I think that has made good progress.

With respect to Mexico, we are strong supporters of the Merida Initiative. That will begin to provide funding for the Mexican counternarcotics missions. As you may know, in Mexico a good deal of that is done by the military. Both of the senior leaders of their military forces are working hard on eliminating corruption within their own militaries and in the local police forces.

Having said all of that, the cartels are beginning to feel that pressure and are lashing out in more violent ways, and I think that as we begin to see more pressure from the Mexican military and their counternarcotics agencies you may see some more violence, but I think they're making good progress with good training to begin to——

Senator REED. In general, how would you categorize your assistance to Mexican authorities? Is it training, logistical support, advice, or joint planning?

General RENUART. I think joint planning in a collaboration, with information-sharing, and then feeding as much as we can to our

Federal law enforcement partners who work with their components. I would also say that Admiral Stavridis and I are connected both with Joint Interagency Task Force-South and my Joint Task Force-North to have a transparent flow of information, and the Mexicans are eager participants with both of us.

Senator REED. Thank you sir.

General Renuart, shifting gears a bit, do you—the National Guard and Reserve units which you include in your plans for emergencies within the United States, they would report to you on a regular basis their readiness?

General RENUART. Senator, I would tell you 2 years ago I couldn't say this. Today I'm comfortable that, in collaboration with the National Guard Bureau, we monitor the readiness of all of those forces that we would take advantage of in a response. That information is transparent to both the Guard Bureau and to us and I'm comfortable that I have a much better picture on their readiness today.

Senator REED. I know these readiness numbers are classified, but what percent roughly are command (C–1), both in training, equipment, and personnel, of these Reserve and National Guard units?

General RENUART. Senator, I think General Blum has been out in public with some numbers. Let me get the specific numbers for the record if I might.

[The information referred to follows:]

Readiness is not reported in "C" ratings within the Defense Readiness Reporting System (DRRS). Readiness reporting is based upon the ability to accomplish assigned Joint Mission Essential Task Lists (JMETLs). In conjunction with the National Guard Bureau (National Guard Bureau), we have established JMETLs for Defense Support of Civil Authorities missions. Currently we have an ongoing effort to establish reporting in DRRS at each of the 54 Joint Force Headquarters-State. The National Guard Bureau is leading a 3–5 year implementation plan led by three DRRS Implementation in the Guard teams. These teams are incorporating State National Guard units into DRRS.

As of 31 March 08, 18 States/territories are reporting in DRRS. The breakdown is as follows:

- 18 States Total Reporting in DRRS
- 6 Reporting Green (Fully Mission Capable)
- 11 Reporting Yellow (Qualified with Concerns)
- 1 Reporting Red (Not Mission Capable)

Senator REED. All right. But just in general, because we don't want to cross the line here, but in general my impression is that the majority, the vast majority of the units that are reporting to you, are not reporting C–1 in these categories.

General RENUART. I think that's a fair approximation, yes, sir.

Senator REED. What's your estimate of how that affects your ability to carry out your plans, which is the bottom line about readiness numbers?

General RENUART. Senator, each of those units are reporting against a whole variety of plans. So from my perspective, I watch the things that are unique to the Homeland, and I think our concerns are maybe less acute than the overall warfighting. I would see our numbers for our mission being up in the 75 or so percent equipment rate and so a higher C status. But again, that's reported against that broader question.

Senator REED. Let me ask another question in this regard, final question. That is, one of the problems I think particularly with land forces is that they've been so preoccupied with missions in and out of Iraq that their whole training focus has been oriented on a very limited set of important skills, basically urban counter-guerrilla warfare. To what extent are your units because of this demand, if they're doing any training at all, it's so Iraq-specific and so Afghan-specific that your missions, your training missions, are neglected?

General RENUART. Senator, I'd actually say I do not have a problem in that regard, because each of those Guard units has a State mission and those are very compatible with the roles that I have. So they maintain a good training level for their State missions.

Senator REED. The only other question I ask, and that is to the effect that you have to call on an asset—and I'll ask this of the Admiral—regular forces as part of your contingency planning, the fact that those forces are committed almost entirely, the land forces that is, what effect does that have on your ability to carry out contingencies, Admiral?

Admiral STAVRIDIS. Very minor in the context of Latin America and the Caribbean, for the obvious reasons. It's very unlikely we'd use a large standing army down there.

Senator REED. General?

General RENUART. Sir, I'd just say that we do have the ability, if needed, to go into our home bases and get forces should we need them. So right now we're sensitive to that OPTEMPO, but it has not had a dramatic effect on our operations.

Senator REED. Thank you very much, gentlemen.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Reed.

Now I'm going to call on Senator Nelson and I'm going to ask him to turn this over to the next in line, that the staff will identify for you, and we'll be back. We are not going to finish this. There's a vote that should start any minute.

Senator Nelson.

Senator BILL NELSON [presiding]. Thank you, Mr. Chairman.

Admiral, General, thank you both for your public service. Admiral, the Chief of Naval Operations (CNO) told us the other day that he is making a recommendation to the Chairman of the Joint Chiefs, and I understand Admiral Mullen also is going to make that recommendation to the Secretary of the Navy, and then to go on up to the Secretary of Defense, about reactivating the Fourth Fleet, which would give you additional capability that you need to project your forces in the Western Hemisphere. Do you want to share with the committee your thoughts on that?

Admiral STAVRIDIS. I will, Senator. Thank you for asking that. As we just talked about, this part of the world is not a place where I could foresee using large standing land forces. On the other hand, naval and air forces are very helpful in the kinds of missions that we do, from drug interdiction to medical types of missions to disaster response to counterterrorism. So all of those kinds of mission sets require a strong naval presence.

So the CNO, Admiral Gary Roughead, a good friend, Admiral Mike Mullen, his predecessor as CNO, have both been very sup-

portive of our request to activate the Fourth Fleet. It gives us a fleet presence that is focused on this region. It gives us real command and control capability. It is the right answer to also show the region that we want to engage, we want to continue the kinds of efforts and missions that we've done successfully and can do much better if we have a Fourth Fleet in place.

Senator BILL NELSON. Tell us what you think the timing on this is going to be?

Admiral STAVRIDIS. Certainly as you said, sir, it has to go up through the Department, but I think it's going to be soon. I'm very hopeful that it will be soon. The sooner the better from where I sit, because as the combatant commander who would use the capabilities of a Fourth Fleet, that would be very helpful, to have that in place this year if at all possible.

Senator BILL NELSON. It would be a headquarters for a Fourth Fleet and then you would reach out, pick and choose the assets that you needed to tailor it to the particular threat that you see?

Admiral STAVRIDIS. Exactly, yes, sir. It would give us the ability to do that in real time in ways that would allow a much better and more concerted response to problem sets that range from hurricanes to medical diplomacy to counternarcotics moving through the region to the nascent counterterrorism kinds of operations. Speed is very important in all those scenarios.

Senator BILL NELSON. There is precedent for this kind of arrangement, both in the Persian Gulf and the Mediterranean?

Admiral STAVRIDIS. Yes, sir. In the Persian Gulf we have the Fifth Fleet. In the Mediterranean we have the Sixth Fleet. This would be the Fourth Fleet and would focus on the Caribbean and the waters of South America.

Senator BILL NELSON. General, the question at some point in the future if a European national missile defense system is set up—and that's still a question now; particularly that's a question in light of the Central Intelligence Agency report that was made public that said that Iran has stopped their weapons program as of 2001, because the initial idea for a national missile defense system in Eastern Europe was to protect U.S. assets and also European assets from the threat of a nuclear-tipped Iranian rocket.

Now, assuming that we were to proceed with such a European-based two-stage instead of national missile defense three-stage rocket which we have, the question is, is it controlled by the European Command (EUCOM) commander or the NORTHCOM commander? Do you want to weigh in on that?

General RENUART. Senator, I think we have to proceed on a couple avenues in this regard. First, the mission to protect the Homeland is clearly one that NORTHCOM has the responsibility for and should exercise that, and we do that every day.

As we see capabilities, for example with Iran, to reach out at the intercontinental range, I think we have to have some serious discussions between the two commanders and make recommendations to the Secretary on how to manage the resources for both potentially a European threat and a Homeland threat.

If the threat is limited just to Europe with a certain capability, then I think clearly the commander of EUCOM has that role and responsibility. Most importantly in all of this is that we have a

common integrated operating picture, so that any of the combatant commands can understand the threats to their area and respond if needed. I think Strategic Command (STRATCOM) is working very hard on that and we're a big supporter of their efforts.

Senator BILL NELSON. In our last National Defense Authorization Act (NDAA), we were allowing the negotiations to proceed with regard to the acquisition of real estate in Eastern Europe. But all of those seem to have come to a halt because it has neither approved—it has not approved, been approved, by the host countries: one, where there would have to be the radar; and the other, that would actually be the launch site.

Do you have any update? Of course, I can ask this when the national missile defense team comes in and I will. But do you want to share any of that timetable with us?

General RENUART. Senator, I'm really not—I don't have that information, so it would be unfair of me to comment on that. I'm sure that General Obering can be more specific.

Senator BILL NELSON. Okay.

Senator McCaskill.

Senator MCCASKILL. Thank you, Senator Nelson.

I know there has been other questioning about the Commission's report on the National Guard and Reserve, but I don't think we have touched upon one of the recommendations that talks about how we have changed basically the use of our Guard and Reserves into an Operational Reserve and Guard, as opposed to Strategic. That is, pardon the expression, a sea change as to what we have typically done in our military, and it presents many, many challenges.

We can boil it down to the pragmatic everyday challenge, and that is when I was the prosecutor in Kansas City I looked on a resume for that entry of being in the Reserve or the Guard because it said something to me about that person in terms of me wanting to hire them as an assistant prosecutor in my office. I know that now if I was looking at that I think I would still, hopefully, feel the same way, but as an employer you have to go: Wait a minute, this is really hard to put someone in a key position in your operation knowing that they're going to be called on operationally consistently and, frankly, unfortunately, constantly in this particular contingency that we're engaged in.

So I thought the recommendation that the Commission made about separating out a Strategic and an Operational Reserve certainly makes sense. I understand that it would be a big stressor right now in terms of what pressure it would put on our need for activation of those men and women with what we have committed—frankly, what we are in for the long haul whether some of us think it needs to be quite as long as it's been or not.

I would like you all to speak to that, about should we, shouldn't we, be working towards a goal to have a—and frankly, the Strategic Reserve is something we've always had in our back pocket for a national catastrophe, for the kinds of things that we traditionally always thought of particularly the Guard for, and I know that's been touched upon by other Senators in terms of drug control and all the other things that we had relied on them for.

If you would briefly—I know we're going to have to vote here and I have another quick question before we go. So if you would briefly address that, so I don't miss the vote.

General RENUART. Sure, Senator. Thanks. First I will say as just a bit of context, I spoke to a number of members of the Delaware National Guard just a few weeks ago and I asked the question, why are you here, why do you wear this uniform? A young lady stood up, a young lieutenant, and she said: Sir, my father served in the Guard and my brother is an Active-Duty person, and serving the Nation and wearing this uniform and making a difference is important to me.

I think we have to be careful not to lose that belief among our young men and women who are citizen soldiers. They are critical to our Nation. Having an Operational Reserve makes good sense in many, many ways and I think the recommendation of the Commission is sound in that regard. I think there is a need for some Strategic Reserve. How you mix that, I think, is something we have to continue to study.

Finally, I'd say there is no doubt that the effect on employers as well as on those guardsmen and their families is profound, and I think we have to look at ways to find a balance between operational and strategic, and we have to continue to thank and remind those employers of the importance of those citizen soldiers we use every day.

Senator MCCASKILL. I couldn't agree with you more. It seems to me that there would be—I know we're trying to keep people in. It seems to me that once you have been in an Operational Reserve or in the Operational Guard it would be realistic, I think, to say to those men and women: We would now like you to re-up and stay with us, but if you would like we would give you the choice of being in the Strategic Reserve, which would obviously have a different connotation in terms of how likely it is that they would be called upon to spend extended periods of time, a year or more, every 2 or 3 years or, frankly, even more frequently than that, as we have witnessed.

It seems to me that would be good for maintaining some of that experience that we have, that we may be losing.

General RENUART. Senator, I think there are both practical and potentially even legal ramifications of the differentiation. That will take some study to come up with a good recommendation. But I think Secretary Gates and the Chairman both have said that we are moving towards a more predictable OPTEMPO for our guardsmen and reservists, with 1 year sort of, if you will, active or in the hopper to be used and then 5 years, 4 or 5 years as a target, not to be, and that allows employers a more predictable timetable.

I think we have to work all of those simultaneously.

Senator MCCASKILL. I agree, but I want to make sure that we don't make the mistake of thinking that because we can be more predictable now we might not be right back in this place, because, by the way, I've heard "deja vu all over again" several times since I've been on this committee. If we don't learn from what has happened in terms of the stressors on our Active-Duty Forces and this kind of contingency, then shame on us.

Let me just ask you this question. I'm confident, based on some answers previously given, you may not have the answer, and I have to run now or I'm not going to make this vote. If you would get to me the answer: How many of the detainees at Guantanamo have been transferred to Bagram? There has been a huge increase in the number of people at Bagram and I want to make sure that we're not just rerouting folks, and if we are I would like to understand why. So the numbers at Bagram have gone from several hundred to over 600, while the numbers at Guantanamo have dropped, and I would like to know the percentage of people who have left Guantanamo and how many have gone back to their home countries, and then obviously a percentage if any of them have been transferred to Bagram.

Admiral STAVRIDIS. I think that would be mine. I'm the Guantanamo end of it. I know nothing about Bagram and neither does General Renuart. But, ma'am, I will take that question for the record and get you an answer to it from the Department.

[The information referred to follows:]

According to the Deputy Assistant Secretary of Defense for Detainee Affairs (DASD–DA), no detainees have been transferred from Joint Task Force-Guantanamo (JTF–GTMO) to the U.S. military detention facility at Bagram. In 2007, 124 detainees from JTF–GTMO were transferred or released to foreign governments. As neither U.S. Southern Command nor JTF–GTMO determine which detainees are transferred or released or to whom, I defer further questions on the matter to the Deputy Secretary of Defense and DASD–DA.

Senator MCCASKILL. Thank you so much. Thank you.

Now what should I do? We're going to recess, but they should stay. But you should stay. The voice of Carl Levin is being channeled to me, and the voice of Chairman Levin says you must stay, and I always do what Chairman Levin says.

General RENUART. Yes, ma'am.

Senator MCCASKILL. Thank you. [Recess.]

Chairman LEVIN [presiding]. General, I'd like to ask a couple questions of you about ballistic missile defense testing. You and I have spoken about this in my office.

General RENUART. Yes, sir.

Chairman LEVIN. Do you agree that we need robust and operationally realistic testing, in other words testing our missile defense system the way it was intended to be used in an operational mission, to demonstrate its operational capabilities?

General RENUART. Yes, sir, I do, absolutely.

Chairman LEVIN. Should such testing include salvo launches and multiple target tests, as well as tests with countermeasures and decoys?

General RENUART. Senator, I do, and I believe those are built into the test program.

Chairman LEVIN. The independent Director of Operational Test and Evaluation, who is the Pentagon's independent test and evaluation director, reported in December that "The Ground-Based Midcourse Defense (GMD) flight testing to date is not sufficient to provide a high level of statistical confidence in its limited capabilities." Do you agree with that?

General RENUART. Senator, I would only say that the tests that I've been a part of have been very successful within the parameters of that particular test, and that I'm comfortable that the test devel-

opment program over the coming days will expand both the types of tests and the degree of difficulty, if you will, of the test objectives.

Chairman LEVIN. Why are you not able to comment on whether you agree with the Director of Operational Test and Evaluation that overall the flight testing to date has not been sufficient to provide yet a high level of statistical confidence in its limited capabilities?

Are you not in a position to give an opinion?

General RENUART. I don't know what the previous test probabilities have been. I can tell you that the tests that I've been a part of since taking command have been absolutely successful. So I guess I would disagree to the degree of my observations. Those two tests have been very, very successful that I've observed, and so I have every reason to believe they would continue to be successful.

Chairman LEVIN. The key I think for all of this is whether or not there's sufficient, has been sufficient testing. Do you believe that we have to conduct more than one operationally realistic test per year to demonstrate consistent operational capability?

General RENUART. Sir, I think we do, yes.

Chairman LEVIN. We placed some provisions in the National Guard Empowerment Act of 2007, which was part of the NDAA for Fiscal Year 2008, which affects NORTHCOM, and I'd like to ask you whether or not the requirements which are now in law create problems for NORTHCOM. First, establishing in the functions of the National Guard Bureau the duty to assist the Secretary of Defense in coordinating with NORTHCOM on the use of National Guard personnel and resources. Does that create a problem?

General RENUART. No, Senator, it does not. In fact, we're working that daily.

Chairman LEVIN. We require a review of the civilian and military positions, job descriptions, and assignments within NORTHCOM, with the goal of determining the feasibility of significantly increasing the number of members of the Reserve components and civilians in NORTHCOM. Does that review create a problem?

General RENUART. It does not, Senator, and that's ongoing as we speak.

Chairman LEVIN. Admiral, I think that you have addressed this question. If you have, I'll read your answer for the record. I believe that Senator Reed asked you this, but let me make sure. I believe we were told originally that the military support for Colombia at the current level was going to be lasting about 18 months. This was extended after that first 18-month period elapsed. Were you asked when you believe we can start to drawdown U.S. forces?

Admiral STAVRIDIS. Sir, I was.

Chairman LEVIN. The short answer to that?

Admiral STAVRIDIS. The short answer is let's say 24 months from now I think would be a good window. I would add to what I said earlier if I could, Mr. Chairman. I think signing a free trade agreement with Colombia would be helpful in that regard, strictly speaking from a national security perspective.

Chairman LEVIN. You may have also in your answers, I believe to Senator Martinez, but perhaps others, about the Venezuela, Ecuador, and Colombia border, that border issue with Ecuador and Colombia—I understand the Colombian Government has apologized to Ecuador; is that correct, that it expressed regrets?

Admiral STAVRIDIS. Sir, I've read in the open press that they have, I believe, expressed regrets. But I would not attest to that.

Chairman LEVIN. All right. Is there a danger that Venezuela or Ecuador would take military action against Colombia, do you believe?

Admiral STAVRIDIS. Sir, I personally find that highly unlikely.

Chairman LEVIN. Senator Warner.

Senator WARNER. I'd like to follow on the chairman's very important line of questioning about missile defense. He talked about the testing features and so forth. I want to go to a broader question to you, General. What is your assessment of the current readiness as of today of the GMD system now deployed in Alaska to intercept a long-range ballistic missile fired against the United States?

General RENUART. Senator, I believe on a limited basis—and by that I mean not multiple missiles all being fired, but on a single event like the one we saw with the Taepodong in North Korea—I monitor that readiness every day and I believe it to be capable of providing us that limited defense that we seek against that threat.

I do believe that we have to continue to expand our test program. We will have a series of tests this year that will add the full suite of sensors, the sea-based X-band, for example, the forward-based X-band radar, that will give us a much more end-to-end realistic test, and we will begin to look at both decoys and multiple vehicles as we get further into the test program. So I'm comfortable that we're continuing to expand.

In terms of the readiness of the systems, I monitor them every day. Today they are in the test process. We work back and forth with the Missile Defense Agency to move missiles in and out of the test phase so that they can conduct the work they need to do and yet I have the forces available to respond should that be necessary.

Senator WARNER. That's quite reassuring then.

Now, the most recent activity where we had to as a matter of safety bring down that crippled system using naval capabilities, what interrelationship did that event in terms of the use of our existing capabilities, both sea-borne and the missile itself, what relationship does that—what lessons do we learn from that that relate to the question of our missile defense?

General RENUART. Senator, first, that was, as Secretary Gates has mentioned, a one-time event to protect human life.

Senator WARNER. Yes, but it worked.

General RENUART. It did work.

Senator WARNER. It was to the commendation of the Services that it did work.

General RENUART. The Department of the Navy and their engineers were fantastic in essentially reengineering the capability of that particular system.

Senator WARNER. I'd throw in the contractors. Everybody kicks them around like a football.

General RENUART. Yes, sir, absolutely. They really did a magnificent job.

Senator WARNER. They really did.

General RENUART. It was coordinated among all of the players: Commander of PACOM, Admiral Keating, myself, certainly General Chilton at STRATCOM. General Chilton was the supported commander for that. But we maintained full visibility on the process. Importantly, NORTHCOM was in a position to provide consequence management if that satellite had fallen into territory where we could be of assistance.

Senator WARNER. But did it add some credibility to our missile defense system?

General RENUART. Senator, I think it would be unfair to characterize that, because it really was done for a very unique set of circumstances. Missile defense has a very different set of parameters there. So while we learned a lot about the process, I would be careful not to equate that event with developments in missile defense.

Senator WARNER. Maybe to the extent that the seaborne platform concept worked.

General RENUART. Senator, every day our naval vessels carrying the SM–3 missile are used in a missile defense role, and they are exquisite in the performance of that role.

Senator WARNER. I just wanted to get a little naval plug in, Admiral.

Admiral STAVRIDIS. Sir, I want to associate myself with the word "exquisite" as it was just used there. [Laughter.]

Senator WARNER. The chairman asked questions about what Congress has done and what it hasn't done on the question of your department, General. The Commission recommended—that's the famous Punaro Commission—that Congress codify the DOD's responsibility to provide support for civil authorities.

However, it would appear that the Constitution of the United States, existing laws such as the Stafford Act and the Insurrection Act, as well as DOD policy, the reference being DOD's strategy for Homeland defense and support to civil authorities, all of this taken together would seem to us at this time—I'm not going to render judgment; maybe I should say it would seem to me; I can't speak for my colleagues—provide ample, sufficient authorities for DOD to provide support for civil authorities.

So what's your view about the need for review and a possible new Federal statute for the mission of supporting our State and civil authorities?

General RENUART. Senator, I believe that today I have the authorities I need to provide that kind of support to the American people, and they deserve it, and I think existing policies within DOD allow me to do that. We're working, by the way, closely with our Department, with DHS, to ensure that we look at the kinds of support that may be needed in the future and that we're positioned to help in that.

I include in my commander's Integrated Priority List and to my inputs to the budget development programs in the Department, those unique capabilities that are required by the Guard to help us respond. So it is an integrated effort in this regard.

So I think today the existing authorities are more than sufficient and it is really the relationships and the planning and integration and exercising that will win the day for us.

Senator WARNER. Can I get two more quick questions?

Chairman LEVIN. Senator Thune, are you happy to yield to your ranking member?

Senator WARNER. I didn't realize we had someone come.

Senator THUNE. No, please.

Chairman LEVIN. Senator Warner?

Senator WARNER. Usually we sit here together and rattle on back and forth. [Laughter.]

We'll need for this important hearing, Admiral, from you a submission for the record about the status of issues on the Panama Canal.

Admiral STAVRIDIS. Yes, sir.

Senator WARNER. I follow that very closely.

Admiral STAVRIDIS. Yes, sir, I know.

Senator WARNER. I want you to describe the current counterterrorism cooperation that we now have with Panama. I understand Panama, we have a very strong cooperative relationship.

Admiral STAVRIDIS. Sir, it is excellent.

Senator WARNER. But you do see that Panama has recognized Taiwan. How do you sort that out with some Chinese interests at both ends of the Canal which were the subject of a lot of discussion here years ago?

Admiral STAVRIDIS. Yes, sir. Yes, sir, I will.

Senator WARNER. Then of course, we have underway this referendum which authorized the Panamanian Government to go ahead and do a major upgrade of the Canal. What's your degree of confidence in their ability to achieve this?

Admiral STAVRIDIS. Yes, sir. I can address all those for the record for you, sir.

Senator WARNER. For the record.

Admiral STAVRIDIS. Yes, sir, if that's your preference.

[The information referred to follows:]

U.S. Southern Command (SOUTHCOM) is in the second consecutive year of a training program by which Special Operations Command South through Naval Special Warfare Detachment South (NSW Det South) is providing counternarcoterrorism training to the Panamanian Public Forces. NSW Det South continues to train groups comprised of personnel from the Panamanian National Police Special Forces and Frontier Forces, as well as personnel from Panamanian National Maritime Service. Panama's Minister of Government and Justice, accompanied by the Commander of the Frontier Force, visited SOUTHCOM headquarters in Miami in January, to forge an even closer relationship with the United States on counternarcoterrorism and other issues.

For the diplomatic relationships between Panama and Taiwan and Panama and China, I defer such matters to the Department of State.

Concerning the expansion of the Panama Canal, I have a high degree of confidence that the Panamanian Government can achieve their goal to upgrade the Canal. I think the Panama Canal Authority has a well thought out plan and they have the support of the Government and people of Panama to make this a very successful project.

Senator WARNER. Then I think you should address the alleged quantities of narcotics or other illicit materials that are transitting the Canal.

Admiral STAVRIDIS. Aye-aye, sir.

[The information referred to follows:]

In 2007, the interagency Consolidated Counterdrug Database (CCDB) estimated that approximately 1,400 metric tons (MTs) of cocaine flowed from South America. Of those 1,400 MTs, the CCDB estimates that approximately 3.3 MTs flowed through the Panama Canal. This represents less than a quarter of 1 percent of the total cocaine flowing out of South America. However, enforcement agencies admit they have little to no solid statistics on quantities or percentage of flow that actually transits the Canal since containerized cargo is not routinely inspected.

Although illicit trafficking through the Canal does occur, the consensus amongst enforcement and intelligence officials is that utilizing the Canal is not the preferred route for most maritime smugglers and drug traffic organizations. Statistics and intelligence support that drug trafficking organizations still prefer smaller non-commercial maritime conveyance and tactics such as go-fasts and semi-submersibles that utilize more littoral and coastal routes reducing the risk of detection and interdiction.

Senator WARNER. Lastly, the ship over here. I was greatly impressed with that. Through the years, somehow I've had something to do with that ship. I can't remember exactly when she was made and launched. But I guess somebody ought to run an analysis of—you recited all the wonderful things that it's done.

Admiral STAVRIDIS. Right.

Senator WARNER. 25,000 pairs of eyeglasses?

Admiral STAVRIDIS. Yes, sir.

Senator WARNER. Has anybody done a cost analysis of how that goodwill by the United States and medical help to these people translates into lessening the burdens that you have on your military for performing the needed military missions? If so, should we think about urging the Department to commission another one of these ships?

In other words, is it a cost effective way to achieve our goals in that region, and should we begin to step up this?

Admiral STAVRIDIS. Yes, sir, I would welcome the chance to provide some of that analysis——

Senator WARNER. Would you?

Admiral STAVRIDIS.—which has been—excuse me. Which has been done.

I think the short answer to the question is that we can demonstrate effectiveness in attitudes toward the United States, which then turns toward helping solve other problems. I will put the answer in the record.

Senator WARNER. Because the region is just frightfully turbulent.

Admiral STAVRIDIS. Yes, sir.

Senator WARNER. The more that we can convince them that our mission there is simply to provide for their own, protect their own individual sovereignty and achieve some democratic form of government for their people, this can do it.

So if you want to get behind it, slip me a little piece of paper and I'll see if I can talk to my chairman and maybe get some long-range planning for a new ship or something.

Admiral STAVRIDIS. Sir, I'll be glad to submit that for the record.

[The information referred to follows:]

Soon after the completion of the deployment of the hospital ship U.S.N.S. *Comfort* to the U.S. Southern Command (SOUTHCOM) area of focus, SOUTHCOM conducted a *Comfort* Deployment Initial Impact Assessment. The *Comfort* was one of many humanitarian and engagement activities in the SOUTHCOM theater in 2007 that were aimed at achieving the strategic objectives of ensuring security, enhancing stability, and enabling prosperity in Central and South America and the Caribbean. The Initial Impact Assessment sought to isolate the impact of *Comfort*'s 4-month deployment.

The *Comfort*'s mission in Latin America and the Caribbean was primarily a training and forward presence deployment in support of SOUTHCOM's theater security cooperation mission. The *Comfort* also performed humanitarian and civic assistance activities in conjunction with the training and forward presence deployment (both onboard the *Comfort* and ashore in various partner nations). These activities were conducted principally under the authority of Title 10, U.S.C., section 401, humanitarian and civic assistance provided in conjunction with military operations.

During their 4-month deployment, the medical professionals of the *Comfort* completed over 380,000 medical encounters with over 98,000 patients. All levels of care were provided, from general medicine to over 1,100 surgeries. The *Comfort*'s veterinarian staff completed over 17,000 veterinary encounters. Over 24,000 eyeglasses were distributed, as well as 132,000 pharmaceuticals dispensed. *Comfort* technicians affected 438 biomedical equipment repairs for partner nation medical providers. Additionally, a small contingent of naval engineers (SEABEEs) completed over $398,000 worth of infrastructure construction and repairs.

In addition to the services provided, the deployment also highlighted exceptional cooperation with interagency partners and Nongovernmental Organizations (NGOs). The U.S. Public Health Service and U.S. Coast Guard provided critical medical personnel. Project Hope medical providers were onboard throughout the deployment and greatly enhanced the capabilities of the medical team. Project Hope also provided over $3.4 million worth of medical supplies and vaccines for the mission. Operation Smile participated in two of the port visits, providing life-changing cleft palate and cleft lip surgeries. The participation of the NGOs demonstrated how a coordinated effort can enhance Department of Defense missions and provide greater benefit to partner nations.

The medical services provided were not the only benefits to host nations and their citizens. The deployment of the *Comfort* also had a significant economic impact in the region. The assessment captured a variety of economic injections including the value of medical services, training, infrastructure projects, port visits and Panama Canal transit costs, and NGO donations. It is estimated that the deployment had an economic impact of over $45 million dollars in the region.

The *Comfort* deployment received significant media coverage from international, U.S., and regional media outlets. Over 88 percent of print media analyzed was of a positive or factual nature. When monitored, television coverage was informational and very positive, focusing largely on human interest stories. The level of media coverage of *Comfort* far exceeded any other activities of any kind in the SOUTHCOM theater. Additionally, the level of interest from and participation by high-level host nation officials was unprecedented. During the deployment, 105 foreign distinguished visitors toured the *Comfort*, including seven at the President/Vice President/Prime Minister level.

There was also evidence suggesting the *Comfort* visit had an effect on the behavior of host nation populations. The most compelling example occurred following the visit of the *Comfort* to Buenaventura, Colombia. The Colombian military reported that in the weeks following the visit, reports from the local population regarding illegal trafficking activities in a FARC stronghold more than doubled.

The assessment showed convincingly that hospital ship deployments are not only excellent training platforms for U.S. military medical professionals, but are also effective and highly visible means of demonstrating the commitment and goodwill of the United States. In addition, they serve to enhance existing and develop new regional partnerships, build partner nation capacity and capabilities and provide much needed medical care to people in need. All of these attributes of the missions help to address the underlying conditions of poverty, inequality and corruption that facilitate many of the regional security challenges, including gangs and illicit trafficking. SOUTHCOM intends to continue maritime medical missions, based on the strong belief that persistent engagement is the key to achieving theater objectives.

Senator WARNER. All right. Thank you very much.

I thank the chair and I thank my colleague.

Chairman LEVIN. Thank you, Senator Warner.

Just adding one request in support of that, if you'd like, you could give us for the record some examples of clippings from newspapers in ports too.

Admiral STAVRIDIS. Yes, sir.

Chairman LEVIN. If you could translate them for us, too, if you would.

Admiral STAVRIDIS. Yes, sir.

Chairman LEVIN. What the public reads about and knows about in these countries.

Senator Thune.

Senator THUNE. Thank you, Mr. Chairman.

General, Admiral, thank you for your service. Be sure to express our appreciation to those who serve under your command for the great work that they do in protecting freedom, protecting our country.

General, this is probably somewhat of a theoretical question, but I'd like to get your thoughts on the intersection, on the role of law enforcement in the military. On both ends of the spectrum I think it's clear what those roles are; they're fairly well-defined. But it seems like the middle is becoming increasingly grey.

Do you see a change from using law enforcement resources to military resources for threats against the Homeland?

General RENUART. Senator, I think, as you say, the bounds are very clear. I think we have approached the law enforcement aspect of our role in the Homeland as a supporting agency, and I think that's the prudent way to do that. In other words, we have great capabilities within our law enforcement agencies to respond both locally and nationally to threats, whether they be threats to the border or natural threats that just require, if you will, the law of order in a particular county or city, et cetera.

I'm comfortable that the provisions that we have in the Constitution provide the appropriate bounds for Active-Duty military in their use to respond in a role that is more active in law enforcement, and I don't think that's something that we need to change at this point. I'm comfortable that the National Guard, who has more of those authorities, is available and trained to support the Governors in that respect.

I think our key enabler, if you will, is to find more ways that we can assist our law enforcement agencies with information-sharing and with logistical support to enable them to do their role, and the Secretary has asked us to continue things like our work along the southern border with the El Paso Intelligence Center, and their support to law enforcement agencies. So I think that's the appropriate level for us.

Senator THUNE. General, our military forces started flying Operation Noble Eagle right after September 11. Do you still see that operation as vital to national security?

General RENUART. Senator, I do. To date we've flown about 48,000 missions or sorties, predominantly by the National Guard, but not exclusively. We've flown those in a variety of missions to support security of our national air space system. I think there was some press even yesterday of an aircraft who entered the restricted area around the National Capital Region and was intercepted by our fighters and diverted to an air base where they could question the pilot on the reasons for that. Fortunately, it was a benign event.

But I think we do need to have a capability to respond in that regard. The systems that we use to identify traffic in our national air space system are aging. We are working on some advanced technologies to allow us to perform that via a broader means. In fact, that's my number one unfunded requirement today.

So in the meantime, the ability to put eyes and, if you will, radars on an air threat is critical to us. I think also we have to be cognizant of low observable and cruise missiles and again the air defense mission, the Noble Eagle Mission, has a key role to play in that.

So for the future I see that role continuing. I see it to be vital to our national defense and I would continue to recommend to the Secretary that we keep that force available to us.

Senator THUNE. Your testimony details how important it is to anticipate threats against the Homeland, and I guess I'm wondering maybe what you think is the most lethal threat and maybe what is the most probable threat that we might come up against.

General RENUART. Senator, I think this anticipation, this concept of integrating our intelligence resources with the NCTC and others, is a great way to go in that regard. Clearly, the most lethal threat that we might see would be the acquisition of a WMD, primarily a nuclear weapon—and having that detonated somewhere in our country. The impact of that would be substantial, obviously. The loss of life would be huge, as well as the injury and the long-term effect. So that is what I would say is the most lethal threat that we face out there.

I don't believe that is the most likely, because I believe the integrated effort of all of our agencies of government is focused on those and we are being successful at reaching out and deterring or defeating some of those threats as they try to develop.

I think the most likely threat that we have frankly comes from Mother Nature, because she does not work on our time schedule. So a Hurricane Katrina-like event or a large-scale earthquake, something like the historic New Madrid Fault Line earthquakes that occurred back in the 1800s. Those things will have a broad effect on the civilians across the country, and we need to be prepared for that. I call it a threat because, if you will, that is another enemy force out there that we have to deal with.

Senator THUNE. Admiral, in your prepared statement you said you believe "Members, facilitators, and sympathizers of Islamic terrorist organizations are indeed present in our hemisphere." I think most Americans are probably unaware of the increasing activities undertaken by Hezbollah and Hamas in the tri-border area of Argentina, Paraguay, and Brazil. To the extent that you can talk about that in open forum, could you describe what you're observing in the tri-border area, as well as commenting on what efforts you're making to counter this threat to our national security?

Admiral STAVRIDIS. Yes, sir. Within the constraints of classification, I will say that I continue to be concerned about the tri-border area. It is in my view, principally Hezbollah activity. There is clearly fundraising, money laundering, drug trafficking, and certainly a portion of the funds that are raised in that are making their way back to the Middle East.

We are receiving good cooperation from the nations in that region. We are actively pursuing both military-to-military conversations, but principally this is a law enforcement effort, and our law enforcement branches here in the United States are talking to their counterparts in the entire range of instruments that one would take against those kinds of things, both drug enforcement activi-

ties, following the money, and a variety of other things that I can report appropriately to the committee in writing.

Senator THUNE. Thank you both very much for your service.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Thune.

Any additional questions? [No response.]

In that case, our thanks again to you, your people who work with you, your families, for the great job you all do. We stand adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

RESPONSIBILITY FOR DOMESTIC CONSEQUENCE MANAGEMENT

1. Senator LEVIN. General Renuart, Northern Command (NORTHCOM) has a mission to provide military support to other Federal agencies for domestic consequence management, primarily the Department of Homeland Security (DHS). Can you describe the relationship between NORTHCOM and DHS, and what your support to DHS entails? Please provide specific examples of cooperation and coordination.

General RENUART. NORTHCOM has always enjoyed a cooperative relationship with DHS and takes operationally prudent, collaborative steps necessary to both better protect our country and, in the event of an incident, ensure a prompt, competent, unified response.

In the planning arena, we have provided direct support to the DHS Incident Management Planning Team's work on strategic plans for the 15 National Planning Scenarios and the development of an Integrated Planning System. We enjoy continuous collaboration with all Federal Emergency Management Agency (FEMA) planning efforts, from hurricanes to recent preparations for the possibility of a dangerous satellite impact. In coordination with FEMA, NORTHCOM developed more than two dozen all-hazard Pre-Scripted Mission Assignments. We are working now to provide special emphasis on assisting FEMA with logistics planning. At the regional and State level, our Defense Coordinating Officers and their staffs work daily with FEMA regional planners.

Our North American Aerospace Defense Command (NORAD) and NORTHCOM Command Center partners closely with the DHS National Operations Center 24x7x365 to monitor nation-wide events that might require unified Department of Defense (DOD) and DHS action. For contingencies and major training events, NORTHCOM provides a liaison to the DHS National Infrastructure Coordinating Center to share information and ensure unified operations regarding the Nation's 17 Critical Infrastructure/Key Resource and Private Sectors. NORTHCOM is a standing member of the DHS Operations Coordination Group and participates in all DHS contingency conferences led by both the DHS Operations Coordination Directorate and FEMA. NORTHCOM and DHS also co-led the development of an Information Sharing Plan that codifies procedures for the exchange of operational information between DOD, DHS, and the National Guard Bureau (National Guard Bureau).

We have focused NORTHCOM and DHS teamwork on scenario-specific exercises involving international, national, regional, State, and local partners. Senior DHS representatives recently made invaluable contributions during a NORTHCOM-hosted Senior Leader Seminar designed to refine the objectives, scenario, and issues for Exercise Vigilant Shield 09. NORTHCOM is responsible for DOD's Defense Support of Civil Authorities course, and collaborates with DHS on curriculum development, regularly providing senior leaders to one another's training courses to ensure effective integration of messages and procedures. We also work closely with DHS to support efforts to integrate the private sector in all appropriate training events.

Full-time liaisons complement well-established NORTHCOM and DHS operational and planning procedures, facilitate synchronization, and quickly highlight any emerging threats. We include Senior Advisors in one another's headquarters; have NORTHCOM representation in FEMA's National Response Coordination Center and FEMA, Customs and Border Protection, Transportation Security Administration, and United States Coast Guard have representatives at NORTHCOM who are fully integrated into the Command's operations. NORTHCOM has also provided advice and best practices as the DHS Operations Coordination Directorate develops its own "Battle Command" and Operations and Planning organizations and procedures.

Senior NORTHCOM and DHS leaders actively monitor collaboration, identify potential issues, and empower staffs to work areas of mutual benefit. For example, DHS is a full partner in the NORTHCOM-led Capabilities Based Assessment (CBA), a 16-month effort to identify DOD's capabilities and shortfalls that will inform DOD's homeland defense and civil support missions and resourcing priorities. We partner closely in innovation, experimentation, and science and technology.

NORAD and NORTHCOM have also worked closely with DHS, particularly FEMA, in implementing DOD's Building Partner Capacity Program in the NORTHCOM area of responsibility (AOR). This has resulted in important progress in international collaboration with Canada and, significantly, Mexico. NORAD and NORTHCOM collaboration with DHS in the international arena is active and growing. NORTHCOM and DHS are key partners in several international forums, including the U.S.-Canada Permanent Joint Board on Defense and the North American Security and Prosperity Partnership.

COORDINATION WITH GOVERNORS AND ADJUTANTS GENERAL

2. Senator LEVIN. General Renuart, one of the key objectives for Federal consequence management is to ensure coordination and cooperation of various Federal, State, and local response forces and plans. Please describe the role of NORTHCOM in working with the Governors and their Adjutants General to coordinate these various levels of disaster response forces and planning with Federal capabilities.

General RENUART. I recognize the need to coordinate directly with States and State leadership to accomplish our mutual missions. We have the imperative to anticipate, plan, and respond collaboratively with the States and tribal nations within the NORTHCOM AOR. Developing understanding, trust, and mutual respect between NORTHCOM and the National Guard is of particular importance as we plan and execute our mutual State and Federal missions. We are developing strong relationships with Governors, Emergency Managers (in collaboration with DHS and FEMA), and Adjutants General (in collaboration with National Guard Bureau). Each time I visit a State, I try to meet with the Governor, the Adjutant General (TAG), Homeland Security Advisor, and Emergency Manager. I've met with 19 Governors, all of the TAGs, and every State director of emergency services. I recently had the honor of being the keynote speaker at both the National Guard Association of the United States Annual Meeting in Puerto Rico and the recent National Emergency Management Association Conference.

Direct State engagement is not a specified task for DOD or for NORTHCOM. However, it's imperative that we develop relationships with our State mission partners that will contribute to success in saving lives, protecting infrastructure, and promoting a resilient society. I'm working to ensure my staff understands Governors' concerns and that senior State staff have an appreciation for NORTHCOM's role in security and defense. This understanding will promote the unity of effort our citizens deserve.

We maintain relationships with States in concert with National Guard Bureau and DHS. Planning partnerships ensure we have unity of effort with the States for the 15 National Planning Scenarios directed by the Homeland Security Council. In day-to-day operations, we connect to the States through the National Guard Bureau Joint Operations Center by maintaining situational awareness 24/7 through a dedicated National Guard desk in my Command Center. In the training and exercise arena, we work with National Guard Bureau and DHS to develop and execute a comprehensive knowledge exchange and exercise program that facilitates State and regional exercises and develops the military skills of both my staff and Joint Force Headquarters-State staffs. NORTHCOM partnerships with National Guard Bureau and DHS result in direct benefit to Governors, State emergency managers, and Adjutants General.

MARITIME DOMAIN AWARENESS

3. Senator LEVIN. General Renuart, one of the initiatives being pursued by NORTHCOM and other Federal organizations and agencies is Maritime Domain Awareness, an effort to have a much better understanding of the location and status of potential threats at sea. What is NORTHCOM's role in Maritime Domain Awareness, and how is it being coordinated among various government organizations and agencies, including the Navy, the Coast Guard, and the Intelligence Community?

General RENUART. NORTHCOM is a key leader in advocating for Maritime Domain Awareness to provide timely, accurate, and actionable information that aids

our ability to detect threats to the Homeland and our neighboring allies. Below are two of the initiatives the Command has undertaken:

- Developed, jointly with U.S. Coast Guard, the National Concept of Operations for Maritime Domain Awareness. In August 2007, the National Security Council and Homeland Security Council approved the Maritime Domain Awareness Concept of Operations, which executes the National Plan to Achieve Maritime Domain Awareness in support of the National Strategy for Maritime Security.
- Partnered with U.S. Joint Forces Command to design and execute the maritime portions of Noble Resolve 08. This experiment will involve numerous organizations to include the Office of Global Maritime Situational Awareness, Customs and Border Protection, and the Office of Naval Intelligence.

In addition, NORTHCOM serves as the Operational Manager for two Joint Capability Technology Demonstrations: Comprehensive Maritime Awareness and Maritime Automated Super Track Enhanced Reporting, which correlates and automates over 300 information sources into a maritime common operating picture.

In May 2007, the Deputy Secretary of Defense appointed the Navy as the Executive Agent for Maritime Domain Awareness. The lead for this effort is the Deputy Under Secretary of the Navy. As the Executive Agent, the Deputy Under Secretary of the Navy is responsible for implementing Maritime Domain Awareness for the DOD. NORTHCOM continues to engage with the Navy to ensure command requirements are met within the Maritime Domain Awareness technology development process.

At NORTHCOM, we understand that global Maritime Domain Awareness will only be achieved through continued interagency and international outreach. National Security Presidential Directive-41 and Homeland Security Presidential Directive-13 set U.S. Policy for Maritime Security and direct the development of a National Strategy for Maritime Security along with eight supporting policy action plans. The National Plan to Achieve Maritime Domain Awareness is one of the eight plans and was approved by the President in October 2005. The Maritime Domain Awareness Plan lays out the strategy, goals, and priorities for enhanced information sharing within the maritime domain. The Office of Global Maritime Situational Awareness was established by the Maritime Domain Awareness Concept of Operations as one of two interagency offices, along with the Office of Global Maritime Intelligence Integration, dedicated to removing barriers to maritime information collection, fusion, analysis, and dissemination.

NORTHCOM will remain fully engaged in future development of Maritime Domain Awareness through continued support for the Office of Global Maritime Situational Awareness, strengthened ties with U.S. Fleet Forces Command, and advocacy for U.S. Joint Forces Command experimentation.

MAJOR EXERCISE PROGRAM RESULTS

4. Senator LEVIN. General Renuart, you have two major annual exercises. Can you describe their objectives and what we learn from them? For example, how large are they, and do they involve Federal, State, and local personnel?

General RENUART. Our two major exercises are Ardent Sentry and Vigilant Shield.

Ardent Sentry is primarily focused on Defense Support of Civil Authorities training for NORTHCOM, and asymmetric threat missions for NORAD; it is a Field Training Exercise typically involving 10,000 to 20,000 personnel, including full interagency participation. Vigilant Shield is primarily focused on homeland defense training for NORTHCOM, and strategic war scenarios for NORAD; it is a Command Post Exercise normally involving approximately 5,000 personnel.

Both exercises are designed to train NORAD and NORTHCOM Headquarters, Components, Regions, Sectors, and Subordinate Commands to practice, in a 7- to 10-day execution window, one or more of our mission-specific Concept Plans and Functional Plans. Each exercise routinely includes participants from several Federal departments and agencies (e.g., FEMA, United States Coast Guard, Department of Justice, Federal Bureau of Investigation, Department of Transportation, Federal Aviation Administration, Department of Heath and Human Services, Center for Disease Control, Department of Energy); State organizations (e.g., State-level Department of Emergency Management/Emergency Operations Center, State National Guard units); and local responders (county and city). We also frequently exercise with nongovernmental organizations such as the American Red Cross; private industry organizations, such as the Association of American Railroads; tribal govern-

ments; and international organizations (e.g., Royal Canadian Mounted Police, Public Safety Canada, and Canada Command).

Each of our exercises (and real-world contingency operations) includes a comprehensive data collection and management effort to capture and record pertinent observations for each mission area performed. Analysis of that information leads to recommendations for sustainment of best practices or changes to plans and procedures. The revised plans and procedures are then verified in follow-on exercises and operations. When appropriate, such as for recommended changes in policy, we forward relevant observations to the Joint Staff for DOD-wide consideration, or to make them available to our interagency partners.

5. Senator LEVIN. General Renuart, do any of these exercises involve any of our specialized weapons of mass destruction (WMD) response units? If so, please describe how they are used and how the exercises improve their capabilities.

General RENUART. Yes; depending on the number, size, and location of simulated incidents (e.g., hazardous chemical spill, biological attack, radiological dispersal device, improvised nuclear device, hijacked aircraft "missile"), we exercise deployment and employment of the full range of response capabilities. The capabilities range from a State Weapons of Mass Destruction-Civil Support Team (WMD-CST) to a Chemical, Biological, Radiological, Nuclear, or High-Yield Explosive (CBRNE) Enhanced Response Force Package (CERFP) to one or more CBRNE Consequence Management Response Forces (CCMRFs). A relatively limited response may be coordinated with a Defense Coordinating Officer and Element. Larger responses may call for a Joint Task Force, and a Joint Force Command may be appropriate for a wide-area, massive response.

It is important to note that we often exercise alongside non-DOD organizations with specialized response capabilities, such as the National Disaster Medical System, Disaster Medical Assistance Team, Disaster Mortuary Operational Response Team, and local Hazardous Material Teams. The opportunity for these units to train and respond to WMD scenarios in the Homeland is valuable at all levels of government, as the large, complex exercises bring most, if not all of the key responders and decision makers together in a dynamic operating environment that is as realistic as training resources will allow.

CAPABILITIES-BASED ANALYSIS

6. Senator LEVIN. General Renuart, your prepared statement mentions that you have started a capabilities-based analysis of NORTHCOM's needs for homeland defense and civil support, and that the DHS is also assisting in this effort. What do you expect this analysis to produce in terms of concrete results, and when will it be completed?

General RENUART. NORTHCOM is leading a comprehensive Homeland Defense and Civil Support (HD/CS) CBA in accordance with the Joint Capabilities Integration and Development System. The CBA will define DOD's HD/CS core capabilities, help define capability interdependencies, and identify capability gaps and excesses to influence and inform decisions on risk management and resourcing, to include National Guard and Reserve Forces. This effort is one of DOD's Top 25 Transformational Priorities.

The end result of this study will be a document that prioritizes the Department's capability gaps and excesses and provides recommendations to the Joint Requirements Oversight Council (JROC) on which areas should undergo further analysis to identify programmatic and system materiel solutions or non-materiel solutions. We expect to provide a CBA approval brief to the JROC, the accepting authority, in December 2008.

DHS is fully supporting the CBA and actively collaborating with the CBA team. They believe this CBA will facilitate their actions under Homeland Security Presidential Directive-8 (National Preparedness System and Target Capabilities List) and set a foundation for their Quadrennial Homeland Security Review.

JOINT TACTICAL RADIO SYSTEM

7. Senator LEVIN. General Renuart, the DOD is developing a Joint Tactical Radio System (JTRS) that will be able to accept software to utilize multiple types of waveforms to allow all DOD users, including the National Guard, to be able to talk to each other. The waveforms are owned by the DOD and licensed to various manufacturers of the radios. One of NORTHCOM's missions is to provide support to civil authorities. A key element of this capability must be the ability to communicate

with State and local responders. Will State and local authorities be able to purchase the JTRS radios, or will the JTRS radios be programmed so that they can communicate with all State and local authorities?

General RENUART. The latest information we have from the Program Manager for JTRS indicates that JTRS radios will be available to the National Guard in all States and that the radios will also be available to all U.S. Government activities, including State and local authorities. This means that those organizations with JTRS will be able to interoperate with DOD forces on approved DOD portions of the spectrum.

JTRS radios are capable of tuning throughout the available spectrum, including frequencies assigned to public safety Land Mobile Radios (LMRs). However, the Project 25 (P25) waveform, which is required to be interoperable with public safety LMRs, is not included in the JTRS waveform Increment 1, which is currently under development. The P25 waveform is included in the requirements for JTRS Increment 2 development, but the Increment 2 schedule is not approved at this time. NORTHCOM is advocating with the Joint Chiefs of Staff Command, Control Communications and Computers System Directorate for P25 development to be accelerated within Increment 2.

In the meantime, radio bridges (such as the ACU–1000 currently used by NORTHCOM and the National Guard) enable interoperability between different radio systems. Radio bridges allow the users to maintain their different radio network configurations and still communicate across disparate radios. By physically connecting radios into the radio bridge equipment, voice communications can be passed between the different radio networks. With the multitude of radio configurations for LMR, radio bridges are a common technology found across local, State, and Federal agencies. In short, radio-bridging is the simplest and most efficient means for connecting different radio systems while we continue to work on fielding a common radio and interoperability standard.

8. Senator LEVIN. General Renuart, how will NORTHCOM ensure compatibility and interoperability among Federal, State, and local radio users in domestic incident responses where NORTHCOM is providing civil support?

General RENUART. We have taken a number of steps here at NORTHCOM to ensure compatibility and interoperability when our forces provide civil support. Our command has a standards document that publishes the interoperability standards for DOD forces operating in the AOR. One of the items identified in that document is the Audio Controller Unit-1000 (ACU–1000), which was used effectively during Hurricane Katrina relief to bridge the radio interoperability gap between DOD forces and State and local organizations. NORTHCOM command and control elements have ACU-1000s as part of their deployable equipment.

Deployable cellular systems, known as the Interoperable Communications Extension System, were fielded during Hurricane Katrina relief operations in 2005, and have since increased in density and capabilities. These systems are now in use by NORTHCOM, FEMA, and the Air National Guard. In addition to cellular telephones and data links that reach back to DOD teleports for out of area communications, these systems also have ACU–1000s in order to interconnect Land Mobile Radio and DOD radio systems or make telephone calls. The National Guard also uses the ACU–1000 as a component of their Joint Incident Scene Communications Capability.

NORTHCOM also participates in the DOD Interoperability Communications Exercise (DICE); a Joint Interoperability Test Command-sponsored exercise designed to test and certify communications equipment. As part of DICE, NORTHCOM organized a Homeland Security, Homeland Defense and Defense Support of Civil Authorities interoperability communications exercise, 24–28 Mar 08. For 2008, NORTHCOM used two separate venues for the exercise: one at Fort Sam Houston, TX, hosted by U.S. Army North, and one at Fort Monroe, VA, hosted by Joint Task Force Civil Support. Participants for DICE 2008 included communications assets from NORAD and NORTHCOM, the DHS, U.S. Coast Guard, Texas (State and local), Virginia (State and local), Texas National Guard, Virginia National Guard, American Red Cross, Army Signal Company, Air Force Communications Squadrons, and other first responders. DHS assets participating in the DICE 2008 exercise included the Fredrick, MD, FEMA Mobile Response Vehicle (MRV), the Denton, TX, FEMA MRV, and various regional FEMA assets participating from their home stations.

NORTHCOM is also working on information sharing between operating centers: the NORAD and NORTHCOM Command Center; the National Military Command Center, DHS National Operations Center, and the National Guard's Joint Operations Center. The goal of this Strategic Operations Information Sharing Plan of Ac-

tion is to capture and codify the common information sharing processes between operations centers and missions. This effort supports the National Command Capability Information Sharing Environment vision and sets the stage for an evolution to a broader implementation. The new vision includes the use of net-centric capabilities and shared standards among mission partners across the Homeland Security and Homeland Defense mission environment.

COUNTERDRUG ERADICATION VERSUS INTERDICTION

9. Senator LEVIN. Admiral Stavridis, Colombia has made great strides in taking control of territory and expanding the influence of the State. However, it is not clear whether all the resources we have put into counternarcotics in Colombia have yielded much progress. Coca cultivation has increased and kept up with eradication.

Moreover, my understanding is that interdiction efforts are under-resourced and in recognition of this the Director of the Office of National Drug Control Policy (ONDCP) has requested that DOD increase support to interdiction in the transit zone to help law enforcement agencies achieve interdiction of 40 percent of the cocaine headed to the United States. Do you believe that eradication efforts are the most efficient use of U.S. counterdrug funds?

Admiral STAVRIDIS. I firmly believe that no single action will stem the flow of drugs into our cities or drug use in our Nation. Countering the drug threat requires coordinated effort against all aspects of the illicit narcotics industry—education, treatment, cultivation, production, transportation, and consumption—to fully attack this complex problem. Eradication is an integral part of the attack on drug production operations. However, U.S. Southern Command's (SOUTHCOM) focus is on detection and monitoring operations. We normally receive approximately 35–45 percent of the stated detection and monitoring requirements to meet ONDCP's interdiction goal. This percentage represents the total requirement against all allocated air and surface assets from the DOD, the DHS, and our international partners. I defer to our Department of State colleagues on the efficacy of eradication as they are the lead agency for eradication in Colombia.

10. Senator LEVIN. Admiral Stavridis, would you support shifting some of the resources used for eradication to focus on interdiction throughout the transit zone from Colombia to the United States?

Admiral STAVRIDIS. Most, if not all, of the assets used to execute the eradication mission are not capable of performing an interdiction role. For example, spray aircraft and helicopters used for security in Colombia would be of little use as detection and monitoring assets in the transit zone. While I cannot speak to the availability of eradication resources since that is the purview of the Department of State, I could certainly use more detection and monitoring assets, which constitute the DOD's contribution to law enforcement agencies.

11. Senator LEVIN. Admiral Stavridis, do you have sufficient resources to track and interdict drugs in the transit zone? Specifically, do you have sufficient reconnaissance assets? If not, what would you need to reach the ONDCP goal?

Admiral STAVRIDIS. [Deleted.]

INTERDICTION-INTELLIGENCE

12. Senator LEVIN. Admiral Stavridis, your opening statement last year before this committee mentioned that it appears that some cocaine movements go undetected each year because of a lack of an appropriate detection resource to respond to intelligence queuing, a real missed opportunity because nearly 90 percent of illicit drug movements that are successfully detected by Joint Interagency Task Force-South (JIATF-South) are eventually interdicted. Is this still a problem? If so, can you elaborate on what the problem is?

Admiral STAVRIDIS. Yes, this is still a problem. During calendar year 2007, JIATF-South had intelligence knowledge of 683 non-commercial maritime events of which only 150 were physically detected (22 percent detection rate). Of those 150 detected events, 132 were interdicted (88 percent interdiction rate). The problem lies in the fact that over the past several years we have seen an increase in awareness of the number of cases as a result of more robust intelligence, but we have not had a corresponding increase in the number of detection and monitoring resources, assets, or capabilities. In fact, we have observed an overall decrease in air support over the past 3 years, while maintaining a steady maritime presence. Recent trends indicate that traffickers are distributing cocaine loads via greater numbers of small-

er, faster, and stealthier methods of conveyance (go-fast boats, self-propelled semi-submersibles, single engine Pangas). The net result is that there are more targets on the water, but we have fewer interdiction resources to bring to bear.

13. Senator LEVIN. Admiral Stavridis, what detection resources are we missing, and how can we take steps to ensure that you have such resources?
Admiral STAVRIDIS. [Deleted.]

14. Senator LEVIN. Admiral Stavridis, what would it take to detect the new threats you mentioned in your testimony, like the semi-submersible submarines being used to transport cocaine?
Admiral STAVRIDIS. Drug trafficking organizations are adaptable and continue to evolve as we become more proficient against their methods. Self-propelled semi-submersible are the newest and most challenging conveyance being employed. I have recently asked the Naval Warfare Development Center to assist ongoing Joint Interagency Task Force-South (JIATF–S), SOUTHCOM, and U.S. Naval Forces Southern Command efforts to develop new tactical procedures for maritime detection and monitoring. An initial assessment of available self-propelled semi-submersible intelligence, gathered primarily by JIATF–S, has produced preliminary requirements that include expanded radar, acoustic detection, and intelligence capabilities.

MEXICO-COUNTERDRUG

15. Senator LEVIN. General Renuart and Admiral Stavridis, what are the greatest weaknesses in Mexico's counterdrug abilities?
General RENUART and Admiral STAVRIDIS. [Deleted.]

16. Senator LEVIN. General Renuart and Admiral Stavridis, do they need help with respect to their intelligence and operations?
General RENUART and Admiral STAVRIDIS. [Deleted.]

UNIFIED COMMAND PLAN

17. Senator LEVIN. General Renuart and Admiral Stavridis, are you comfortable with the delineation of your geographic commands? Is there anything that you would like to change?
General RENUART. We both agree that the NORTHCOM/SOUTHCOM boundary should be adjusted in the Caribbean to place the U.S. Virgin Islands, Puerto Rico, the Bahamas, Turks and Caicos inside the NORTHCOM AOR. NORTHCOM missions of Homeland Defense (HD) and Civil Support (CS) make it best postured to support the requirements in the U.S. Virgin Islands and Puerto Rico. This AOR adjustment will enhance the overall HD and CS mission unity of effort and unity of command for these U.S. territories in the Caribbean. NORTHCOM has already established deliberate and contingency plans, as well as trained personnel for all-hazard disaster response in the U.S. Virgin Islands and Puerto Rico. NORTHCOM, as an interim measure in August 2007 and with approval of the Secretary of Defense, assumed responsibility for natural disaster-related Defense Support of Civil Authorities for Puerto Rico and the U.S. Virgin Islands. NORTHCOM tailored State, local, and interagency coordination for U.S. HD and CS requirements to ideally engage with Puerto Rico and the U.S. Virgin Islands on these issues. This AOR boundary shift will also include placing the British Virgin Islands, the Bahamas, Turks and Caicos Islands in the NORTHCOM AOR. This move will enhance unity of command and effort for HD in the approaches to the United States from our "third border," the Caribbean. Including these bordering HD partners in our theater security cooperation focus will support their security posture and the security of the region. In addition, our unique depth, capability, reach back, and coordination with interagency partners in humanitarian assistance and disaster relief support will greatly benefit our closest Caribbean neighbors and partners.
Admiral STAVRIDIS. Yes, there is a geographic change currently being reviewed within the DOD. In August 2007, we submitted a joint proposal to modify the Unified Command Plan that would reposition the existing Caribbean boundary between our commands. If approved by the President, this change would reassign responsibility for the Bahamas, Turks and Caicos, Virgin Islands, and Puerto Rico from SOUTHCOM to NORTHCOM. We believe this recommendation to be prudent and in the best interest of the DOD as it eliminates duplication in effort and ensures the best utilization of limited resources.

18. Senator LEVIN. General Renuart and Admiral Stavridis, specifically, with regard to Mexico, would you both agree that the best place to put responsibility for Mexico is in NORTHCOM and not in SOUTHCOM?

General RENUART. Yes, consistent with national policy and strategic guidance regarding the future intended role of Mexico as a major participant in continental security, Mexico should remain under the overall responsibility of NORTHCOM. NORTHCOM, as Mexico's primary military partner, has forged very constructive links with Mexico's military services since the inauguration of President Calderon. The United States Government must ensure the integration of Canada, Mexico, and the Caribbean basin into a comprehensive and mutually beneficial architecture that protects North America's critical infrastructure and its land, air, sea, and space approaches. However, the United States Government must work to integrate the North American security architecture into a broader, functional hemispheric security framework. Because of the need for hemispheric security, we have determined that Mexico is a partner nation of interest to both NORTHCOM and SOUTHCOM under the overall responsibility of NORTHCOM.

Admiral STAVRIDIS. This issue was a topic during our August 2007 staff discussions and, after extensive review and consideration, we agreed the most appropriate place for Mexico was within the NORTHCOM area of focus. As a leader throughout the Western Hemisphere, Mexico has security interests that span the geographic areas of responsiblity assigned to both NORTHCOM and SOUTHCOM. Recognizing Mexico's importance to each of our commands, we provided a joint proposal to modify the Unified Command Plan to include language that would benefit all geographic combatant commands that recognize countries that are of particular importance to more than one combatant commander. This proposal, if approved, would provide combatant commands the opportunity to coordinate more readily with countries of mutual interest that are located outside their assigned geographic AOR.

QUESTIONS SUBMITTED BY SENATOR DANIEL K. AKAKA

NATIONAL GUARD

19. Senator AKAKA. General Renuart, section 351 of the National Defense Authorization Act (NDAA) for Fiscal Year 2008 requires the DOD to incorporate National Guard domestic support missions into its current title 10 readiness reporting system. In addition to improving our ability to respond to domestic emergencies, Congress intends this provision to help define lines of Federal and State responsibility for achieving and maintaining agreed-upon levels of equipment and personnel readiness. What are your views on the current and projected levels of National Guard readiness to respond to domestic emergencies, given current rotation plans and equipment levels?

General RENUART. The National Guard Bureau just shared their Report on National Guard Readiness for Emergencies and Major Disasters with us. This report describes the methodology for assessing the readiness of the National Guard in the 54 States and Territories as required by the NDAA for Fiscal Year 2008.

NORTHCOM is involved with the National Guard and its readiness assessment and reporting process. Our command's Training and Exercise Directorate directly supports the National Guard Bureau with the Defense Readiness Reporting System (DRRS) Implementation in the Guard (DIG) effort. This long-term effort helps the National Guard implement DRRS at each of the 54 State Joint Force Headquarters (JFHQ).

The National Guard is pursuing increased capability to respond to terrorist incidents involving WMD and Domestic Operations. The limited availability of Secret Internet Protocol Router Network access is a common problem. Below are four additional deficient areas identified by National Guard Bureau in the report:

Personnel Gaps

The impact of the sustained operations tempo of Guard Title 10 operational support to Operation Iraqi Freedom, Operation Enduring Freedom, and Joint Task Force Horn of Africa has been significant. In spite of these demands, the National Guard has maintained a manning level of 87 percent in support of domestic and overseas operations.

Equipment, Sustainment, and Modernization Gaps

There are equipment, sustainment, and modernization gaps that may prevent the immediate response and sustained capabilities for many of the Chemical, Biological, Radiological, Nuclear Explosive and major disaster scenarios.

Training Gaps

The National Guard has established numerous courses, programs, and exercises that support and enhance readiness capabilities at all echelons. There is definitive need for funding, aggressive curriculum review and exercise participation.

20. Senator AKAKA. General Renuart, what is NORTHCOM's role in analysis, development, testing, and implementation of a National Guard domestic support readiness reporting system?

General RENUART. NORTHCOM has had the opportunity to review the National Guard's Joint Capabilities Database (JCD), an unclassified readiness system for domestic operations. We have not participated directly in the development, testing, or implementation of the system, but acknowledge that it plays an important interim role in supporting ongoing National Guard and NORTHCOM civil support planning. NORTHCOM strongly supports the Secretary of Defense policy that requires DOD organizations to utilize the DRRS as the single reporting system for readiness reporting. In that regard, NORTHCOM is very actively involved with the National Guard and its readiness assessment and reporting process. We directly support the National Guard Bureau through the DRRS Implementation in the Guard (DIG) effort. This long-term effort helps the National Guard implement DRRS at each of the 54 State and Territory Joint Force Headquarters.

21. Senator AKAKA. General Renuart, are you satisfied so far that the development of this system will meet NORTHCOM's requirements for visibility of the readiness of the National Guard for domestic support contingencies?

General RENUART. I am satisfied that National Guard Bureau is moving in the right direction in developing and implementation of their JCD, an unclassified system the National Guard currently utilizes to report readiness of capabilities for domestic operations. NORTHCOM needs to ensure that the JCD can effectively feed information into the DRRS to comply with the Secretary of Defense requirement of having one single reporting system for readiness. Additionally, the functionality of the JCD needs to link to the DHS Target Capabilities List. DOD and DHS must be integrated in this respect if they are to achieve integrated and accurate understanding of readiness and abilities to provide requested capabilities.

22. Senator AKAKA. General Renuart, how would you envision using such a system in the development of your Integrated Priorities List, contingency plans, training exercises, and experiments?

General RENUART. Knowing that we are indeed partners with the National Guard in domestic and civil support missions in the Homeland, we have advocated through our Integrated Priority List (IPL) for Guard capabilities. The emphasis in our exercise and training plans is to coordinate our events with participation from the local first responders and the National Guard through the Vigilant Guard exercise program. Our primary visibility into National Guard capabilities is through the DRRS. We have collaborated with the National Guard Bureau to participate in DRRS Implementation Group teams. Through collaborative efforts to get mission assessments into DRRS, we are developing visibility into the different States and territories and their probable capability gaps in order to anticipate what will be needed by these entities. DRRS is a classified system that is the Secretary of Defense directed single readiness reporting system for the DOD. Our process for developing our IPL and training plans come from our Joint Mission Essential Task List readiness assessments. We also use these assessments for our training and exercise planning strategy. Our visibility into National Guard capabilities and mission assessments are used the same way.

The JCD is an unclassified readiness system that the National Guard intends to utilize for domestic operations. The JCD could effectively feed DRRS and meet the Secretary of Defense requirement of having one single reporting system for readiness. The JCD's greatest value to NORTHCOM is its ability to support planning, exercise development, and experimentation in a manner complementary to the DRRS system. The data in the JCD also supports planning and decisionmaking within DHS, so this should be further developed with that potential use in mind.

QUESTIONS SUBMITTED BY SENATOR BILL NELSON

COMMAND AND CONTROL OF EUROPEAN GROUND-BASED MIDCOURSE DEFENSE 3RD SITE

23. Senator BILL NELSON. General Renuart, as Commander of NORTHCOM, you are the combatant commander with the responsibility for operating the Ground-

based Midcourse Defense (GMD) system to defend the United States against long-range ballistic missiles. You would presumably also be the combatant commander responsible for operational command and control of the proposed deployment of the GMD system to Europe if it were used to defend the United States against potential future long-range missiles from Iran. What would be the role of the North Atlantic Treaty Organization (NATO), if any, in the command and control of the proposed European GMD system?

General RENUART. United States policy currently supports U.S. command and control of the proposed European GMD system. The United States is discussing the issue of data sharing and interoperability with the NATO Active Layered Theater Ballistic Missile Defense theater defense system for situational awareness purposes. I am working with the other effected combatant commanders and with the Chairman to ensure we evolve an Integrated Missile Defense Global Concept of Operations to most accurately determine operational and battle management requirements and thereby eliminate gaps or seams.

24. Senator BILL NELSON. General Renuart, what would be the role of the Governments of Poland and the Czech Republic, if any, in the command and control of the system proposed to be based on their territory?

General RENUART. United States policy currently supports U.S. command and control of the proposed system based in Poland and the Czech Republic. There is no indication that either host nation would reject this position of exclusive U.S. control. The United States has offered both host nations the capability to share data for situational awareness.

NEW SOUTHERN COMMAND HEADQUARTERS FACILITY

25. Senator BILL NELSON. Admiral Stavridis, what is the status of the new SOUTHCOM headquarters facility and how will this facility enable the interagency collaborative work you are doing at SOUTHCOM?

Admiral STAVRIDIS. SOUTHCOM is in the process of awarding the design-build contract and the recently (March 2008) signed land lease has been sent to congress for review (April 2008). By the end of April we will have issued a Notice-to-Proceed and construction is expected to be completed by September 2010, allowing the full move in to the new headquarters building by December 2010. All leases on the old headquarters will expire by 2011.

The facility will enable SOUTHCOM's interagency collaborative work in a number of ways:

- Consolidate SOUTHCOM and collaborative partners into one complex, as opposed to being spread around nine buildings today in Miami:
  - Sufficient space, tailored to facilitate joint interagency collaboration, flexible to reconfigure
  - Eliminates requirement to drive to/from buildings, increasing efficiencies
- Provide Modern Information Technology Systems:
  - Enhanced access to internet, NIPR, CENTRIX, and SIPR networks
  - Increases VTC capable conference rooms from 20 to 49 (all classification levels)
- Provide an integrated command center:
  - Enables interagency and coalition unescorted access during releasable operations
  - Integrates operators and planners via LCD glass walls, promoting collaboration
- Provide a stand-alone coalition and interagency collaboration center:
  - Eliminates escorts for coalition and interagency partners for unclassified events
  - Back-up coalition-interagency operations center (during U.S.-only operations in Command Center)
- Better allow layered security (meets DOD anti-terrorism/force protection standards):
  - Increases access for interagency and coalition without escorts
  - Grants dependents and retirees easy access to services without escorts
- Provide Category–5 Hurricane protection:
  - Reduces the need to relocate the command center for CAT–2 and CAT–3 hurricanes

• Provides back-up power for full strategic operations (IT, security, HVAC, etc)

BRAZIL

26. Senator BILL NELSON. Admiral Stavridis, you and I recently visited Brazil; in your personal opinion, how do you see our relationship with that nation?

Admiral STAVRIDIS. I hold the Brazilian military in the highest regard and I value the excellent cooperation and friendship our nations share. As with all partner nations in Latin America, SOUTHCOM continues to remain engaged with Brazil. In May 2008, Brazil will be hosting the Southern Cone Defense Conference (SCONDEC). This conference, which is cosponsored by SOUTHCOM, provides a forum for senior-level discussions on topics that are of mutual interests to all militaries from the Southern Cone of South America. In addition to conferences such as SCONDEC, SOUTHCOM engages with Brazil through bilateral training exercises. Finally, the United States is pursuing a Defense Cooperation Agreement and a Status of Forces Agreement with Brazil—such agreements would foster an environment that encourages more regional engagement and enhances the opportunity to strengthen our mutual ties.

QUESTIONS SUBMITTED BY SENATOR HILLARY RODHAM CLINTON

CLIMATE CHANGE

27. Senator CLINTON. General Renuart, section 951 of the NDAA for Fiscal Year 2008 directs the DOD to consider the effects of climate change on facilities, capabilities, and missions in the next National Security Strategy, National Defense Strategy, and Quadrennial Defense Review.

The provision reflects increasing concerns about the national security implications of climate change, as reflected in a report issued in April 2007 by the Center for Naval Analyses Corporation titled "National Security and the Threat of Climate Change." That report was written by 11 retired three-star and four-star admirals and generals. The report explores ways in which projected climate change is a threat multiplier in already fragile regions, exacerbating conditions that lead to failed states—the breeding grounds for extremism and terrorism.

Section 951 directs the DOD to implement a number of recommendations of that report. The provision states that the National Security Strategy and the National Defense Strategy should include appropriate guidance to military planners to assess risks to current and future missions of projected climate change, guidance for updating defense plans based on these assessments, and the capabilities needed to reduce future impacts. This guidance should include appropriate revisions to defense plans, including working with allies and partners, to incorporate climate mitigation strategies, capacity building, and relevant research and development. It also states that the next Quadrennial Defense Review should examine the capabilities of the United States military to respond to the consequences of climate change, in particular, preparedness for natural disasters from extreme weather events, pandemic disease events, and other missions the United States military may be asked to support both at home and abroad.

With that provision in mind, I note with interest the portion of your testimony which states that: "One area of concern recognized by the United States Government and DOD is the need to study the implications of Arctic climate change and how it will affect our military capabilities, organizations, and infrastructure in the area. Our homeland defense and civil support plans address the DOD response to potential effects of climate change." How are you planning to address the concerns that you outlined in your testimony?

General RENUART. We have a clear interest in understanding climate change challenges and their impact to the changing security environment in our area of operations (AOO) and AOR. Changes are occurring in the accessibility of the Arctic region and these changes are directly influencing the current and potential future economic activity throughout the northern reaches of our AOO and AOR. I have stressed the importance of advancing U.S. Arctic policy and ratification of the United Nations Convention on the Law of the Sea Treaty.

These actions will provide a foundation for constructive U.S. leadership in the evolving international Arctic regime. I expect the Quadrennial Defense Review and additional strategic guidance to be contained in the National Security Strategy and National Military Strategy.

Actions recently taken include incorporating these considerations in the ongoing periodic revision of NORTHCOM concept plans directing the missions of homeland defense and civil support. NORTHCOM and subordinate commanders continue to foster relations with allied and interagency partners to enhance execution of these missions. One concrete example is the NORAD maritime warning mission. In concert with mission partners Canada Command and NORTHCOM, NORAD is working to better understand the impact of increased maritime activity in the Arctic due to climate change.

I have also recently altered a fundamental concept within my command mission statement to highlight and emphasize the importance of anticipation. We must have a forward leaning stance on probable homeland defense and civil support missions in the future. One of my subordinate commands, Joint Task Force Alaska, has taken the initiative on climate change by initiating significant research; they continue to work within the interagency framework of "Team Alaska" to address these concerns across the State of Alaska and the northern boundaries of the NORTHCOM AOR.

The full measure of military risk assessment, organizational agility, and adaptation in considering climate change is being applied. Highlighting these concerns today provides the opportunity for the joint military acquisition and procurement processes to adjust in meeting the changing environment. NORAD and NORTHCOM will work closely with Canada Command to focus on climate change considerations as we continuously monitor, anticipate, and adapt to an ever changing global security environment.

28. Senator CLINTON. General Renuart, what else are you doing to implement section 951?

General RENUART. NORAD, NORTHCOM, and Canada Command continually monitor changes in the global security environment and consider the possibility of adjustments in defending North America against foreign threats and aggression. NORTHCOM anticipates changes that may affect how we might be required to support civil authorities in the future. However, for the present, we believe the National Response Framework and the 15 National Planning Scenarios have bounded the foreseeable civil support requirements the DOD may be reasonably required to plan for and provide, when approved by the President and directed by the Secretary of Defense.

29. Senator CLINTON. General Renuart, how is your work being integrated into other work at the DOD to implement this provision?

General RENUART. Climate change is a national security problem, requiring a comprehensive national strategy to synchronize the diplomatic, informational, military, and economic instruments of national power. As U.S. climate policies are translated into specific national security actions, we will address DOD requirements through advocacy for force structure improvements (Guidance for Development of the Force), and revisions to command structures and arrangements (Unified Command Plan).

I anticipate the new administration will publish an updated National Security Strategy. This strategy, as in previous versions, will state the essential tasks the Nation must accomplish. In turn, this strategy will drive changes to the National Defense and National Military Strategies in the assessment of risks associated with projected climate change. As these documents shape our future missions, they will also shape the national policy that drives the acquisition of capabilities we will require to accomplish the essential tasks outlined by our superiors. We will work in the near-term to help understand the evolving environment and to anticipate what tactics, techniques, and procedures will be required to meet future climate change challenges. We will then advocate for the capabilities needed to successfully execute them.

As these changes to DOD planning, organization, and forces are implemented, we will work closely with the DHS, Department of State, and other interagency partners to continuously review and update our Homeland Defense and Civil Support operation plans. This will ensure that the military is fully prepared to defend national interests.

QUESTION SUBMITTED BY SENATOR SUSAN COLLINS

HUGO CHÁVEZ

30. Senator COLLINS. Admiral Stavridis, Venezuelan President Hugo Chávez's plans for military arms purchases, his relations with countries such as Cuba and

Iran, and his efforts to spread anti-Americanism in Central and South America are all issues of concern to this committee. In recent days he has ordered Venezuelan military forces to deploy to the border with Colombia as the result of the killing of a Revolutionary Armed Forces of Colombia terrorist leader by the armed forces of Colombia. What is SOUTHCOM's assessment of President Chávez's influence in the region?

Admiral STAVRIDIS. From my perspective, Venezuela is attempting to form diplomatic, informational, military, and economic alliances throughout the region, and through a barter-style exchange system (e.g., fuel oil for agricultural goods), Venezuela is attempting to create a counterweight to U.S. diplomacy. As to the impact of Venezuela's efforts, those nations most in need (especially of petroleum) may acquiesce to some aspects of Venezuela's agenda in order to address their own needs and to advance their own interests; however, acceptance of the ideological tenets of President Chávez's agenda is expected to be minimal.

[Whereupon, at 11:49 a.m., the committee adjourned.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2009

TUESDAY, MARCH 11, 2008

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

UNITED STATES PACIFIC COMMAND AND UNITED STATES FORCES KOREA

The committee met, pursuant to notice, at 9:35 a.m. in room SH–216, Hart Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Lieberman, Reed, Akaka, Bill Nelson, Webb, Warner, Thune, Martinez, and Wicker.

Committee staff members present: Richard D. DeBobes, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Evelyn N. Farkas, professional staff member; Peter K. Levine, general counsel; and Michael J. McCord, professional staff member.

Minority staff members present: Michael V. Kostiw, Republican staff director; William M. Caniano, professional staff member; David G. Collins, research assistant; David M. Morriss, minority counsel; Sean G. Stackley, professional staff member; Diana G. Tabler, professional staff member; Richard F. Walsh, minority counsel; and Dana W. White, professional staff member.

Staff assistants present: Jessica L. Kingston, Ali Z. Pasha, and Brian F. Sebold.

Committee members' assistants present: Jay Maroney, assistant to Senator Kennedy; Frederick M. Downey, assistant to Senator Lieberman; Bonni Berge and Darcie Tokioka, assistants to Senator Akaka; Christopher Caple, assistant to Senator Bill Nelson; Gordon I. Peterson, assistant to Senator Webb; Sandra Luff, assistant to Senator Warner; Brian Polley, assistant to Senator Cornyn; Jason Van Beek, assistant to Senator Thune; and Brian W. Walsh and Erskine W. Wells III, assistants to Senator Martinez.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. On behalf of the committee, we welcome our witnesses: Admiral Timothy J. Keating, United States Navy, Commander of the U.S. Pacific Command (PACOM); and General Burwell B. Bell III, United States Army, Commander of the United

Nations Command, the Republic of Korea-U.S. Combined Forces Command, and Commander, U.S. Forces Korea.

This will be General Bell's last hearing before our committee. We want to thank him particularly for his strong and capable leadership throughout the years. We also welcome Jim Roy, PACOM's Command Master Sergeant. The committee thanks you all for your service and, through you, to the men and women that you lead and the families who support you and them, for the hard work and sacrifice that makes our military so strong.

The U.S. PACOM encompasses the most populous area of the world, with almost 60 percent of the world's population. This area is also home to five of the world's six largest militaries, not including the United States, and three of the five largest economies in the world. The Asian Pacific area is complex and changes rapidly. In the last several years we've witnessed two of Asia's largest countries and economies, China and India, substantially increase their economic and military power and that has affected the strategic dynamic throughout the Asia Pacific region.

At the same time, another major phenomenon transforming the strategic calculus, especially in south and southeast Asia, is the role of the armed forces of the region to counter terrorist organizations.

Finally, with the 2006 North Korean nuclear test, the threat of nuclear proliferation has increased. All of this makes our alliances with Japan, South Korea, and Australia critical and lends new significance to our relationships with other friendly nations, such as Singapore, India, Thailand, Taiwan, and the Philippines.

The committee hopes to explore the implications of this strategic dynamic in Asia and on the Korean peninsula in particular with our two witnesses today. With China, we've seen an unprecedented interest in military-to-military cooperation, but at the same time a sudden denial of first a U.S. Navy carrier port call in November, and second denial of requests for refuge by two U.S. Navy minesweepers.

The 2008 report on the military power of the People's Republic of China, which came out last week, is a catalogue of China's growing military capabilities. What is missing from the picture is what intelligence professionals call intent; what does China intend to do with these military assets?

Regarding South Asia, this committee has held several hearings recently that focused on an issue in Central Command's (CENTCOM) area of responsibility (AOR), the terrorist threat found in Afghanistan and Pakistan. This committee and many Members of Congress have been concerned about whether Pakistan is doing enough to fight terrorism in South Asia. A related issue relevant to the PACOM is the extent to which Pakistan is a threat to India and vice versa. Admiral Fallon told the committee last week that in the past Pakistan was "focused on India as the big threat to the country. I think they see things differently now."

In the not so distant past, in 2006 Pakistan signed a $3.5 billion deal to purchase advanced F–16 fighter aircraft. Even at that time, and especially after the October 2006 earthquake in Pakistan, some observers felt they would be better off investing in helicopters

that they could use for humanitarian and counterterrorist operations.

What is the assessment on the other side of the border in the PACOM area of operation? Does India regard Pakistan as a threat? If so, to what extent, and what can the United States do to ensure that India and Pakistan devote more of their resources to working together and with the United States to address the threat of terrorism and other threats that are common to each of them?

With respect to the Korean peninsula, this committee in the National Defense Authorization Act for Fiscal Year 2007 directed the administration to appoint a high level envoy to coordinate policy towards North Korea and to engage seriously in negotiations with Pyongyang to eliminate its nuclear weapons program. Last year, finally, four to eight or more additional plutonium-based nuclear bombs and one nuclear test later, the administration started negotiating in earnest.

Today we inquire: Is there more that the United States and South Korea need to do together on the conventional military front to ensure that we are negotiating from a position of strength? How likely is it that we will see North Korea move from nuclear disablement to nuclear dismantlement within the next couple of years, and what are the implications for our force posture if they don't do that?

Finally, I hope our witnesses will give us an assessment of the readiness of the nondeployed forces in the Pacific theater and how personnel and equipment shortages are affecting the ability of the United States to meet commitments and challenges there. How much risk results for the United States from that shortfall in personnel and equipment shortages and is that an acceptable risk, and how are we mitigating that risk?

So again we thank our two witnesses for their tremendous service to this Nation, for their leadership of the men and women who they do lead. Now I turn this over to Senator Warner.

STATEMENT OF SENATOR JOHN WARNER

Senator WARNER. Thank you, Mr. Chairman. I join you in welcoming these two distinguished public servants. Indeed, Admiral Keating does go back a way. I think we were on the same watch a long time ago. General Bell, you and I have discussed Korea and your knowing of my interest in that strategic part of the world, myself having spent the winter of 1951–1952 there. I commend both of you for your long service and thank your families.

Mr. Chairman, I think you've covered basically the same points I have in mind, so I'll put my statement in the record so we can proceed directly to the witnesses.

[The prepared statement of Senator Warner follows:]

PREPARED STATEMENT BY SENATOR JOHN WARNER

I join Senator Levin in welcoming Admiral Keating and General Bell, and in thanking them for their service to our country. General Bell, this will be your last appearance before this committee, given your planned retirement in June, so we'll try to make it memorable for you. We thank you and your wife Katie for 39 years of service to our Nation.

Admiral Keating and General Bell, the Pacific area of responsibility (AOR) presents enormous opportunities and challenges for the United States. Among those

challenges, the most immediate is the situation on the Korean Peninsula. North Korea's nuclear and missile programs continue to pose a threat to its neighbors and to America's interests in East Asia. It is unclear whether North Korea is truly committed to a complete declaration and verifiable elimination of its nuclear program, and whether the February 2007 agreement by the Six Parties will ultimately lead to a denuclearized Korean peninsula. On the positive side, we are encouraged that Pyongyang has nearly completed all the steps required to disable its Yongbyon nuclear reactor. On the negative side, Pyongyang is overdue in providing a complete declaration of its nuclear programs, materials and facilities as it has pledged to do. It is essential that North Korea fulfill its commitment to make a full and complete declaration of its nuclear program. In the meantime, Pacific Command and USFK play a vital role in providing stability and deterrence in support of this diplomatic effort.

Admiral Keating and General Bell, we look forward to hearing your assessments of the situation on the Korean Peninsula, including any changes you have seen over the past year in North Korea's military posture, and your assessment of North Korea's nuclear program, ballistic missile and proliferation activities, and the readiness of our forces to respond to any possible developments on the Peninsula, both now and in the future.

Admiral Keating, Pacific Command (PACOM) plays a critical role in sustaining and expanding not only the U.S.-Republic of Korea alliance, but also the U.S.-Japan strategic alliance, the cornerstone of our security umbrella in northeast Asia. We look forward to your assessment of these critical alliance relationships in the pacific region.

I am also interested to hear your assessment, Admiral Keating, of China's military modernization program and plans, to include China's continuing build-up of missiles across the Strait; the impact of China's military modernization on U.S. interests in the region; and your assessment of the current state of China-Taiwan cross-Strait relations, which remains at the core of U.S. interests in the region. As Beijing's regional and global aspirations grow, properly managing this relationship remains vital. In that vein, I look forward to your report on the U.S.-China military-to-military activities that have been undertaken under your leadership.

In the Asia-Pacific region, the war on terrorism is being waged in Singapore, Malaysia, Thailand, the Philippines, Indonesia and other nations. I look forward to an update on the efforts of your command to counter the numerous terrorist and transnational threats in your AOR.

Fortunately, the United States does not face these challenges alone. One of the vital responsibilities of the PACOM commander is to work closely with our key allies in the region—Japan, South Korea, Australia, to name a few—to strengthen bilateral relations and to develop multilateral approaches and responses to the challenges and opportunities that we face in the U.S. Pacific Command.

We welcome our witnesses this morning and look forward to their testimony.

Chairman LEVIN. Thank you, Senator Warner.

Admiral Keating?

STATEMENT OF ADM TIMOTHY J. KEATING, USN, COMMANDER, UNITED STATES PACIFIC COMMAND

Admiral KEATING. Thank you, Mr. Chairman. To you and Senator Warner, Senator Reed, Senator Akaka: Good morning and a warm aloha from the 350,000 men and women who are proud to serve the United States PACOM. They're all throughout the Asia and the Pacific region, and they're building capacity in the theater, as you mentioned, Mr. Chairman.

I have had the great privilege of serving as the Commander of PACOM for a year now since you confirmed me and allowed me and Wandalee to return to Camp Smith. In a word, I'm optimistic. The region is stable, the guns are silent all throughout the Pacific, security is improving across the board, economies are growing, and things are generally positive.

There are a few key points that I'd emphasize to support what I think is a solid foundation for that perspective. There are several new leaders all throughout the Asia Pacific region, in Japan, in

Thailand, the Republic of Korea, and in Australia. In each case we visited those countries and met with those new leaders and their respective administrations, and the beat goes on for the United States PACOM.

There's a collaborative mind-set amongst all of these partners and our counterparts. We have been to 21 of the 39 nations in our AOR in less than a year. We had the 23 chiefs of defense from those countries visit our headquarters in Hawaii. Without exception, they all agree that we can improve our security and a multilateral mind-set is to be recommended. Capacity-building is on their mind. They view the United States as the indispensable element in combatting terrorism and enhancing maritime security and providing humanitarian assistance when needed.

Indonesia is one country in particular where we're making significant progress. In close coordination with our State Department colleagues, Ambassador Christie Kenny in particular, we're making great progress in the southern Philippines in the war on terror as well. We're pleased with the humanitarian efforts and civil-military operations that are transforming this at-risk environment. The U.S.S. *Pellalu* visited last year to conduct medical, engineering, and dental assistance. The U.S.N.S. *Mercy,* our hospital ship, will go again this summer, repeating her visit of 2 years ago. *Pellalu* saw over 30,000 patients. There were 1,000 major surgeries performed by this one ship in a short period of time, and it wasn't just United States military personnel on board. There were members from health organizations and the commercial sector as well.

Exercise Balikatan was just concluded. We had 8,000 soldiers and marines from the Pacific region who were in the central and southern Philippines and they saw over 10,000 medical patients, rebuilt schools, and contributed in a big way to enhancing our perception in the Philippines and making it ever harder for the Abu Sayyaf Group and Jamail al-Azmiya to continue to prosecute the people of the Philippines.

The train-and-equip authorities that you give us through 1206 money are very, very helpful in the war on terror. It allows us in a very short period of time to improve maritime security in Malaysia, Indonesia, Singapore, and the Philippines in particular. That triborder area had been a rather fertile area for violent extremists. It is much tougher for those folks to move around in that part of the woods now because of the 1206 money that you have given us. It was $95 million in 2006 and 2007 and we're hoping that we can continue that very responsive funding.

Mr. Chairman, you mentioned North Korea. In regard to the Six-Party Talks, General Bell lives in there and can address the topic well. I have met with Ambassador Hill on several occasions, as late as last week in Thailand. The way I would characterize PACOM's perspective is we are cautiously optimistic, very, very, very cautiously optimistic. But we think that there is progress being made by Ambassador Hill and his colleagues. The readiness and the force posture of our forces in South Korea and throughout the Pacific region remain high, and I'd be happy to address particulars with you if questions remain.

You mentioned India, Mr. Chairman. We have wonderful opportunities that we're exploring with India. I was there in 1985 as the

flag lieutenant to then Commander in Chief-Pacific Admiral William J. Crowe. We visited last August. So it's been 22 or 23 years since I was there. The difference is startling. Admiral Crowe's reception was much less warm, much less engaging, than was ours. We have engaged with the Indians in significant exercises in the Bay of Bengal, where we had two aircraft carriers of ours, one of theirs, and ships from Australia, Japan, and Indonesia in a very sophisticated maritime exercise, and we were communicating real-time across secure circuits with all the ships in that entire battle group.

The Pakistan-India border remains calm. We are in frequent discussion with our colleagues in India. Their force readiness throughout the country has not increased significantly due to perceived pressures from Pakistan. So we see no significant difference there on the Indian side of that particular border.

That said, there are challenges for us in the Pacific. There was a coup in Fiji. The situation in Burma is certainly unsettled. We think in both cases a return to democratic institutions is essential.

The struggle against violent extremism continues all throughout the AOR. Progress is being made in Malaysia, Indonesia, and the Philippines to the contrary, but that remains our number one concern, the struggle against violent extremism.

As you mentioned, the People's Republic of China is in our AOR. We have been there twice. Our more recent visit about 6 weeks ago was much more constructive and warm, and there was more dialogue. That said, there are miles to go before we sleep in our relationship with China. We want a mature, constructive, and cooperative relationship. We are making progress, but, as I said, we have a long way to go.

You mentioned Chief Master Sergeant Jim Roy. He will go to China. One of the interesting parts about dealing with China is they do not have a senior noncommissioned officer corps. It doesn't exist in the People's Liberation Army. So when Jim Roy goes he doesn't have a counterpart with which to meet. So he will sit down and talk with colonels and captains. Those are his counterparts in China.

We are working with them to help them understand the authorities and responsibilities we vest in our senior noncommissioned officer corps and we hope that opens the door a little bit more to the kind of dialogue that we're looking to not just initiate, but sustain and enhance with the People's Republic of China.

All that said, we're moving forward in the PACOM. Our initiatives fall into four major priorities. In regard to warfighting readiness, we are ready to respond today. There are 30,000-some soldiers, marines, airmen, and sailors who are forward deployed, added to Admiral Fallon's AOR. That said, we remain ready across the board.

We are working to make even more dominant our presence and our force posture. We're looking at ways to engage with all the countries in our AOR in exercises and personnel exchanges, including humanitarian assistance and disaster relief and we are increasingly focused on pandemic influenza.

Regional engagement is the ticket. We seek multilateral, rather than just a series of bilateral agreements. We find that this could

be very beneficial in dealing with countries whose military power is significantly less than the United States, and they're happy to be partners of ours, not necessarily allies, and it works better if we bring more than one country with us when we show up to engage with them.

Last but most important of all is your continued support for those 350,000 men and women in uniform by continuing to improve the quality of life for them and their families all through the AOR. Your support is of course key in all these initiatives. Thank you very much for that support and I'd be happy to take your questions.

[The prepared statement of Admiral Keating follows:]

PREPARED STATEMENT BY ADM TIMOTHY J. KEATING, USN

INTRODUCTION

Mr. Chairman and members of the committee:

On behalf of the men and women of the U.S. Pacific Command (USPACOM), thank you for this opportunity to testify regarding the posture of our command and security in the Asia-Pacific.

The region is secure and stable. This year, I have had the opportunity to visit 21 regional nations—more than one-half the total in our area of responsibility (AOR). I also hosted 23 National Chiefs of Defense in Hawaii this past November. From these first-hand experiences, I gained the sense that my counterparts see a secure and prosperous future for the region, particularly if we choose to approach security issues with a collaborative mindset. I share their optimism and a desire to seek multilateral solutions when possible.

2007 was a year of considerable change in the region. Positive economic trends continued for most of Asia, which has three of the world's top 10 economies (Japan, China, and India). The region played a greater role on the global diplomatic stage. Many Asia-Pacific nations improved, and some expanded, their military capabilities as well. All these trends are impacting how nations interact with each other and the U.S. This dynamism and interplay offer more opportunity than challenge but will require our continued, confident leadership and a commitment of resources commensurate with the importance of this vibrant region to our Nation.

Working in this constantly evolving arena, USPACOM forces conducted meaningful military-to-military engagement with regional partners and realized progress in a number of security areas. We improved multilateral information sharing with partners and held the first-ever conference among Asia-Pacific Intelligence Chiefs; enhanced the capacity of our regional partners to counter transnational crime and terrorism; changed attitudes in populations at risk for terrorist exploitation; advanced U.S. and allied ballistic missile defense capabilities; and, mitigated human suffering in the wake of natural disasters. Our military accomplished all of these things, and significantly, they did so in full cooperation with our embassy country teams, allies, and partners.

Outside our AOR, Pacific-based forces continue to serve with surpassing distinction in Iraq and Afghanistan. Next year, we expect to sustain about 30,000 USPACOM-assigned personnel in the U.S. Central Command AOR. Many Asia-Pacific nations have made and are still making significant contributions to our efforts in the Middle East, including Australia, Japan, Republic of Korea, Thailand, Singapore, Fiji, Mongolia, Tonga, and New Zealand. Having visited our people and partners in Iraq, I assure you USPACOM forces on the ground are confident, believe in their mission, and see progress being made. I could not be more proud of them and their families.

Based on my first-hand observations, there are several key assessments that merit upfront consideration. In the main, they convey the progress and challenge of the past year.

We welcomed new, democratically-elected leaders in several allied nations—Australia, Japan, the Republic of Korea, and Thailand. From USPACOM perspective, elections reaffirm the strength of these governments and our alliances. While we build new relationships on a personal level, we retain policy alignment with our allies.

In Northeast Asia, our alliances with Japan and the Republic of Korea remain indispensable to peace and security. Resolute action by both allies kept Six-Party

Talks on track and the goal of a denuclearized peninsula within the realm of the possible. Military transformation and realignment in Japan and the Republic of Korea continue on planned timelines. The allies also made major contributions to the protection of our people and resources with upgrades to missile defense capabilities.

This year demonstrated that our military-to-military relationship with the People's Liberation Army (PLA) is not to the level we desire. Progress was decidedly uneven. We saw positive outcomes from senior-level visits but also experienced the perplexing cancellation of some routine activities. Nevertheless, improving the interaction between USPACOM and the PLA is critically important—in terms of maintaining stability across the Taiwan Strait and in assuring regional nations. For our part, we will continue to pursue a mature, constructive relationship with Chinese counterparts. We view the effort as the best means to reduce the chance of miscalculation, increase our mutual understanding, and encourage cooperation on areas of common concern.

That said, I remain concerned about Chinese double-digit growth in annual defense spending and investment in systems which threaten Taiwan and our own capabilities. Consistent with U.S. policy and legislation, USPACOM is encouraging Taiwan to improve its self-defense capabilities and thereby deter potential People's Republic of China (PRC) aggression.

Southeast Asia remains the central front against terrorism in the Pacific. The Armed Forces of the Philippines (AFP) sustained its momentum against terrorism in the southern Philippines. Of special note, civic action-type activities by the AFP reinvigorated a healthy relationship with the local populace. This bond between the people and security forces has created a southern Philippines far less susceptible to extremist influences.

USPACOM interaction with the Indonesian Armed Forces (Tentara Nasional Indonesia (TNI)) remains positive and encouraging. We see no surer sign of Indonesian commitment to professionalize its military than their request for U.S. assistance to improve TNI Enlisted and Noncommissioned Officer (NCO) training. Of global significance, Indonesia, in partnership with Singapore and Malaysia, and most recently Thailand, is markedly improving maritime domain awareness and law enforcement capabilities in the strategically vital Strait of Malacca.

U.S.—India military-to-military activities continued on an upward vector this year. From my discussions with Indian leaders, it is clear we share many of the same security concerns in South Asia and the broader Asia-Pacific-Indian Ocean region. We agreed to work toward more mature interaction in the areas of maritime security, counterterrorism, and humanitarian assistance.

Political conditions in Fiji and Burma are unsatisfactory. In the case of Fiji, with a return to a democratically-elected government, USPACOM would welcome a quick renewal of our previously strong military-to-military ties.

These impressions highlight the security landscape of the Asia-Pacific. We have in place key elements to enhance regional stability and advance U.S. security interests—healthy alliances, opportunities for new partnerships, combat ready and agile forces, and committed soldiers, sailors, airmen, and marines to lead our efforts. As we move forward, our initiatives are organized across four priorities—Warfighting Readiness, Presence and Force Posture, Regional Engagement, and Quality of Life.

WARFIGHTING READINESS

First and foremost, USPACOM is a warfighting command committed to maintaining preeminence across the full spectrum of operations. We are ready to fight and win, and to dominate in any scenario, in all environments, without exception.

War on Terror in the Pacific

We will win the current war on terror. In coordination with the Office of the Secretary of Defense, the Department of State, and our U.S. Ambassadors, we continue to work with and through our regional partners to combat violent extremism and transform at-risk environments. We are making progress in the war on terror, particularly in the Philippines.

Through Operation Enduring Freedom—Philippines (OEF–P), USPACOM forces, predominantly from Special Operations Command Pacific, advised and trained Philippine allies in counterterrorism operations and activities. Our efforts have served to both enhance Philippine ability to conduct sustained direct action against terrorists and to build their civic action capacity to mitigate terrorist support within the community. In 2007, the AFP, with U.S. support, conducted continuous counterterrorism/civic action operations for 8 months. In addition to killing or capturing several high-value individuals and their followers, the AFP rebuilt a cooperative market; constructed new schools, clinics, and community centers; and brought solar-

powered electricity to multiple locations in the Sulu Province. As a complement to OEF–P, USPACOM has increased levels of Civil Military Operations activity in Balikatan, our major annual exercise in the Philippines.

With assistance from our allies, especially Australia, Japan, and South Korea, OEF–P future operations will continue to build AFP capacity while setting conditions for expanded operations in Central Mindanao. We will also continue to encourage multilateral cooperation, in particular among the Philippines, Indonesia, and Malaysia, to disrupt terrorist activities and transit in the shared maritime space of the Celebes and Sulu Seas.

In Indonesia, we witnessed no significant increase in terrorist activity. We are encouraged by the success of the Indonesian National Police in countering Jemaah Islamiyah operations, to include the arrest of Abu Dujana.

Our partners in the war on terror benefit greatly from continued U.S. military assistance to improve the effectiveness of counterterrorism operations. With continued congressional support, assistance will take the form of Theater Security Cooperation activities, Security Assistance, Defense Security Cooperation Agency-led Philippine Defense Reform (PDR), and capacity building authorities.

NDAA Section 1207

The Department of State, led by our embassy country team in the Philippines, seamlessly integrated with USPACOM efforts through the Southeast Asia Tri-border Initiative (SATI). Enabled by section 1207 authority, $16.9 million toward SATI will considerably expand economic development in the region as well as improve responsiveness of regional military and law enforcement forces, a tremendous complement to ongoing regional efforts to combat terrorism and transnational crime.

NDAA Section 1206

With congressional 1206 authority, USPACOM also contributed more than $64 million in fiscal year 2007 toward increasing maritime security capacity in Malaysia, Indonesia, the Philippines, and Sri Lanka. In fiscal year 2008, we intend to build upon these initiatives by enhancing capabilities of partner nations to monitor and control areas in and around borders that may be used to transport, shelter, supply, or finance terrorist organizations.

Sections 1207 and 1206 authorities, executed in full cooperation with the Department of State and our regional Ambassadors, are highly effective tools to build regional capacity and undermine terrorism in Southeast Asia. USPACOM thanks Congress for supporting these authorities and recommends making them permanent.

Joint Interagency Task Force-West (JIATF–West) counterdrug operations support war on terror objectives. Importantly, JIATF–West, with a focus on the global drug threat, is able to achieve a high degree of law enforcement cooperation with regional partners, a level of cooperation that would not be possible with a singular counterterrorism agenda. Enhanced law enforcement cooperation has proved beneficial in countering all transnational threats, including terrorism. The command successfully applied NDAA Section 1022 authority to support counterterrorism law enforcement by providing training for bomb blast investigations and evidence collection in Malaysia and the Philippines, respectively. JIATF–West was the only entity to apply this provisional authority, and we would welcome continued authority in the future.

The warfighting landscape today also includes significant nontraditional, transnational security threats. Drug trafficking is a key concern in the Asia-Pacific, as a threat to the human condition and as enabler for other security threats. In 2007, JIATF–West, in cooperation with our embassies and partners, achieved important successes. Focus remained on areas where crime-terror linkages exist or are likely to emerge: the Philippines, Indonesia, Malaysia, and Thailand. The Interagency Fusion Center program—a key element of our assistance portfolio—played an integral role in a recent high-profile case. Last October, the Indonesian National Police used the Jakarta Interagency Counterdrug Operations Center to support raids and post-seizure analysis on a large crystal methamphetamine laboratory, estimated to be the world's fifth largest, and its support facilities on the island of Batam, located at the southern entrance to the Strait of Malacca. This capability will prove increasingly beneficial to partner nations as they combat all aspects of transnational crime and terror networks.

JIATF–West successes to date highlight the benefits of expanded but targeted congressional authority. As a logical and important next step, USPACOM advocates for NDAA Section 1033 authority, which would allow JIATF-West to equip security forces, in key countries of concern—the Philippines and Indonesia.

While USPACOM forces will continue to be called on to execute a full-range of military missions, security and stability in the region depend on our readiness to

dissuade, deter, and if necessary, defeat any adversary who chooses to operate on the high end of the spectrum of conflict. We must continue to posture forces forward, backed up by ready and agile forces in the continental U.S. Intelligence, Surveillance, and Reconnaissance assets must be sufficient to maintain situational awareness. Our maritime, air, and ground forces must have the capability and capacity to prevail in a warfighting environment in which potential adversaries are rapidly closing the technological gap. Ensuring the survivability of our networks, both military and those commercial networks that support military operations, is becoming increasingly critical in a battlespace sure to place additional emphasis on the domains of space and cyberspace.

USPACOM requires pervasive and persistent surveillance to understand adversary plans and intended actions. The size of our theater and scarcity of available assets hampers opportunities to shape the environment. To improve this situation, USPACOM would welcome new resources—new sensors to increase dwell and access to potential adversary territory and communications and more human intelligence. These capabilities are critical to preventing strategic or tactical surprise.

Implementation of Joint Intelligence Operation Centers has become key to synchronizing operational requirements with national and Service intelligence providers, particularly those requirements that support indications and warnings analysis.

Communications System

USPACOM requires reliable, secure, and interoperable communications systems to provide the foundation for command and control. Robust information networks enable information sharing and collaborative planning across the full spectrum of joint and multinational operations throughout the Asia-Pacific region. We must invest appropriately to preserve critical communication capability and capacity. USPACOM concentrates its effort on sustaining required levels of communication assurance despite existing limitations. However, long-term success depends on collective action by the Department of Defense (DOD) and Congress.

Satellite failures as well as funding cuts and delays in follow-on SATCOM systems have reduced availability of Military SATCOM. USPACOM is engaged with the national satellite community to ensure satellite and terminal programs are synchronized and address this availability gap.

The DOD communications infrastructure continues to be vulnerable to cyber exploitation and attack. USPACOM works daily with Joint Task Force-Global Network Operations to defend the Global Information Grid against cyber threats. Critical C2 networks must be proactively defended to ensure confidentiality and integrity of the information. The mitigation of computer network vulnerabilities is a top priority.

Expanding coalition communication networks is essential to support USPACOM missions. USPACOM fully supports the Assistant Secretary of Defense for Networks and Information Integration and the Joint Staff implementation of a Multinational Information Sharing (MNIS) program. The goal of this program is to build and sustain a single network that supports multinational information sharing requirements.

Undersea Superiority

Continued improvement of air, surface, subsurface, C^4I systems, and acoustic modeling and navigation charts through oceanographic surveys, and cooperative training and operations with partners and allies will enhance our ability to operate effectively in the maritime domain. However, in the face of fast-paced PLA–N modernization and their ever-expanding area of operations, anti-submarine warfare remains a challenge and is the number one priority for U.S. Pacific Fleet. Maintaining an operational advantage also requires rigorous training at sea, before deployment in the AOR. Without the exemption recently granted by the President, the restrictions placed on use of active SONAR in the waters of Southern California would have presented a significant training challenge for our maritime forces preparing for deployment in the Western Pacific.

Continuing to balance the risk between today's fight against terror and the need to maintain the readiness of our forces to dissuade, deter, and if necessary, defeat potential high-end adversaries is perhaps the single greatest military challenge faced by our Nation's leaders. USPACOM is achieving an acceptable balance in this regard but we must work at it, constantly mitigating shortfalls by making adjustments with our resources or in coordination with other geographic combatant commanders.

Combating Weapons of Mass Destruction capability in the Asia-Pacific is another warfighting priority. Along with allies and partners, the centerpiece for our activity remains the Proliferation Security Initiative (PSI), which aims to build global capac-

ity to disrupt weapons of mass destruction proliferation among states, and between states and terrorist organizations. Eleven nations within the AOR endorse the PSI (Australia, Japan, Singapore, New Zealand, the Philippines, Brunei, Cambodia, Mongolia, the Marshall Islands, Sri Lanka, Papua New Guinea). We continue work to expand participation during our regional military-to-military engagements.

While a common commitment to counterproliferation is important, we also made gains with the essential next step—exercising counterproliferation capabilities. In October 2007, PACOM forces participated in a Japan-hosted PSI exercise that included units from Australia, New Zealand, France, Singapore, and U.K, as well as observers from some 30 additional countries. Japan's exercise demonstrated a full range of counterproliferation actions, from law enforcement and customs actions to maritime interdiction. On the domestic front, PACOM participated in the Homeland Security Department's Exercise Topoff 4 and tested and refined our full range of existing procedures for managing a domestic terrorist WMD event. In September 2008, USPACOM will participate in another PSI exercise, the New Zealand-hosted exercise Maru.

Pandemic Influenza

Pandemics can be difficult to predict. Should a pandemic influenza (PI) contingency develop, USPACOM has a robust plan in support of our national strategy for a PI response and is prepared to support lead agencies (Department of Homeland Security, and Department of Health and Human Services, U.S. Department of Agriculture, and Department of State) at a national level. This past year, in addition to an internal, no-notice planning and response exercise, we conducted our most comprehensive PI exercise to date, with participation from all USPACOM Service components and representatives from the State of Hawaii, U.S. interagency, and international humanitarian communities. The exercise, Tempest Express 13, tested strategic and operational level civil-military coordination mechanisms. We also collaborated with the Centers for Disease Control and Prevention to hold "Laboratory and Rapid Response" train-the-trainer workshops with participants from Bangladesh, Cambodia, India, Indonesia, Laos, Thailand, and Vietnam.

FORCE PRESENCE AND POSTURE

U.S. force presence and posture—in Japan, Korea, and across the Asia-Pacific AOR—has long been a guarantor of peace and stability in the Asia-Pacific. We will continue to position our forces in theater to optimize agility and flexibility, ensure rapid response to crises, and provide the force presence that both assures allies and partners and dissuades and deters threats to security. We will remain a force ready and a force present.

The Defense Policy Review Initiative (DPRI), launched by the Secretary of State and Secretary of Defense with their Japanese counterparts in December 2002, serves as the framework to manage U.S.-Japan alliance transformation and posture realignment. Major elements of DPRI include plans to relocate the functions of two U.S. air bases from urbanized to rural areas; relocate over 8,000 marines from Okinawa to Guam; co-locate U.S. and Japanese command and control capabilities; deploy U.S. missile defense capabilities in Japan, in conjunction with Japan's own deployments; and improve operational coordination between U.S. and Japanese forces. These activities will strengthen capabilities and maintain deterrence in the region while reducing impacts of U.S. presence on local communities in Japan.

Since implementation details were agreed to in May 2006, progress has been made in all priority areas. Most notably this past year, the Japanese Diet approved a comprehensive legislative package that provides financial incentives to local communities and authorizes financing to build housing on Guam for Marines relocating from Okinawa. Additionally, the Government of Japan initiated the environmental assessment so that construction of the Futenma Replacement Facility on Okinawa can progress. The completion of this facility is critical to finalizing our force posture changes in Guam by 2014. Currently, we are on schedule to meet construction timelines on this and other major DPRI-related facilities throughout Japan.

USMC Relocation to Guam

The rebasing of 8,000 marines and their dependents from Okinawa to Guam remains a vital component of USPACOM engagement with the GOJ and a cornerstone of continued U.S. force projection capability. This action will return desirable land to Japan while enhancing the flexibility of the forward-based Marine presence in the USPACOM AOR. The Joint Guam Program Office, led by the Department of the Navy, is managing all aspects for this relocation effort. Rebasing beddown alternatives have been finalized, and we seek to begin upgrades to the military infrastructure, housing, and training facilities on Guam in 2010. The Japanese have re-

affirmed their commitment to bear approximately $6 billion of the cost for facilities and infrastructure. USPACOM advocates for similar resolve within the DOD and Congress in shouldering the approximately $4 billion U.S. share for the Guam posture change. The relocation will be a monumental undertaking requiring maximum involvement from all branches of the military and active participation from numerous Federal agencies and territorial governments.

U.S. Forces Korea Transformation

On the Korean peninsula, with the full support of the Republic of Korea (ROK) government, we are reducing and consolidating our footprint into two hubs south of the Han River. To increase readiness and boost the quality of life for our Korea-based force, we are considering longer, accompanied tours for our servicemembers.

Over the last year, we have also made strides in formalizing the path to transfer warfighting operational control from U.S. to ROK responsibility in 2012. With the disestablishment of the U.S.-led Combined Forces Command (CFC), U.S. Forces, Korea (USFK) will become a U.S. joint warfighting headquarters, provisionally-described as U.S. Korea Command, supporting the ROK armed forces during armistice and in war. In order to succeed, USFK will require significant transformation of the command force structure, logistics architecture, and a robust training and exercise program. We will execute new theater-level exercises, Ulchi Freedom Guardian and Key Resolve, to maintain CFC readiness, as well as train, certify, and validate the alliance's new command construct.

Prepositioned Stocks/Preferred Munitions

Due to the time-distance challenges in this theater, USPACOM forces require readily available and properly maintained prepositioned stocks and preferred munitions at the outset of any conflict. During this past spring, the Army downloaded APS–3 afloat equipment sets to support Iraq-bound Army units. This event, in addition to existing shortages in the remaining prepositioned programs, creates a need for close monitoring of the replenishment of equipment and stocks throughout the USPACOM AOR. Also, achieving the appropriate mix and inventory levels of key munitions, particularly GPS-aided and laser-guided weapons, the Guided Multiple Launch Rocket System, Patriot (PAC–3) missiles, Advanced Medium Range Air-to-Air Missile version C–7, and the Joint Air-to-Surface Standoff Missile, is imperative.

Missile Defense

To defend U.S. forces, interests, and allies from short- and medium-range ballistic missiles, USPACOM seeks a forward-deployed, layered, and integrated air and missile defense system that is capable of intercepting threat missiles throughout the entire time of flight. USPACOM has established an initial missile defense capability by forward deploying the Standard Missile 3 (SM–3) aboard U.S. Navy AEGIS ships, integrating a forward-based X-band radar into the Ballistic Missile Defense (BMD) architecture, conducting BMD exercises and training with key partners, and refining the tactics, techniques, and procedures required for coordination with USNORTHCOM and other Geographic Combatant Commands during the employment of the missile defense system in defense of the U.S. Increased inventories of both PATRIOT PAC–3 and SM–3 interceptors, forward basing of a Terminal High Altitude Area Defense fire unit in Guam, and accelerated development of sea-based terminal and kinetic boost phase interceptor capabilities would effectively build on the initial missile defense capability already deployed in the USPACOM AOR.

As the Government of Japan fields their own national BMD capability with Patriot PAC–3 Fire Units and AEGIS SM–3 capable ships, USPACOM will continue to work closely with them to maximize the combined efforts and achieve the most effective capability. As we grow the overall BMD architecture, interoperability will play an even greater role. It is vital to mission success to have communication systems that can not only integrate across the joint spectrum, but also with our partner nations.

Acquisition and Cross-Servicing Agreements (ACSAs) enhance interoperability and readiness, and provide a cost effective mechanism for mutual logistics support between U.S. and allied or partner military forces. ACSAs have been particularly helpful in the conduct of war on terror operations. For example, we have made extensive use of the current agreement with the Republic of the Philippines to support the AFP operations against terrorist cells in that country. USPACOM has 12 ACSAs in place. We signed an agreement with Sri Lanka in March 2007 and both the Philippines and Tonga renewed their ACSAs during 2007. Agreements with Fiji and Australia are both up for renewal in 2008. Additionally, we are currently negotiating an agreement with Indonesia and hope interest by Timor-Leste and Brunei will yield results. We view these agreements as vital in maximizing our interoperability and helping increase the readiness of coalition partners in the Pacific region.

REGIONAL ENGAGMENT

Our Theater Security Cooperation Plan serves as the primary blueprint to enhance U.S. relationships and military capacities of allies and regional partners. The plan is fully coordinated with our embassy country teams and integrates security assistance, military-to-military exchanges, exercises, cooperative technology development, and outreach programs into a coherent, mutually supportive set of activities for each country, whether ally, partner, or cooperating state.

These security cooperation activities are essential to the success of U.S. national security strategy. For relatively low cost, we have an opportunity to make progress in each of the USPACOM priorities, and facilitate situations in which future security challenges can be met through regional collaboration and capacity.

Japan

The U.S.-Japan alliance is a cornerstone for maintaining a secure and stable Asia-Pacific. Nearly 38,000 U.S. Armed Forces personnel are stationed in Japan, along with an additional 14,000 forward-deployed personnel. Japan also provides over $4 billion in host nation support—the most generous of any U.S. ally—and remains steadfast in supporting its share of the costs of alliance transformation.

Transformation of the U.S.-Japanese alliance continues on its positive, steady pace. From the USPACOM perspective, significant changes within the defense organization—a new Joint Staff in 2006 and a ministerial-level defense department in 2007—strengthen Japan Self-Defense Force ability to defend Japan and demonstrate a desire to enhance cooperation with the U.S. and other regional partners to ensure peace and stability in the region. USPACOM is encouraging more trilateral cooperation between Japan, the ROK, and the U.S. militaries, particularly in the areas of peacekeeping operations (PKO) and humanitarian assistance/disaster relief. Increased cooperation in these areas would be beneficial regionally and internationally, much as ongoing Japanese support of the war on terror continues to be.

Japan continues its full commitment to BMD. During the past year, Japan has fielded its own PAC–3 missiles to defend Tokyo, and has tested SM–3 missiles which will soon be operational in the waters off the coast of Japan, providing additional BMD capability.

Republic of Korea

The U.S.-ROK Alliance remains strong and critically important to stability on the Korean Peninsula. Despite warranted optimism from progress in the Six-Party Talks and Inter-Korea Summit, the alliance remains focused on the most immediate security threat, North Korea. We do not foresee a near-term, overt challenge by North Korea. However, North Korea retains a significant conventional capability with massed forces near the demilitarized zone and a potent missile arsenal. We remain convinced that the strong U.S.-ROK alliance is the key to deterring North Korea.

In recognition of growing military capabilities of our forces, the U.S.-ROK alliance continues to transform to better meet security challenges, both on and off the peninsula. All on-peninsula transformational goals are on track. Regionally, we seek increased partnering with the ROK in counterproliferation, maritime security, and disaster relief, as well as trilateral military cooperation between the U.S., ROK, and Japan. This is particularly relevant since our three nations have the financial resources, logistical capability, and planning ability to handle complex contingencies throughout the region. The relevancy of our alliance grows globally as well, demonstrated by ROK contributions to the war on terror in Iraq and Afghanistan and by the deployment of ROK forces to Lebanon in support of the United Nations Interim Forces in Lebanon mission.

Australia is our most steadfast ally, committed to enhancing security, regionally and globally. Australian leadership in the Pacific was noteworthy in 2007. For example, this past year Australia continued to lead the International Stabilization Force in Timor-Leste and the Regional Assistance Mission to the Solomon Islands. The Australia Defence Force also worked with USPACOM on building regional security capacity, particularly in the area of maritime security.

As a sure sign of the enduring nature of our alliance, Australia places major emphasis on advancing interoperability with the U.S. through well coordinated acquisition and training programs. They are a Joint Strike Fighter level three partner and have made great progress in implementing Strategic Level and Operational Level Review recommendations to enhance U.S.-Australia interoperability. Exercise Talisman Sabre 2007, our premier high-end combined warfighting exercise with Australia, was highly successful and validated the U.S.-Australia Joint Combined Training Capability. We are now improving that bilateral capability by increasing the fidelity and numbers of virtual and constructive forces that can be integrated into ex-

ercise and training environments. In accordance with the Presidential agreement announced at the last APEC Summit, we are also enhancing cooperation with Australia on Intelligence, Surveillance, and Reconnaissance, and on regional Humanitarian Assistance/Disaster Relief response.

Republic of Philippines

Our partnership with the Republic of the Philippines is central to success in meeting our war on terror goals in Southeast Asia. With U.S. advice, training, and monetary support, the AFP have had remarkable success against terrorists in the southern Philippines. The Philippine government and its security forces are increasingly assuming a regional leadership role against terrorism and transnational crime. Most noteworthy is the Maritime Security effort in the Tri-border Region (an area shared with Indonesia and Malaysia) to bring security to the Sulu and Celebes Seas and improve economic viability.

PDR, an innovative and highly-effective approach to building partner capacity, continues to strengthen civilian control over the military, inject transparency into Philippine Department of National Defense processes, and increase the overall professionalism and capability of the armed forces. It is a blueprint by which other nations in the region can model and implement similar efforts.

Thailand

The December 2007 elections and certification of a democratically-elected government has allowed us to move forward—at an appropriate pace—with restoration of our military relations with Thailand, a major regional ally. For 2008, we place emphasis on completing a fully robust, Thailand-hosted Cobra Gold, the premier USPACOM multilateral exercise. This annual exercise is a centerpiece for building regional competencies to respond to a wide range of transnational security threats and humanitarian relief contingencies. We appreciate Thailand's important global security contributions in the war on terror, counternarcotics efforts, and PKO, including an 800-troop contingent to the U.N. mission in Sudan.

India

Delay with the Civil Nuclear Cooperation Initiative has not adversely affected interaction between USPACOM and Indian military counterparts. Collectively, we see our militaries building a constructive relationship. We foresee great potential for cooperation in areas of counterterrorism, maritime security, and disaster relief.

During my visit to India in August 2007, the Indian Foreign Secretary, Defence Secretary, and all three Service Chiefs expressed support for our military-to-military cooperation and a desire to increase the quality and complexity of these events in the future. The U.S.-Indian naval exercise, Malabar 07, which also involved participants from Singapore, Australia, and Japan, is indicative of the kind of progress we seek with our relationship.

Singapore continues to be one of our strongest security partners in Asia and a key coalition partner in the war on terror. Beyond providing strategic access to ports and airfields for transiting U.S. forces, Singapore cooperates with us on shared maritime security, counterterrorism, and command and control initiatives. In 2007, Singapore broke ground on a multinational Command and Control Center at Changi Naval Base, which will facilitate information sharing among regional nations and enhance maritime security in the Malacca Strait. Their decisions to purchase U.S. platforms such as F–15 aircraft and Seahawk helicopters strengthen our level of cooperation. Singapore has provided niche capabilities to support operations in Iraq and Afghanistan.

Indonesia

Since the normalization of our military relationship with Indonesia in 2005, we have moved deliberately to upgrade our ties with the Indonesian Armed Forces (TNI). Sitting astride key sea lanes, Indonesia is the largest nation in Southeast Asia and the world's third-largest democracy. We and the Indonesians have a broad range of shared interests, and it is important that our security relationship matures to reflect these shared interests. USPACOM conducted significant military-to-military engagement activity with the TNI in 2007. Two events were particularly noteworthy: a peacekeeping-focused, brigade-level Command Post exercise, Garuda Shield, and the multilateral intra-agency Southeast Asia Disaster Management Conference, which exercised the Indonesian government's ability to respond to disasters at the strategic, operational, and tactical levels. In both evolutions, interaction between the TNI and U.S. military—at all levels—was strongly positive, professional, and marked by a desire to improve peacekeeping and disaster relief skills. Consistent with this view, Indonesia has deployed a second set of troops to support PKO

in Lebanon, recently completed its first PKO course through the U.S. Global Peace Operations Initiative (GPOI) program, and is developing its own PKO center.

In 2008, we anticipate greater Indonesian leadership within our theater security cooperation activities. For example, Indonesia has already agreed to co-host this year's Pacific Armies Management Seminar and the Chiefs of Defense Conference. TNI will also host the fourth maritime trilateral exchange with Malaysia and the Philippines, an effort to improve greater cooperation and security in the Sulu and Sulawesi Seas.

People's Republic of China

Our dealings with the PRC and Taiwan are guided by the Taiwan Relations Act, the three Joint U.S.-PRC communiqués (1972, 1979, 1982), and the one-China policy. We abide by restrictions stipulated in the National Defense Authorization Act for Fiscal Year 2000.

Our military-to-military interaction with the PLA fell short of expectations this year. We achieved some success with several high-level visits to the PRC, including the Secretary of Defense, Chief of Naval Operations, and two Commander, USPACOM visits. In each case, PLA hosts provided access to platforms and facilities not visited before, and discussions with their senior military leaders were candid and open. However, we saw little change in PRC willingness to conduct port visits, simple exercises at sea, mid-level officer exchanges, or pragmatic interaction like the Military Maritime Consultative Agreement talks—the activities USPACOM views as most useful in reducing the potential for miscalculation and misunderstanding between our forces. The growing PLA military capability remains a concern, and our understanding of PLA intentions is limited.

USPACOM will continue to pursue military-to-military activity with the PLA, with the clear purpose to reduce chances of miscalculation, increase understanding, and create opportunities for cooperation. We seek—in the long-term—a mature relationship with the PLA.

Cross-Strait Assessment

Sustaining stability across the Taiwan Strait is a top priority. Vital to preserving this current stability is a credible Taiwan self-defense capability. In accordance with legislation and policy, we make available to Taiwan advice, training, and equipment necessary for a sufficient self-defense capability. Through regular engagement, we have advocated to Taiwan military leaders a variety of defensive measures such as increased joint training, critical infrastructure protection, and capability acquisitions. The Taiwan military has improved its self-defense capabilities considerably.

Consistent with the Taiwan Relations Act, USPACOM will also continue to maintain its own capabilities to defend against any potential military aggression in the region.

Mongolia

Mongolia is an enthusiastic U.S. partner and supports major U.S. security efforts, including the war on terror and President Bush's GPOI. USPACOM remains primarily focused on helping Mongolia transform its military into a rapidly deployable, elite peacekeeping force that is interoperable with U.N. and coalition forces. Our high-tempo interaction in 2007 included strategic dialogue, bilateral and multilateral exercises, security operations exchanges, defense reform, and NCO development. We foresee the Mongolian Armed Forces continuing to participate in international PKO and increasingly assisting with Humanitarian Assistance/Disaster Relief efforts.

Russia

USPACOM coordinates all its security cooperation activities with the Russian Far East Military District with U.S. European Command, ensuring the efforts of both geographic combatant commands are mutually supportive. Our direct interaction with the Russians this year was positive and helpful, with USPACOM hosting the Far East District Commander's first visit to Hawaii in 10 years.

This year we also witnessed a more assertive Russia, particularly in the form of increased and more visible Russian bomber activity in the USPACOM AOR. We do not assess Russian action as a threat, but we prefer to deal with Russia more openly and directly to prevent any misinterpretation. To that end, we encourage Russia to restart the "flight announcement" process. My first trip to Russia is scheduled for summer 2008.

Sri Lanka

We support the Government of Sri Lanka (GSL) efforts to defend themselves against terrorist attacks by the Liberation Tigers of Tamil Eelam but are concerned

about GSL withdrawal from the 2002 cease fire, increased levels of violence, and allegations of human rights abuses. USPACOM security cooperation programs focus on institutionalizing respect for human rights, enhancing the Sri Lankan armed forces ability to deter renewed violence, and improving their maritime security capabilities through Section 1206 capacity building authority. We also continuously stress that GSL seek a suitable resolution to the conflict—a solution that meets the needs of the Sinhalese, Tamil, and other communities. Additionally, we are now working with the Sri Lankan military to enhance their nation building and disaster relief capabilities.

Sri Lanka continues to demonstrate support for the war on terror by providing blanket over-flight and landing rights in support of operations in Iraq and Afghanistan.

Nepal

The uncertainty of the political situation in Nepal caused by delays in the national elections and contentious differences between the ruling party and the Maoists has affected our military-to-military engagement with Nepal. Until the political situation is resolved, USPACOM security cooperation will continue to focus on non-lethal assistance with the emphasis on professional military education, peacekeeping training, and respect for human rights.

People's Republic of Bangladesh

Bangladesh continues to make progress in countering their internal extremist threat. Over the past year, they have brought to justice numerous leaders of various Muslim extremist organizations. Assisting the Bangladesh government to enhance their counterterrorism capabilities is the focus of our bilateral cooperation. USPACOM further seeks to enhance Bangladesh ability to conduct international peacekeeping and to increase capacity to conduct domestic humanitarian assistance and disaster relief missions, which will improve national response in the wake of events like the November 2007 cyclone crisis.

Since the declaration of Emergency Rule in January 2007, USPACOM has remained watchful of the role of the military within the Caretaker Government. We initiated defense sector reform programs that focused on maintaining a professional military that adheres to human rights and is respectful of civilian control of the military.

Malaysia

Defense ties with Malaysia are strong and improving, best exemplified by a fivefold increase in our ship visit program, acceptance of high-level visits, and Malaysia's partnering with us in numerous multilateral venues. In the last 18 months Malaysia has co-hosted three high-level major multilateral conferences, including the first ever Asia-Pacific Intelligence Chiefs Conference. This strong relationship is important as Malaysia influences the evolution of ASEAN, demonstrates strong leadership in maritime security, and actively participates in the Non-Aligned Movement and the Organization of the Islamic Conference. Malaysia also continues to lead the peace monitoring mission in southern Philippines and has renewed its contribution of peacekeeping troops to Lebanon.

Vietnam

Our military-to-military relationship with Vietnam has made positive strides in recent months, most significantly in the areas of humanitarian assistance and disaster relief. A beneficiary of the U.S.S. *Peleliu* humanitarian mission, Vietnam also contributed directly to the mission success regionally, providing a medical team on board the ship. During my December trip, I encouraged Vietnam to continue to grow its capabilities in the humanitarian assistance and peacekeeping mission areas. USPACOM also agreed to sustain information exchanges that allow the Vietnamese to better prepare for and respond to severe typhoons. This year we continued our support of the Presidential Emergency Program for AIDS Relief, with the DOD contribution exceeding $5 million. With this incremental progress, we look forward to increased military cooperation with the Vietnamese, both bilaterally and multilaterally.

Cambodia

Our military relationship with the Royal Cambodian Armed Forces (RCAF) continues to progress steadily. They have shown increased willingness to cooperate closely on counterterrorism, peacekeeping, disaster response, and medical and health related activities. After a 2006 assessment of RCAF requirements, the U.S. delivered 49 laptop computers in 2007 and will deliver 30 2.5-ton trucks in Spring 2008, all from excess defense articles. Reinforcing the positive outcome from last

year's first ship visit to Cambodia since the Vietnam War, U.S. Pacific Fleet conducted a second visit in 2007 with the U.S.S. *Essex*. The sailors were well-received and completed a robust schedule of medical and dental civic action programs with their Cambodian counterparts. Cambodia was also a recipient of peacekeeping training through the Global Peacekeeping Operations Initiative and sent a platoon to Mongolia for the region's premier peacekeeping exercise, Khaan Quest. Cambodia is playing a lead role in the region by conducting Exercise Tempest Express 14 to test and refine national, regional, and broader international mechanisms for disaster and emergency response.

Laos

We are slowly building security-related activities with Laos beyond traditional personnel recovery and humanitarian assistance cooperation. The Lao Peoples' Democratic Republic (PDR) leadership is receptive to increased military engagement, as evidenced by their decision to accept the exchange of Defense Attachés. Engagement activities will be focused initially on English language training for mid-level and senior officers, medical training and avian influenza preparedness, military cooperation on unexploded ordnance detection and removal, and increased Lao participation in regional conferences and activities. USPACOM remains mindful of the poor past performance of the Lao PDR regarding human rights and reinforces international standards of behavior in all engagement activities.

New Zealand shares many U.S. security concerns about terrorism, maritime security, transnational crime, and proliferation of weapons of mass destruction and delivery systems and cooperates closely with us. They are an active and positive force in Pacific Islands security initiatives, including support to stabilization efforts in Timor-Leste and the Solomon Islands. While the 1987 legislative declaration of New Zealand as a nuclear free zone remains an impediment to bilateral military-to-military relations, we support New Zealand Defence Force participation in approved multilateral events that advance our mutual security interests.

New Zealand remains supportive of coalition efforts in the war on terror and has extended its lead of the Provincial Reconstruction Team in Afghanistan through at least September 2008. New Zealand also continues to provide excellent support to Operation Deep Freeze missions supporting U.S. scientific exploration in Antarctica.

Compact Nations

USPACOM enjoys a special relationship with the three Compact Nations—the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau. We fully support their initiatives to expand capacity and operations to protect their valuable economic exclusion zone resources. The U.S. Army Pacific Joint Task Force for Homeland Defense leads our partnership with these nations to ensure our mutual defense, as set forth in the Compacts of Free Association. We are grateful for the extraordinary support from the citizens of these nations, particularly those who serve with great distinction in the U.S. military and Coast Guard. The Marshall Islands host the Ronald Reagan Ballistic Missile Defense Test Site, integral to the development of our missile defense programs and conduct of space operations.

Timor-Leste

The recent attempted assassinations of President Ramos-Horta and Prime Minister Gusmao highlight the continued political unrest in Timor-Leste. However, there are several reasons to remain optimistic about the future of this fledgling democracy. This past year, Timor-Leste successfully held its first democratic presidential and parliamentary elections. The Timor-Leste civil-military defense establishment is in place, and their Defense Forces operate under the rule of law. With international support, Timor-Leste is again experiencing the relative stability necessary to begin critical institutional development. Regarding USPACOM interaction, our U.S. security assistance program with Timor-Leste is focused on English language training. We have also recently completed a highly successful port visit and look forward to increasing our engagement opportunities with the Timor-Leste Defense Forces this year.

Tonga

With a military of 600 personnel, Tonga remains an extraordinarily committed U.S. partner in the war on terror and is a regional leader in PKO. Royal Tongan Marines returned to Iraq in September 2007 for two 6-month rotations with the possibility of providing additional troop rotations in the future. These efforts and their other regional peacekeeping commitments mean that one-third of deployment-eligible Tongan soldiers are engaged in peacekeeping missions, worldwide. USPACOM security cooperation with Tonga supports their efforts to strengthen and refine the

peacekeeping capacity of the Tongan Defence Service through our annual Marine-led exercise, Exercise Tafakula and our GPOI capstone exercise.

Burma

The policies and practices of the Burmese government undermine regional security through violent suppression of peaceful protests (as observed as recently as September 2007), human rights violations, particularly against ethnic minority civilians, and narcotics trafficking. USPACOM fully supports U.S. policy to increase pressure on the military junta to engage in a credible transition to democracy. Our military-to-military engagement with Burma is limited to coordination of the recovery of missing U.S. personnel, the last activity having occurred in 2004.

Security Assistance

One of the most important features of PACOM theater security cooperation is the security assistance effort we execute in partnership with the Department of State and our embassy country teams. Powerful engagement tools for building security partnerships with developing countries include International Military Education and Training (IMET) and Foreign Military Financing (FMF). IMET advances U.S. interests by educating participants in essential principles of a professional military force. IMET is of life-long value to the participants and the respective regional nations. The program also develops personal relationships among nations in the Asia-Pacific. FMF continues to prove its value in equipping and training regional partners to more effectively contribute toward common security goals. FMF is vital to supporting U.S. coalition partners in the war on terror, such as the Philippines, Indonesia, and Mongolia. USPACOM countries typically receive less than 1 percent of the annual worldwide allocation of FMF. Because modest investments in security assistance foster a more secure and stable region, increased funding in this area merits consideration.

Enlisted Leader Development

We place a premium on developing the enlisted leaders of partner nations in the Asia-Pacific. To that end, we are assisting selected countries as they work to create a professionally-committed, competent, and empowered enlisted force. Growing these leaders will contribute directly to a partner nation success across the full gamut of security interests, from the war on terror to maritime security initiatives.

Joint Exercise Program

USPACOM joint exercises are tangible and productive elements of our theater engagement strategy and joint training program. Our exercises develop and sustain habitual relationships that promote overall operational effectiveness among USPACOM forces and with the armed forces of other nations and civilian organizations. Exercises also are the primary vehicle we use to improve, demonstrate, and certify the readiness of USPACOM forces and our joint command and control headquarters.

To maximize opportunities for training, we continue to leverage the capabilities of live, virtual, and constructive simulations in all of our training and exercises. These simulations bring greater fidelity and realism to our exercises while preventing increased operational and personnel OPTEMPO. Validation of the Joint and Combined Training Capability program with Australia during exercise Talisman Saber was a milestone achievement and showed how effective the integration of live, virtual, and constructive environments can be.

The establishment of the Combatant Commander Exercise Engagement (CE2) account, this year, is a significant and welcome improvement. The CE2 account allows the DOD to efficiently and effectively support joint training and exercises. It provides flexibility to focus support when and where it is needed to meet USPACOM and national security requirements. We appreciate Congress' leadership in establishing this account. Your continued support for the Joint Exercise Program plays a critical part in maintaining security and stability in the Pacific.

GPOI is a presidential and G–8 initiative to build competent and professional peacekeepers worldwide. Within the Asia-Pacific region, USPACOM GPOI program continues to leverage existing host nation programs, institutions, policies, and exercises. Our continued emphasis is on encouraging long-term sustainment of qualified peace support operations forces through a train-the-trainer focus, and ensuring standardization and interoperability by taking a regional approach, and by working within the framework of United Nations Guidelines. This program is one of our key components for fostering military-to-military relationships and in meeting security cooperation objectives among nations within the Asia-Pacific region. USPACOM successes include producing over 1,116 tactical peacekeepers, 272 qualified staff offi-

cers, and 145 Trainers available for immediate deployment worldwide. In late 2007, the Philippines and Tonga were added as GPOI participating nations.

In 2008, the USPACOM GPOI program will be fully implemented in Bangladesh, Indonesia, Malaysia, Mongolia, Nepal, Sri Lanka, and Tonga. We expect to train 5,000 peacekeepers. USPACOM, in conjunction with Bangladesh, will host the largest multinational peacekeeping capstone exercise conducted in the Asia Pacific region in April 2008 with all the current regional GPOI partner nations.

Other key programs in USPACOM contribute more broadly to security cooperation by addressing transnational concerns. The periodic deployment of humanitarian missions and outreach organizations like the Center of Excellence in Disaster Management and Humanitarian Assistance (COE) and the Asia-Pacific Center for Security Studies (APCSS) provide expertise and establish enduring relationships between nations of the region. Additionally, the Joint POW/MIA Accounting Command, through the conduct of their important mission, serves as a powerful tool in our efforts to improve relationships in the region, particularly in Southeast Asia, but also in China.

U.S.S. *Peleliu* deployed to the Western Pacific for 120 days from June to September 2007 to perform a humanitarian assistance and theater security cooperation mission, reinforcing relationships and goodwill established during U.S.N.S. *Mercy* missions in 2005 and 2006. The Pacific Partnership team of regional partners, NGOs, military engineers, doctors, dentists, and veterinarians provided support to the governments of the Philippines, Vietnam, Papua New Guinea, Federated States of Micronesia, Solomon Islands, Peleliu Island, and the Republic of the Marshall Islands. Together they treated 31,684 medical patients, 4,242 dental patients, 2,614 veterinary patients and completed 42 engineering civic-action projects for the betterment of the host nation populace.

This past summer USPACOM also leveraged the Pacific Air Forces International Health Services to conduct Pacific Angel, a C–17 based humanitarian assistance mission, to the island nations of Kiribati, Nauru, and Vanuatu. In less than 9 days, this 50 person team of talented dentists, nurses, surgeons, and engineers cared for over 1,800 patients and rehabilitated 3 clinics. We will continue similar missions this year, using the unique capability of the C–17 to bring assistance to remote, generally inaccessible Asia-Pacific areas.

Center for Excellence in Disaster Management and Humanitarian Assistance (COE), a direct reporting unit to USPACOM, offers a unique tool in our continuing efforts to promote stability and human security in the Asia-Pacific region. COE educational programs in humanitarian response, peacekeeping, stability operations, and public health engage non-traditional partners from the civilian community and help maintain critical key relationships with our civilian disaster relief partners such as the United Nations agencies, non-governmental organizations, and civilian authorities in partner nations. COE activities also build indigenous capacity and promote consensus on strategies to improve our collective security against the emerging threats of climate change, urbanization, and potential pandemics.

APCSS provides regular executive education to key regional security-practitioner leaders. APCSS has broadened its audience beyond traditional defense practitioners to encompass whole-of-government, non-governmental, and international organizations in order to address complex security issues more comprehensively. During fiscal year 2007, APCSS held security-related workshops in Cambodia, Nepal, Japan, Bangladesh, and Brunei. Feedback from the region indicates that APCSS Alumni are routinely leveraging the knowledge, skills, and relationships gained at APCSS to make progressive change in specific security cooperation areas.

Joint POW/MIA Accounting Command

USPACOM has no more important and honorable mission than achieving the fullest possible accounting of Americans missing from our Nation's conflicts. Our Joint POW/MIA Accounting Command (JPAC) successfully accomplished more than 50 missions globally last year. Additionally, JPAC Central Identification Laboratory identified 62 unaccounted individuals from the Vietnam War, Korean War, and World War II. In conducting its mission, JPAC relied upon cooperation from Cambodia, Vietnam, Laos, the ROK, Japan, the Pacific Islands, and several countries in Europe.

We anticipate similar results in the coming year. JPAC has also received tentative approval to conduct a recovery mission in the People's Republic of China and to engage Government of India officials regarding potential recovery missions in Northeast India. Operations in North Korea remain suspended, but JPAC is prepared to resume operation once conditions in North Korea are again appropriate.

This year, with the support of the Department, USPACOM will complete the design for a new JPAC headquarters at Hickam Air Force Base. In fiscal year 2010,

we will seek congressional authority and military construction funds for this $105 million project.

QUALITY OF LIFE

We thank Congress for the extraordinary support you give our people—our most valuable asset. We are grateful for consistent pay raises, improved housing, enhanced medical and dental services, exemplary education programs, enriching family and deployment support programs, and other new quality of life initiatives for our families.

With regards to education for our children, the number one priority for our families, your support allowed a new high school to open in Guam and construction to begin on the elementary/middle school. In Daegu, Korea an addition to the high school was completed, offering Junior Reserve Officer Training facilities, a music wing, gym and counseling center.

SUMMARY STATEMENT

USPACOM long-term priorities emphasize a region that is stable, secure and at peace. We are engaged extensively throughout the AOR to advance theater security goals. We are committed—along with our allies and partners—to turn the promise of a stable and secure region into reality and convert challenges into opportunities that strengthen regional relationships and cooperation. We are fortunate to have traditional allies and partners, as well as emerging partners, who are willing to help set conditions for security and stability and work together for the common good of the people of the Asia-Pacific. We appreciate the staunch support of Congress and American people. I am proud and honored to represent the men and women of U.S. PACOM. On their behalf, thank you for your support, and thank you for this opportunity to testify on the defense posture in the USPACOM AOR.

Chairman LEVIN. Admiral, thank you so much.

General Bell?

STATEMENT OF GEN BURWELL B. BELL III, USA, COMMANDER, UNITED NATIONS COMMAND AND REPUBLIC OF KOREA/ UNITED STATES COMBINED FORCES COMMAND; COMMANDER, UNITED STATES FORCES KOREA

General BELL. Thank you very much, Mr. Chairman, Senator Warner, distinguished members of the committee.

Your support for our alliance with Korea in an area of the world which I view as of vital interest to the United States of America is greatly appreciated, as is your commitment to our servicemembers serving there in Korea, about 8,000 miles from home.

Sir, for the record I'd like to submit my 2008 posture statement.

Chairman LEVIN. Thank you.

General BELL. On February 25, 2008, just last month, Lee Myung-bak was inaugurated as the president of the Republic of Korea in a landslide victory. In his inaugural address before international heads of state, diplomats, and dignitaries, with 45,000 South Koreans gathered there, he spoke eloquently about the relationship with the United States. Singling us out individually, he said, "We will work to develop and further strengthen traditional friendly relations with the United States into a future-oriented relationship. Based on the deep mutual trust that exists between our two peoples, we will also strengthen our strategic alliance with the United States."

It was an interesting moment for him in his inaugural address to stop and talk about the United States specifically, and then he went on, of course, and dealt with other subjects.

Our partnership with the Republic of Korea is entering in my view an extremely positive era, wherein the South Koreans strong-

ly desire to reinvigorate our alliance. In recent State Department public polling, 75 percent of South Koreans viewed the American military presence to be important to South Korean national security. Sixty-eight percent believe that the United States-South Korean Mutual Defense Treaty should be maintained even if the threat of aggression from North Korea ended.

Today we are indeed welcome and wanted in the Republic of Korea. It's my strongest recommendation that the United States seize this moment and extend a reciprocating welcoming hand to one of our most steadfast and long-term allies.

Today the Republic of Korea is a modern first-world nation. Rising from the third-world stagnation to an economic powerhouse, South Korea is bidding to become 1 of the 10 largest economies in the world and they do rank 11th right now.

Korea is strategically located on the east Asian mainland at the regional nexus of an economically advancing China, resurgent Russia, and economically powerful Japan. Illustrative of this is that Seoul is 100 miles closer to Beijing than it is to Tokyo. I cannot overstate the strategic importance of the long-term U.S. alliance with the Republic of Korea to help ensure continued peace and stability in northeast Asia.

Today North Korea does remain the single most dangerous threat to regional security in East Asia in my view. With the fourth largest military in the world, North Korea continues to train and ready itself for potential war. North Korea employs a military-first policy while depriving its citizens of basic sustenance. North Korea focuses proportionately enormous energy on developing weapons of mass destruction (WMD) and it has worked hard to develop a sophisticated missile capability. Its past record of proliferation coupled with its recent nuclear weapons and missile developmental activities are a matter of great concern, as you all know.

I too believe, as Admiral Keating stated, the Six-Party Talks process is the most viable path to achieve denuclearization of North Korea, and I too remain hopeful that North Korea will continue to demonstrate good faith in executing the agreement that they signed up for. Until full denuclearization is achieved, progress in lowering the risks to regional and even global peace and stability will remain problematic.

Meanwhile, in working with South Korea to modernize and transform our alliance, we're on the threshold of transferring operational command or operational control, "OPCON," as we call it, of South Korean military forces in potential wartime from the U.S. Combined Forces headquarters, which I command, to the South Korean military itself. That's going to take place in 2012 and this OPCON transfer will realize the final step in sovereign self-reliance for the South Korean government, with the United States remaining a trusted ally, fully committed to fighting side by side with our partner.

Gentlemen, I conclude my statement today by reiterating my view that Korea is located at the geographical and geopolitical nexus of Northeast Asia. Global economic prosperity, including our own, is immensely dependent on continued peace and economic enterprise with our trading partners in this area of the world. My

strongest recommendation is that the United States approach our alliance with South Korea from a long-term strategic perspective.

Next month President Lee Myung-bak will visit the United States and Washington. We are the first country that he will travel to since assuming the presidency and I hope that Congress will embrace this very friendly, pro-U.S., and visionary South Korean leader. He's extending a welcoming hand of friendship to us and I think that we must be no less forthcoming and seize this opportunity.

It's my best judgment that our alliance with U.S. forces stationed in South Korea is of vital importance to us and it should be the centerpiece of our foreign and security policy throughout the 21st century and beyond, regardless of any future resolution of the North Korean issue.

I thank you for allowing me to make this statement and, gentlemen, I'll be glad to take your questions. Thank you.

[The prepared statement of General Bell follows:]

PREPARED STATEMENT BY GEN B.B. BELL, USA

Mr. Chairman, and distinguished members of the committee, thank you for the opportunity to appear before you today. As the Commander, United Nations Command (UNC); Commander, Republic of Korea-United States Combined Forces Command (CFC); and Commander, United States Forces Korea (USFK), it is a privilege to represent the servicemembers and their families who serve in the Republic of Korea (ROK). On behalf of these outstanding soldiers, sailors, airmen, and marines, I thank you for your unwavering support which allows us to promote prosperity and stability in Northeast Asia and ensure security on the Korean peninsula. I appreciate this opportunity to present my updated assessment of the command and our plan for continued transformation and strengthening of the United States-ROK Alliance.

Our Alliance was forged in blood when our countries fought side-by-side during the Korean War, and was formalized by the signing of our Mutual Defense Treaty in 1953. This treaty has since served both nations well, while continually assuring the ROK and its citizens that the United States is a committed ally. Our Mutual Defense Treaty with Korea is a model of foresight, strategic thinking, and global understanding. Behind the shield of our alliance, the ROK has rebuilt from the devastation of war and is now a thoroughly modern nation with a vibrant democracy and a flourishing trade-based economy. South Korea now showcases the 11th largest economy in the world. For the past 55 years, our bilateral military alliance has provided the stability and security that is essential for preserving peace, promoting democracy, and fostering prosperity for the citizens of the ROK. The Alliance still serves its original purpose of deterrence against North Korea. However, it is in our best interest to cultivate and expand the Alliance into one that more fully serves our two nations by contributing to a broader strategy for the promotion and enhancement of regional security. Regardless of the outcome of ongoing negotiations with north Korea and the possibility that a future peace treaty might further contribute to regional security, our Alliance with the ROK along with a meaningful U.S. force presence should be maintained throughout the 21st century and beyond.

The previous administration of President Roh put a high priority on developing cooperative relations between north and South Korea in an effort to lay the foundations for a peaceful and prosperous peninsula. Inter-Korean dialogue was highlighted by the second north—South Korean Presidential Summit in October 2007. Newly inaugurated President Lee, Myung-bak has articulated a policy of continued engagement and cooperation with north Korea, but has noted that any such engagement should occur in parallel with further progress toward complete denuclearization. The U.S. is supportive of inter-Korean dialogue and there is reason for optimism that bilateral north-South engagement could bolster the Six-Party Talks effort to achieve the complete denuclearization of the Korean Peninsula while advancing the path to peace. However, the strategic rationale for a future U.S. force presence in Korea far transcends the important, yet one-dimensional north Korea issue.

Historically, security interests have been the initial basis for long-term U.S. defense alliances. Security and stability underpin opportunities for peace, economic growth, and social development. To remain healthy, an alliance can and should

change and expand over time. As an example, after the fall of the former Soviet Union many believed that the North Atlantic Treaty Organization (NATO) would become obsolete due to the perception that it existed only to deter Soviet aggression during the Cold War. However, instead of disbanding after the fall of the Iron Curtain, NATO has evolved into a multi-dimensional alliance whose members share the fundamental values of democratic principles, individual freedom, and free market enterprise. Indeed in the post-Cold War era, NATO has blossomed from 16 to 26 nations, including Eastern European countries. Further expansion is possible.

Nearly 20 years after the end of the Cold War, we can clearly see that the members of NATO demonstrated exceptional strategic courage and foresight, transforming the alliance into one committed beyond its single dimension of military security in Europe, into an alliance with global impact in support of democracy and increasing prosperity for all its members. In the United States, there was never any thought that we should disband NATO after the fall of the Soviet Union. The United States led the effort to expand NATO, while refocusing and redefining its purpose. Today, the foresight of 20 years ago appears remarkably wise, as the Trans-Atlantic Alliance engages with an increasingly complex European, Central Asian and Global environment.

Similarly, it is time for Washington to reexamine its Defense Treaty with Seoul and look beyond the narrow scope of the DMZ threat, and solidify the Alliance as a pillar of stability and cooperation that will be an example for all the Nations of Northeast Asia and the world. Today, Northeast Asia is changing and its nations are engaging across a broad range of activities. Located on the Asian mainland, Korea is situated at the regional nexus of an emerging China, a resurgent Russia and a prosperous Japan. Indeed, Seoul is geographically closer to Beijing than it is to Tokyo. Keeping in mind this central position of Korea in the region, it is important for America to fully appreciate that Northeast Asia is home to four of our nine largest trading partners. The region accounts for 24 percent of all U.S. trade as well as a $191 billion U.S. direct investment position in 2006. With nearly a quarter of the world's population (1.5 billion people) and 4 of the world's 16 largest economies, having a combined 2006 gross domestic product (GDP) of approximately $16.4 trillion (25 percent of the global GDP), Northeast Asia is crucial to the world's expanding free trade system and is certain to remain an area absolutely critical to U.S. national interests.

Within the Northeast Asia region, the ROK plays a vital role in sustaining U.S. prosperity. With expanding markets, the prospect of a mutually beneficial free trade agreement with the United States, and as one of the most technologically and scientifically advanced countries in the world, the ROK is a first-class economic power and a major business, banking and commerce center. South Korea is already the world's largest shipbuilder, the 3rd largest steel producer, and the 5th largest car manufacturing nation. As a major U.S. economic partner, South Korea ranks as our seventh largest trading partner and seventh largest export market. South Korea's economic strength will continue to develop under the newly elected ROK president.

While the region generates much of the world's commerce, it is also highly vulnerable to flashpoints which can threaten stability. Notwithstanding progress toward a denuclearized Korean Peninsula borne from the Six-Party Talks process and the ongoing disablement of north Korea's nuclear facilities, we remain concerned about north Korea's proliferation of military equipment and ballistic missiles along with missile-related technologies. Beyond the north Korean threat, the presence of five of the world's six largest militaries and three proven nuclear powers, heightened nationalism, historical animosities, territorial disputes, resource competition, and historical struggles for regional hegemony all come together to pose long-term regional security challenges in this area which is so critical to our economy and other national interests.

In view of U.S. economic and security interests in the ROK and the region, it is my most considered judgment that the U.S. should set a cooperative policy based on shared interests and values with the ROK to maintain a meaningful American troop presence on the Korean Peninsula throughout the 21st century and beyond, even subsequent to a peace treaty with north Korea, should that come about. Peace, stability and prosperity in this region of the world have not been attained for the past 55 years by accident or good luck. They are a function of a reliable and credible long-term U.S. presence in Korea, Japan, and the Pacific Rim.

Korea-based U.S. forces are the only U.S. forces present on the East Asian mainland. In considering our future engagement, opportunities and influence in East Asia, we should take counsel of history and recall stated policies for the area following World War II. Many argue that America's perceived policy of retrenchment from the Asian mainland, highlighted by Secretary of State Acheson's "Perimeter" speech to the National Press Club in 1950, set conditions for instability and

emboldened north Korean aggression, supported by outside influences. Now is the time for the United States to reaffirm the tenets of our Mutual Defense Treaty Alliance with Korea and set our course for cooperative engagement on the Asian mainland throughout the 21st century. A stated long-term commitment to our South Korean Ally on the Asian mainland which is independent of a peace treaty with north Korea is the most cost-effective approach to long-term peace and stability in East Asia.

In considering our long-term interests, the United States will be best served by balancing the ongoing on-peninsula transformation of today's Alliance with an additional and fundamental change in our troop stationing policies in the ROK. I am convinced that we have an historic opportunity to end our outdated and debilitating legacy system of 1 year family unaccompanied short tour rotations, and replace it with normal 3 year family accompanied tours of duty. Recall that at the height of the Cold War and with U.S. Army divisions facing numerically superior Russian and Warsaw Pact divisions armed with modern equipment and tactical nuclear weapons, we still welcomed our families to Europe and fully offered 3 year family accompanied tours to our married servicemembers. Not only did this policy provide a solid measure of stability and eliminate family separations for our post-Vietnam volunteer military, it also sent a powerful message to our friends and adversaries alike that America was fully committed to our NATO Alliance for the long-term.

With a force in Korea less than 10 percent the size of our commitment to the Cold War in Europe, we can easily afford and should, in coordination with our Korean ally, initiate a policy now to begin the implementation of a 10-year program to transition to family accompanied tours in Korea. Such a policy will eliminate a significant added source of family separations in a military already extraordinarily stretched by repeated unaccompanied short tour combat rotations to Afghanistan and Iraq. Furthermore, with major burden sharing financial support from our Korean Ally, including anticipated increases, the financial burden to the United States will be comparatively low, particularly given the return on investment in long-term security and stability in the region. Last, a family accompanied policy will bring our stationing practices in line with the same practices we have set for our forces in both Europe and Japan—policies that have enjoyed long-term congressional support.

With family accompanied servicemember tour normalization implemented over a 10 year transition period and in close coordination with our Korean Ally as provided for in our current bilateral Strategic Flexibility Agreement, the United States will be in a position to consider selected levels of worldwide deployment of our Korean based force, not unlike the way our forces deploy from and return to their bases in Europe and Japan. Deployment from and return to our Korean Main Operating Bases (MOBs) where our families would be located would be a function of any continued threat from north Korea, and U.S. global force generation requirements. In all decision making related to our alliance with Korea, the U.S. would be obligated to continue to ensure we meet our security responsibilities with the ROK, without ever sending a message of reduced commitment or weakness to any and all potential adversaries, including North Korea.

I. THE UNITED STATES-REPUBLIC OF KOREA ALLIANCE

While established to deter the North Korean threat, the U.S.-ROK Alliance is maturing from a single purpose military relationship to a broader partnership committed to expanding prosperity and regional stability which should be continued and reinforced. It is in our national interest to do so. The presence of U.S forces and the strength of the Alliance form a cornerstone of continued regional peace and stability, essential for stable global markets, expansion of prosperity through free trade, and promotion of freedom and democracy. The United States and the ROK have agreed to transition from the U.S.-led Alliance warfighting CFC, to an arrangement where U.S. forces are in a doctrinally supporting role to the ROK military. The ROK military will assume responsibility for commanding and controlling the warfighting readiness and operations of their own forces in wartime for the first time since the end of the Korean War. Towards this end, the U.S. military will form an independent U.S. headquarters to command U.S. forces serving in Korea during wartime, while the Koreans will form a Korean national warfighting headquarters referred to by them provisionally as the ROK Joint Forces Command (JFC). This transition is referred to by many as "Operational Control (OPCON) Transfer" and will take place on 17 April 2012. The current U.S. led combined warfighting command, CFC, will be disestablished. The transition will convey a strong message to all regional actors of continuing solidarity with our Korean ally, while providing us an opportunity to strengthen our close and cooperative relationship with the ROK. With OPCON transition, one of the longstanding perceived infringements on ROK

sovereignty and self determination will be removed along with a lightning rod for political dissent and anti-American sentiment. This move is healthy, long overdue, and in the best interest of both the United States and the ROK.

The Republic of Korea Today

Over the course of the Alliance's half-century of security cooperation, the ROK has flourished while becoming a leader in the 21st century global community, and the envy of many nations throughout the world. Within this vibrant democracy, South Korean citizens have achieved an incredible standard of living, a modern transportation infrastructure, and world-class universities and hospitals. As the 11th largest economy in the world, the ROK is a hub of economic activity within Northeast Asia, and an integral player in the global trading system. It is a true testament to the South Korean people that within a single lifetime they have realized the joy and pride of rebuilding their country from the ashes of war to prosperity and leading-power status.

U.S.-ROK Alliance Partnership

Since the end of the Korean War, each generation has dreamed of achieving a true and lasting peace on the Korean Peninsula. With the North-South Korean Presidential Summit in late 2007 and the ongoing Six-Party Talks process, there is reason for hope and optimism. However, optimism must be tempered with caution due to North Korea's unpredictability. The U.S.-ROK Alliance provides diplomatic leaders with a mechanism to develop options for confidence building measures that can assist in the overall effort to denuclearize the Korean Peninsula and promote dialogue between the North and South with the purpose of eventually realizing a peace treaty between the two Koreas. The Alliance fully supports this process. Until peace becomes reality, the U.S.-ROK Alliance must remain vigilant and capable of deterring North Korean aggression.

To ensure future viability, the ROK and the U.S. agreed to embark on the most profound defense transformation on the peninsula since the end of the Korean War. For the past 58 years, the United States has led the warfighting command responsible for the defense of the ROK. Today, it is both prudent and the ROK's sovereign right to assume the primary responsibility for the lead role in its defense, given its advanced military and economic capabilities. The transition to a ROK-led national defense will be a success story for both the United States and the ROK and is the cornerstone to future regional stability.

Transition of Wartime Operational Control

In September 2006, the Presidents of the United States and the ROK agreed that South Korea should assume the lead for its own defense. In early 2007, the U.S. Secretary of Defense and ROK Minister of National Defense determined that South Korea will assume wartime OPCON of its forces on April 17, 2012. U.S. Forces Korea will transform into a new joint warfighting command, provisionally described as Korea Command (KORCOM). KORCOM will be a fully capable and resourced complementary U.S. joint warfighting command in a doctrinally supporting role to the ROK JFC. The United States views this effort as an affirmation of the tremendous success of the Alliance since the end of the Korean War. U.S. and ROK civilian and military leaders have been discussing wartime OPCON transition for nearly two decades as part of the normal progression of the Alliance. Transitioning the Alliance to a new ROK-led military command and control structure in 2012, with U.S. and U.N. forces in doctrinally supporting roles, will enhance relationships that best serve both nations' interests and are well suited for the long-term. In the future, ROK Army ground forces will leverage quick reacting and readily available U.S. air and naval capabilities to counter initial North Korean provocations or aggression. Though transitioning to a doctrinally supporting military relationship, the Commander of the new KORCOM will still maintain uninterrupted national command over all U.S. forces.

ROK Defense Initiatives

Since assuming peacetime OPCON of its armed forces in 1994, the ROK has made great strides in readiness through upgrading equipment and force training. Since 1998, the ROK Army has fielded 13 modern mechanized brigades including approximately 1000 K–1 tanks, South Korea's main battle tank similar to the U.S. M–1 Abrams. In addition, there are 11 field artillery battalions, two multiple launch rocket system battalions, and an extremely capable special operations force. The ROK Marine Corps is highly trained and in the midst of fielding a modern battle command and control system, and the Navy is emerging as a blue-water force, having commissioned its first amphibious assault ship in 2007, a vessel similar to a U.S. Navy Landing Helicopter Assault ship. In 2007, the ROK Navy also launched

its first of three KDX–III class Aegis radar equipped destroyers. Finally, the ROK Air Force is modernizing with the acquisition of F–15K fighters and precision-guided munitions to enhance deep strike and core facility protection capabilities.

Under its ambitious Defense Reform 2020 plan, the ROK military strives to be a more modern and agile fighting force. Its goal is to develop a self-reliant, technology-oriented, qualitative defense force. As a result of its emphasis on technology under this plan, the ROK plans to reduce its total (Active and Reserve) Army ground forces by approximately 45 percent over the next 12 years leading up to its target date of 2020. The overall active and Reserve Forces will be reduced from about 3.7 million to about 2 million. It is my assessment that the ROK military is well on its way to achieving a military force capability that as the ROK Ministry of National Defense puts it, "sees farther, moves faster, and strikes more precisely." Nonetheless, as the CFC Commander responsible to both the Presidents of Korea and the United States for deterrence and for executing a warfight with North Korea, I do believe that planned drawdowns of the ROK Army should be executed commensurate with similar drawdowns by the North Korean Army.

Republic of Korea's Support to Global and Regional Security

The ROK is a committed U.S. ally and active defender of freedom around the world having previously committed troops to Vietnam, Operation Desert Storm, Somalia, and East Timor. Reflecting its greater political, economic and military capacity, the ROK continues to demonstrate a larger international role with deployments into Iraq, Afghanistan, and most recently, a peacekeeping battalion to Lebanon supporting United Nations operations. In December 2007, the ROK's National Assembly approved a fourth, 1-year extension of its commitments in Iraq through 2008, although their force has been reduced by approximately 600 soldiers. In Afghanistan, the ROK's support included medical and engineer construction units and other military assistance worth millions of dollars. Though the ROK Government recently redeployed the majority of its troops from Afghanistan and will replace them with a small civilian-led medical team, I am confident that this redeployment will not lessen either the South Korean commitment to the U.S.-ROK Alliance, or its commitment to peace and stability around the world.

II. NORTH KOREA CHALLENGES REGIONAL AND GLOBAL SECURITY

North Korea remains the primary threat to security in Northeast Asia. Notwithstanding progress in the ongoing Six-Party Talks and the ongoing disablement of its Yongbyon nuclear reactor facility, North Korea's historical opposition to meaningful reform and its long-term pattern of provocative behavior and proliferation present significant challenges to achieving lasting regional and global stability. In addition to North Korea's nuclear threat, its missile program, coupled with its aging but still lethal and forward positioned conventional force, continues to present significant challenges.

North Korean Nuclear and Ballistic Missile Developments

Progress in the Six-Party Talks notwithstanding, North Korea continues to use its nuclear program and suspected stockpile as both a deterrent and leverage in negotiations, as highlighted by the recent failure to meet the 31 December 2007 nuclear declaration deadline as agreed in the Six-Party Talks process. Currently, the intelligence community assesses that North Korea extracted plutonium at its Yongbyon nuclear facility and possesses weapons-grade plutonium sufficient for several nuclear devices.

North Korea is also believed to have pursued a highly enriched uranium development program that if fully developed could provide an alternative method of nuclear weapons development independent of North Korea's plutonium production facility at Yongbyon. Regardless of the fact that the Yongbyon reactor was shut down in July 2007 with physical disablement beginning in November, the nuclear threat will remain until full implementation of North Korea's commitment under the September 2005 Joint Statement to abandon all nuclear weapons and existing nuclear programs.

North Korea views its ballistic missile program as a source of international power and prestige, a strategic deterrent, and a source of hard currency derived from exports. As a leading supplier of missile-related technologies with known export programs to Syria, Iran and other nations of concern, North Korea continues to build missiles of increasing range, lethality and accuracy, bolstering its current stockpile of 800 missiles for its defense and external sales. With its recent intercontinental missile test conducted in July 2006, and preparations underway to field a new intermediate range missile capable of striking Okinawa, Guam and Alaska, North Ko-

rea's missile development and export program present a threat which can not be ignored.

North Korean Armed Forces

Despite chronic economic hardship, North Korea retains the fourth largest armed force in the world with 1.2 million Active Duty and 5 million Reserves, devoting up to one third of its available resources to sustain its conventional and asymmetric military capabilities. Though aging and unsophisticated by U.S. standards, its military arsenal, which includes 1,700 aircraft, 800 naval vessels, and over 13,000 artillery systems, still constitutes a substantial threat. Seventy percent of North Korea's ground forces are located within 90 miles of the Demilitarized Zone, with up to 250 long range artillery systems capable of striking the Greater Seoul Metropolitan Area, a thriving urban area of over 20 million inhabitants. While I do not assess that its military is capable of sustained offensive maneuver that could successfully defeat the combined military power of the ROK and United States, North Korea still has the capacity to inflict major destruction and significant military and civilian casualties in South Korea, with little to no warning.

Supplementing its conventional forces, North Korea also maintains the world's largest Special Operations Force (SOF), with over 80,000 in its ranks. Tough, well trained, and profoundly loyal, these forces are capable of conducting strategic reconnaissance and asymmetric attacks against a range of critical civilian and military targets. Among the best resourced in its military, North Korean special operations forces provide an asymmetric enabler to North Korea in crisis, provocation, or war. Given the dense South Korean civilian population which is heavily dependent on sophisticated infrastructure, fuels, utilities, and transportation, North Korean SOF poses a major threat to the Alliance's ability to effectively protect and defend South Korea.

North Korean Threat Outlook

North Korea will remain a major destabilizing force in our efforts to maintain security in Northeast Asia and globally until we have achieved the complete implementation of the September 2005 Joint Statement of Principles. With little tolerance for economic reform, and an infrastructure, agricultural and industrial sector incapable of meeting the needs of its populace, North Korea's long-term approach to maintaining its "military first" policy will remain a major challenge for the north. My assessment is that while aware of the depths of its economic crisis and the dangers of its significant dependence on foreign aid to meet basic sustenance requirements, North Korea will continue to resist fundamental change, focusing its international engagement, strategic dialogue and military readiness to ensure its long-term survival.

III. ENSURING PEACE AND STABILITY ON THE KOREAN PENINSULA

As Commander of CFC, UNC, and USFK, force readiness is my first priority. Readiness can only be maintained by training and executing all key tasks and responsibilities to standard in conditions approximating those expected to be encountered in wartime. We must ensure that our training facilities and training opportunities fully support the transformation of our U.S. military forces stationed in Korea. Since my last testimony to Congress in April 2007, measurable progress has been made in improving training range and airspace availability for our ground and air forces in Korea, but we must still make additional progress with our Korean ally to put ourselves in a position to achieve the highest levels of readiness. USFK still requires increased access to modern and instrumented air to ground bombing ranges in the ROK, with the requisite training schedule required to maintain readiness levels. The ROK military is working hard in coordination with civilian ministries to provide the required training ranges and airspace, and we appreciate their efforts. We look forward to continued progress in this area throughout the remaining fiscal year 2008 and into fiscal year 2009.

Continued congressional support for force capability enhancements is also critical to readiness. USFK has continued to make meaningful progress in several key focus areas for modernization: joint command, control, communications, and computers (C4); intelligence, surveillance and reconnaissance (ISR); theater missile defense (TMD); prepositioned equipment and logistics; and counter-fire and precision munitions. I ask for your support and help to ensure our necessary upgrades and our transformational requirements are met evenly and predictably.

C4 and ISR

Modernization of C4 and ISR capabilities is a top command priority, and crucial to transforming the U.S.-ROK Alliance. As we prepare to transition command of Ko-

rean forces in wartime to the ROK military in 2012, combined intelligence interoperability will be paramount to establishing a seamless command and control capability, to maintain Alliance access to U.S. capabilities, and to leverage the increasing capabilities of the ROK intelligence community. Major C4 and ISR initiatives which are important include the integration of ROK intelligence systems through Project Morning Calm, the expansion of our combined intelligence networks, the establishment of an Intelligence Fusion Center, and support for U.S. National Multi-Intelligence Support Elements at the ROK defense intelligence centers.

Congressional support is essential to sustain and improve C4 and ISR during this critical period of Alliance transformation. Validated U.S. requirements for Global Hawk, Predator, the Joint Surveillance and Target Attack Radar System, along with improved signals and human intelligence capabilities continue to exist. Support for our intelligence requirements ensures that we close the most critical gaps, support diligent ongoing daily operations, and improve the overall long-term intelligence posture in the region.

Theater Missile Defense

North Korea's missile tests in 2006 highlighted the importance of an active theater missile defense system for South Korea. The ROK must field its own TMD system, capable of full integration with the U.S. system, in the near-term. It recently approved the purchase of eight Configuration-2 German Patriot fire units. When fielded in 2008 and 2009, these firing units will possess a U.S. PAC–2 equivalent theater ballistic missile defensive capability. The regional missile threat from North Korea requires the ROK to develop its own missile defense to protect its critical civilian and military command capabilities, critical infrastructure and population centers. As of now, these Korean military and civilian facilities are highly vulnerable to North Korean missile attacks.

PAC–3 Patriot Missile System upgrades and improved munitions have significantly enhanced our posture to protect critical United States facilities in Korea. There remains, however, a significant shortage of PAC–3 missiles currently positioned on the Peninsula to counter North Korea's missile inventory. Continued production of PAC–3 missiles in the near-term, followed by continued development of the Theater High Altitude Air Defense, Airborne Laser, and Aegis Ballistic Missile Defense will provide the layered missile defense capability we require for the future. Your continued support remains essential to these and other Service component programs that protect our forces on the peninsula, and sustain our ability to reinforce South Korea in the event of a crisis.

Theater Logistics, War Reserve Materiel and Strategic Transportation

An integral aspect of USFK transformation is developing the necessary logistics structures and resources to enhance our ability to respond to contingencies. The proximity of the North Korean threat coupled with the long distances from U.S. sustainment bases in the Pacific and continental United States requires a robust and responsive logistics capability. The capability enhancements currently planned will significantly improve our core logistics functions through pre-positioned equipment upgrades, responsive strategic transportation, and modern logistics tracking systems.

Army Prepositioned Stocks (APS)–4, which includes critical equipment, weapon systems, preferred munitions, repair parts, and essential supplies, is vital for rapid combat power projection to the Korean theater. Critical combat systems are currently at 100 percent fill and the Heavy Brigade Combat Team (HBCT) equipment set is 97 percent Fully Mission Capable. During the Reception, Staging, Onward Movement, and Integration exercise in 2007, Task Force Blackhorse, from the 11th Armored Cavalry Regiment at Fort Irwin, CA, drew selected APS–4 HBCT combat vehicles and conducted a road march that culminated in a live-fire exercise. The task force certified the equipment as fully mission capable, remarking that the combat systems—Abrams tanks, Bradley infantry fighting vehicles, and Paladin self-propelled howitzers—were the best that they had seen.

Clearly, the Army Materiel Command is making great strides in maintaining the prepositioned stocks in Korea. However, sustainment shortages still exist and can only be overcome through the commitment of additional funding while increasing the priority of fill for Army prepositioned stocks. For example, we have less than 5 percent of our full authorization of uparmored HMMWVs or trucks in our Army operational and prepositioned fleets. This is a significant shortfall and is a major risk.

Responsive strategic transportation platforms, such as cargo aircraft and maritime prepositioning ships, remain essential to our ability to rapidly reinforce the Korean theater and sustain U.S. forces in the event of crisis. Our critical strategic air-

lift capability was recently tested in February 2008 during the FOAL EAGLE exercise. U.S. Air Force C–17 aircraft transported a combat-ready platoon of Army Stryker vehicles from Alaska to the Korean Peninsula, where the unit conducted gunnery and maneuver live-fire exercises. During the same exercise, a battalion from the 7th Marine Regiment conducted a Maritime Prepositioning Force offload of combat equipment at Chinhae, followed by a combined live-fire exercise with the 2nd ROK Marine Division. These types of strategic deployments will continue to be a part of future Foal Eagle exercises, and exemplify the command's requirement for expeditionary capability and responsive strategic lift.

Equally important is the ability to maintain in-transit visibility of supplies and equipment with a modernized joint logistics C4 and information system. Past experience has shown that relatively small investments in asset tracking systems and theater distribution yield significant efficiencies and improve overall effectiveness of our logistics systems. Your continued support for modern pre-positioned equipment, responsive transit requirements, and logistics tracking systems will ensure that U.S. forces have the right equipment and supplies at the right time.

Precision Strike and Preferred Munitions

Precision strike engagement capabilities are critical requirements for our contingency plans that allow us to change the dynamics of a conflict and rapidly achieve campaign objectives. Increasing the forward stocks of preferred munitions is also vital to operational success in the Korean theater. Our priority ordnance requirements include: the Guided Multiple Launch Rocket System with extended range capability; a ground-launched, extended range, all weather capability to defeat hardened and deeply buried targets; precision-guided munitions; and air-to-ground and air-to-air missiles. Your continued support to these programs provides the overmatching capabilities to deter aggression.

War Reserve Stocks Allies-Korea

Legislation signed in December 2005 permits the U.S. to offer, for sale or concession, surplus ammunition and military equipment to the ROK. Negotiations for the War Reserve Stocks Allies-Korea (WRSA–K) program began in 2007. By successfully transferring these stocks to the ROK, the U.S. will avoid up to $1.2 billion in transportation and demilitarization costs, reduce its storage footprint, and increase ROK readiness.

IV. COMBINED FORCES COMMAND

The ROK and the United States established the CFC on November 7, 1978, and it has proven to be the most advanced, capable, bilateral warfighting command in our Nation's history. Led by a U.S. four star commander, CFC has effectively deterred aggression and provided a peaceful and stable setting for the citizens of the ROK and the region for nearly 30 years.

With the end of the Cold War and significant downturn in external conventional military support to the North Koreans, coupled with continued major enhancements to the ROK military, the ROK and United States have frequently discussed and negotiated changes to the Alliance's military command and control mechanisms. In fact since the Korean War and until 1994, a U.S. four star commander operationally controlled the ROK military in peacetime, as well as in potential wartime. On conclusion of negotiations in 1994, peacetime OPCON of the ROK military was transferred from the U.S. led CFC, to the ROK Joint Chiefs of Staff. Since 1994, the ROK and the United States have discussed and negotiated the next logical step in Alliance command arrangements, the full transfer of wartime OPCON of ROK military forces from the U.S. led CFC to a new ROK JFC. Final negotiations to set a date for this transition were agreed to in 2007, with a ROK military OPCON transition from CFC to the ROK JFC date set for 17 April 2012.

To achieve realignment of responsibilities in the transition of wartime OPCON in 2012, the ROK and U.S. militaries completed a transition road map—the Strategic Transition Plan (STP)—signed in 2007, identifying requirements and milestones for the next 5 years. Prior to the ROK assuming wartime OPCON of its own forces in 2012, U.S. and ROK planners will develop new terms of reference, crisis action standard operating procedures, wartime command and control procedures, and operational plans through formal alliance consultative processes, such as the bi-monthly Security Policy Initiative and the annual Security Consultative and Military Committee Meetings.

This is all made possible by the enormously successful economic and military development of the ROK. Celebrating the 11th largest economy in the world, the ROK is a solid democratic nation, with a world-class, highly competent and professional military dedicated to the preservation of its republic and clearly poised, with U.S.

continued support, to assume responsibility for wartime operational command of its forces.

Through the OPCON transition path to April 2012 and as part of the STP, the Alliance has initiated two major simulation-driven exercises each year. Ulchi Freedom Guardian will focus on training and certifying the 2012 and beyond future command structure, and Key Resolve/Foal Eagle (KR/FE) will ensure CFC readiness until 2012, while visibly demonstrating the strength of the Alliance. We just completed our first KR/FE Exercise under this new paradigm, and I am extremely confident that CFC remains highly capable of deterring aggression, and should deterrence fail, defeating a North Korean attack quickly and decisively.

Lessons learned from each exercise will help to eliminate shortfalls in combined capabilities in order to maintain a strong and credible deterrent during the transition period. The culmination of the STP will be marked with a certification exercise in March 2012, followed shortly thereafter by the disestablishment of CFC and the simultaneous establishment of separate and complementary U.S. and South Korean national military commands, with the U.S. in a doctrinally supporting role to the ROK warfighting JFC. Our intent is to achieve initial operational capability for the doctrinally supporting KORCOM and its Service components, followed by full operational capability prior to the final certification exercise in March 2012.

V. UNITED NATIONS COMMAND

As the longest standing peace enforcement coalition in the history of the United Nations, the UNC represents the international community's enduring commitment to the security and stability of the Korean Peninsula. With 15 current member nations and the ROK, the UNC provides a unified and prompt international response mechanism to preserve the security of the ROK if there is a North Korean attack. Furthermore, the UNC actively supervises compliance with the terms of the 1953 Korean Armistice Agreement fulfilling the members' mutual pledge to "fully and faithfully carry out the terms" of the Armistice. With responsibility south of the Military Demarcation Line for the maintenance of the Armistice Agreement, the UNC meets with the Korean People's Army (KPA) representatives, inspects South Korean units positioned along the DMZ, and conducts investigations into alleged Armistice violations to prevent minor incidents from escalating into destabilizing crises.

As we progress towards the transition of wartime OPCON in 2012, the UNC will continue to be a vital component of our deterrent and warfighting capabilities in the ROK. The ROK and the U.S. are addressing current disconnects in UNC authorities and responsibilities, which will become untenable with the transition of wartime OPCON to the ROK JFC in 2012. In the current arrangement, the UNC Commander, the U.S. Forces Korea four-star general, is ultimately responsible for Armistice maintenance, crisis management and resolving Armistice violations, even though he has no peacetime authority to posture or position ROK military forces in response to provocations or violations along the Demilitarized Zone. Today, these responsibility—authority mismatches are mitigated through the U.S. Commander's dual-hat as CFC commander. Once the transition of wartime OPCON is complete, the U.S. commander, and thus the UNC commander, will no longer have any chain of command access or direct authority over ROK forces—the very forces that are arrayed along the DMZ—in peacetime, crisis escalation, or war.

In accordance with the STP, both countries are jointly studying future arrangements for Armistice maintenance responsibilities, as well as the enduring role and authorities of the UNC. It is our goal to transfer or delegate appropriate armistice authorities and responsibilities to the ROK, while ensuring that the UNC remains a critical component in deterring aggression and supporting combat operations should conflict erupt on the peninsula. Through the UNC we must also maintain the United Nations—Japan Status of Forces Agreement (SOFA), which provides throughput access to critical Japanese air and naval bases for U.S. and U.N. forces during crisis.

VI. UNITED STATES FORCES KOREA

Under the Yongsan Relocation Plan (YRP), signed by the U.S. and ROK in 2004, U.S. joint force elements operating in the Yongsan Garrison in Seoul will relocate to our MOB at Garrison Humphreys, near Pyongtaek, approximately 40 miles southwest of Seoul. The relocation of the Second Infantry Division is also part of a separate U.S.—ROK realignment plan, the Land Partnership Plan, which, when complete, will enable United States Army forces to assume a more efficient and less intrusive footprint within two sanctuary main operating base locations south of Seoul. It will remove our forces from the traditional military operational avenues

between Seoul and the DMZ, thus putting U.S. forces in ground force and artillery sanctuary locations well south of the Nation's capital. Relocation will also significantly improve the quality of life of our servicemembers, while returning valuable land to the citizens of the ROK.

For 4 of the past 5 years, the relocation of U.S. forces has frequently been contentious between the ROK and U.S. Governments. The central issue has been the application of the bilaterally negotiated SOFA procedures to return vacated U.S. base camps to the ROK. However, over the past year, the ROK Minister of National Defense has led an inspired effort which has largely resolved the disagreements and friction. We are confident that the new government will continue to negotiate in good faith with the United States regarding this most important issue.

In 2007, we returned an additional five installations and expect to return two installations and seven other SOFA granted facilities in 2008. To date, we have closed 37 installations encompassing over 17,208 acres with a tax assessed value of over $500 million and returned 35 installations to the ROK. Along with these camps and in accordance with our SOFA, we have transferred free of cost to the ROK the full range of buildings, capital assets, and improvements found on these camps, many built with U.S. appropriated military construction funds. It remains our goal to close a total of 63 facilities and areas—two thirds of all land granted under the SOFA, totaling more than 38,000 acres. Given the recently established cooperative effort as noted above, we are hopeful that this process will proceed smoothly to the mutual benefit of both nations in accordance with the U.S.-ROK SOFA.

In exchange for the return of the majority of our dispersed camps, the ROK, per our agreements, has purchased 2,800 acres of land required to expand Garrison Humphreys and the Air Force's Osan Air Base.

Allied Burdensharing

At the end of 2006, the ROK and the United States concluded talks on a new Special Measures Agreement (SMA) regarding ROK cost sharing support for USFK in 2007–2008. The resulting ROK SMA burden sharing contribution represented approximately 41 percent of U.S. Non-Personnel Stationing Costs (NPSC) over this 2-year period—725.5 billion won ($770 million) for 2007 and a Consumer Price Index adjusted increase in 2008 to 741.5 billion won ($787 million). This is an improvement from the 2006 SMA contribution of 680.4 billion won ($722 million) representing 38 percent of NPSC.

Defense burdensharing is advantageous to both Alliance partners. For the United States, the ROK's willingness to equitably share appropriate defense costs is a clear indicator that United States forces in Korea are welcome and wanted. Host nation funded construction satisfies critical infrastructure requirements that would otherwise be borne by U.S. taxpayers. In the past year ROK SMA contributions funded the construction of an $8.5 million Vehicle Maintenance Facility at Camp Mujuk and an $8.3 million upgrade of 22 Hardened Aircraft Shelters at Osan Air Base. We also authorized the design and construction of a $36.6 million U.S. Army Air Defense Artillery Brigade headquarters facility at Osan Air Base, and began construction of a $41.8 million barracks complex for enlisted personnel at Kunsan Air Base. We are in the process of approving the construction of a $35 million humidity controlled warehouse to support APSs at U.S. Army Garrison Carroll and a $39.4 million joint senior noncommissioned officer dormitory at Osan Air Base.

For the ROK, nearly all ROK SMA burdensharing funds are expended directly into the Korean economy by paying the salaries of Korean local national employees, Korean contractors and service agents, and Korean construction firms. In 2007 the ROK contributed 295.4 billion won ($314 million) toward Korean local national employee wages, funding the majority of the cost of this absolutely necessary workforce on U.S. bases. ROK SMA contributions also offset 132.5 billion won ($141 million) of U.S. logistics requirements last year, through contracts with Korean companies in critical warfighting functions such as equipment repair, maintenance, and munitions storage.

In principle, both sides agree to the goal of reaching an equitable level of commitment to allied cost sharing. The U.S. Department of Defense believes that to achieve equitability, the ROK should share approximately 50 percent of NPSC. While this year's contribution did not meet DOD's goal, the ROK and the U.S. will continue to negotiate and coordinate in pursuit of reaching a more equitable sharing level of USFK stationing costs.

Upgrading and Building New Infrastructure

Currently I assess our facilities overall in Korea to be the most dilapidated in the U.S. military, outside of active combat or peace enforcement zones. This regrettable situation is not in keeping with our stated commitment to the young men and

women who selflessly serve our Nation. In Korea we need to commit to recapitalizing our facilities and infrastructure. As a reliable and trusted ally, we are committed to helping defend one of the most prosperous and advanced countries in the world, yet the facilities that we subject our servicemembers and their families to in Korea resemble something only a couple of years out of a combat zone.

Year after year our servicemembers and their families are subjected to substandard and often decrepit facilities and housing here in Korea, 8,000 miles from home. The war in Korea ended nearly 55 years ago and it is time to put our personnel into facilities and infrastructure they rightfully deserve as American citizens, military volunteers and patriots. "Out of sight—out of mind" is not an acceptable facilities and infrastructure strategy for our priceless young men and women, and their families. As a Nation, we simply cannot turn a blind eye to this decades long lack of capitalization and maintenance.

Our facilities and infrastructure are old, particularly Army facilities where over one-third of the buildings in the command are between 25 and 50 years old and another one-third are classified as temporary structures. In 2007, our estimates are that the Eighth United States Army was underfunded by 26 percent ($28 million) in sustainment and 78 percent ($307 million) in restoration and modernization requirements. The Seventh Air Force was underfunded by 40 percent ($20 million) in sustainment and 93 percent ($244 million) in restoration and modernization requirements. As a result of long-term annual shortfalls, many buildings have substantial deferred maintenance, contributing to continual deterioration. Without the investment to sustain, restore, and modernize our facilities, our Servicemembers and their families will continue to be perpetually relegated to live and work in run-down, dilapidated, patched-up facilities. Your commitment to our SRM Program requirements, supplemented by host nation financial burden sharing contributions, will allow us to begin to effectively pursue an infrastructure renewal program to enhance our readiness and upgrade the quality of life for our personnel and their families.

In looking to the future, our realignment to two sanctuary MOBs in the ROK provides us with a unique opportunity to change the paradigm and begin to meet the needs of our servicemembers and families, allowing us to focus on improving living and working conditions. To this end, sustained access to several different funding programs will be essential, including United States military construction, host nation-funded SMA construction, and commercial build-to-lease programs. Using these different funding streams, we have recently constructed several modern unaccompanied housing quarters and barracks for our servicemembers. However, as time passes, the goal to achieve "to standard" facilities and infrastructure becomes more illusive. It is long since time to act.

Family Housing, Senior Occupant Housing and other Military Construction

As part of the YRP signed by the U.S. and the ROK in 2004 to move the U.S. joint force footprint from Seoul to the new MOB at Garrison Humphreys south of Seoul, the ROK agreed to provide at their expense the majority of the required buildings and infrastructure at a cost of billions of dollars. The ROK is aggressively pursuing their agreed to requirements, already spending nearly $2 billion in pursuit of project goals. For our part, the United States agreed to provide the majority of required family housing and unaccompanied senior leader quarters for our force, at a cost we estimate to be between $1 and $2 billion. Although the number of family housing units required under the YRP is substantially less than what will be required for a future normalized stationing environment, should that be approved, meeting YRP family housing requirements provides a solid foundation for a normalized tour path over the next 10 to 15 years.

To date, we have been unable to gain Congressional support to fund our family housing commitments to meet our obligations under the 2004 YRP. The result of this situation is that the United States is telegraphing to our long time Korean Ally that we are not prepared to execute our commitments in the YRP. My assessment is that failure to execute our obligations under this plan will result in a crisis in the Alliance, and signal a clear lack of commitment to our national interests and to our ROK Ally in this most important area of the world. This will send a chilling message to the regional players, including Japan, China, and Russia.

In the past year, I have emphasized the need for a solution to meet our family housing requirements under the YRP during congressional hearings, numerous office calls with members, and continuing correspondence in order to empower the Army to provide the necessary family housing and unaccompanied senior quarters at MOB Garrison Humphreys. After consultation and debate and in spite of our many, many pleas, we have not achieved consensus. Right now we are dead in the water.

For fiscal year 2009, the Army is requesting $145 million in military construction funds. A portion of the requested funds—$20 million—will be used to construct a much needed vehicle maintenance complex at MOB Garrison Humphreys. The majority of the funds—$125 million—is requested to build the first 216 joint force family housing units at MOB Garrison Humphreys. While this is a necessary start, and your support for these family housing apartment towers is needed and greatly appreciated, our future stationing at MOB Garrison Humphreys requires more than 2,100 additional housing units. We would appreciate your support when the funding for these necessary units is requested.

Without the support and funding to procure military housing, we will remain in Seoul, which is within range of North Korean artillery, while essentially refusing to relocate from land in Seoul which we have promised to return to our Korean Ally. We have absolutely no business continuing to garrison troops in our Ally's capital city, and it is in both our interests to execute the YRP on time and on schedule. Until we have appropriate housing constructed that meets DOD standards for our servicemembers just as we do in Europe and Japan, we cannot meet U.S. obligations agreed to under the YRP. Determining an immediate solution to our family housing requirements ensures the success of our historic endeavor with the ROK to both transform the current U.S.-ROK Alliance command structure, and relocate the footprint of U.S. forces to sanctuary locations in accordance with national and strategic policy level guidance. As the commander in the field, it is my most considered judgment that it is imperative that Congress support the President's Budget request, thus authorizing the initiation of requests for proposals and construction for the initial housing units. In this way, we can begin the process of taking care of our servicemembers and their families in a way that all Americans will endorse, while meeting our agreements with the ROK.

Normalizing Tours for United States Forces-Korea

With the momentum of our relocation into two sanctuary MOBs south of Seoul and the transition of wartime OPCON to the ROK in 2012, the U.S. is uniquely positioned to execute a tour length policy change in Korea. Much like our agreements with our European and Japanese Allies, and at the invitation of our Korean Ally, it is my assessment that we should normalize U.S. servicemember tour lengths in Korea to fully authorize 3 year family accompanied tours.

In 55 years, the ROK has transformed from a war ravaged country to one of the most modern, progressive, and democratic countries in the world. It is an economic powerhouse with modern world class medical centers and universities. Unfortunately, in a modern and vibrant ROK, the U.S. still rotates servicemembers on 1 year unaccompanied assignments as though this remained an active combat zone. It is not. Indeed, during the Cold War and in the face of the Soviet and Warsaw Pact war machine, our servicemembers were encouraged to bring their families with them to Europe. This created a stable military and sent a strong message of U.S. commitment and reliability to our European Allies. We resourced and practiced noncombatant evacuation procedures to ensure that in the event of crisis we could redeploy our family members to the United States. Today, our force in Korea is less than 10 percent the size of our Cold War force in Europe.

With long-term operations in Iraq and Afghanistan, we are needlessly contributing to family separations for the U.S. military with our current rotational practices here in Korea, while continuing to send a message to our Northeast Asian partners and allies that we either expect imminent conflict, or that we are not fully committed and can withdraw our forces on a moment's notice. Conflict is not imminent and with our force in sanctuary locations south of Seoul, our immediate nonotice vulnerability will be dramatically less than that faced by our force in the Cold War in Europe—again, a force where we welcomed family members. We should make a long-term commitment to South Korea and the other members of the Northeast Asia community by signaling that the United States has important national interests in the area and, at the invitation of the ROK, is committing to a policy of 3 year family accompanied tours in Korea, exactly as we have in Japan and across Europe. We could implement this policy with an infrastructure expansion plan over 10 to 15 years, with the costs being subjected to burden sharing negotiations between the ROK and the United States.

The benefits of normalizing tours are many and include improved continuity, stability, readiness and retention of regional, institutional, and cultural knowledge. Also, the end-state will result in reduced entitlement costs and an overall savings as we decrease the number of permanent change of station (PCS) moves and lower the need for entitlements resulting from family separations.

Currently, in addition to receiving a cost-of-living allowance that ensures equitable pay for our servicemembers who serve in Korea, the Army, Air Force, and the

Navy offer their servicemembers Assignment Incentive Pay (AIP), a program that authorizes a monthly cash incentive for servicemembers who are willing to extend their tours in Korea. AIP has saved the Department of Defense millions upon millions of dollars in reduced PCS costs. So far, since the AIP program began in 2004, the Army and the Air Force have had over 19,000 soldiers and airmen volunteer for AIP. While AIP has been a major success, for our family unaccompanied servicemembers—over 80 percent of our authorized force in Korea—accepting AIP means longer separations from family back in the States. Rather than providing incentives to unaccompanied personnel to stay longer in Korea, it is my assessment that we should focus on enabling servicemembers to bring their families to Korea and establish a more family oriented environment. With 3 year tour normalization, we could end the AIP program.

I have submitted a formal proposal to the Department of Defense recommending an endorsement to move to a normal 3-year accompanied tour policy in Korea, along with the opening of negotiations with the ROK regarding their assessment, and hopefully their support. It is under consideration. Endorsement of this proposal will provide our servicemembers a better quality of life, strengthen the U.S-ROK Alliance, and send a powerful message to the Nations of the area of America's long-term commitment to stability and security in Northeast Asia.

VII. AN ALLIANCE FOR THE FUTURE

The U.S.-ROK Alliance is one of the greatest bilateral success stories in modern history with many chapters ahead. In 1950, the UNC was created to defend the ROK when it was attacked by North Korea. In 1957, establishment of U.S. Forces-Korea provided the command structure necessary to support the Alliance. In 1978, the Alliance underwent a major evolutionary change when we created the CFC to provide a unified ROK and U.S. command structure. The Alliance evolved once again in 1994 when peacetime OPCON of ROK forces was transferred to the ROK Joint Chiefs of Staff. With the transition of wartime OPCON to the ROK Joint Force Command in 2012, the United States and the ROK will enter a new era of cooperation, an era marked by a first-world ROK with military capabilities to match its stature. In a broader context, the Alliance will be key to maintaining and advancing U.S. national interests in this strategically vital region of the world. This is a natural evolution—one whose time has come both militarily and politically. We look forward to continuing this vital partnership—one that promotes freedom, democracy, and global free trade in Northeast Asia—throughout the 21st century and beyond.

I am extremely proud of the soldiers, sailors, airmen, marines, and civilians serving in the ROK who selflessly support the Alliance, and because of their presence, ensure regional stability. Your continued support for our servicemembers and the U.S.-ROK Alliance is greatly appreciated. I know you will agree that our young men and women in uniform deserve the very best working, living, and training environment, and we should do everything feasible to provide it. Thank you.

Chairman LEVIN. General, thank you so much.

Admiral, let me start with a few questions for you. Let's have an 8-minute first round.

What do you believe or assume the intent of the Chinese is in their increasing military capability?

Admiral KEATING. Mr. Chairman, I asked them that question many times during two visits. The answer that comes back is the same answer with a slightly different turn of phrase each time. The Chinese would say: We only look to protect that which we think is ours.

They do not state any hegemonic intentions. They do not state any desire for expansion. They don't state any desire for a grab or to reach beyond their ability to protect those things that are theirs. That obviously includes an increased presence in the maritime domain. Their appetite for oil is significant and is growing. They can't keep up with their demand with their own coal. So the Strait of Malacca, the Indian Ocean, and the Bay of Bengal are of critical strategic importance to them just to supply their energy demands.

When we counter with questions along the lines of development of area denial weapons, anti-satellite (ASAT) tests, and similar

military technological advances, we don't get much back and forth here. The saw doesn't cut both ways. It goes to your request from us to them to understand intentions. The transparency that they profess is insufficient in my view. Being able to see what they have doesn't tell us what they intend to do with that equipment.

So I think that they are developing a blue water capability. They want to develop weapons systems that will allow them, should they so choose, to make it harder for other military forces to operate within 1,000 to 2,000 kilometers of their borders. Also, they're obviously demonstrating a capability to exercise some control in space.

It is overall I believe a desire to improve their position strategically in the world. They view themselves as a rising military power, and it is something that in our view merits close observation.

Chairman LEVIN. You've had a number of visits now with China. You made reference to them. What is your relationship? How do you get along with your Chinese counterparts?

Admiral KEATING. Fair to good, Mr. Chairman. I have seen now some of these senior officers three times, twice in China and once at the Shangri-La Dialogue in Singapore. We're hardly let's-go-to-the-club-and-have-a-beer pals, but I know them enough to see them now. But it is such a different sort of friendship. I mentioned in a couple of calls yesterday afternoon that while visiting them in their offices in Beijing and Guanxio and Nanjing you notice a phone on their desk. Many of them have aides who have cell phones. So I would say to each and every one of them somewhere during our call: May I please have your phone number. I'd like to call you when I get back to Hawaii to thank you for your hospitality, and if something comes up in the South China Sea that maybe we can talk about and defuse tensions and spread some information around, I'd just like to call you. I can't get the phone number.

So it is hardly like we're as close as I am with many military officers in Japan and in South Korea, much less the relationship that B.B. Bell and I enjoy. So, better friends than we were a year ago; a long way to go, and even then the breakdown of decades-old mistrust and custom is going to take a lot more effort.

Chairman LEVIN. I take it you offered them your phone number?

Admiral KEATING. Yes, sir. I gave them our card and it has our phone number on it. They haven't called.

Chairman LEVIN. On the Indian side, India with Pakistan, have you talked to the Indian military about their possibly developing confidence-building measures with their Pakistani counterparts?

Admiral KEATING. Yes, sir, we did. It goes back a couple of years. I had the pleasure of serving in Bahrain as the Naval Component Commander for CENTCOM, so we came at it from the Pakistan side, if you will. We had discussions then. That was in 2003, 2004.

Now, in the Pacific we're on another side of it. We had discussions with senior Indian army and naval officers, including Admiral Mehta, and encouraged them and continue to encourage them to find ways to cooperate, albeit in a very small, measured approach right now, to increase their cooperation with Pakistan. It is a very important part of an overarching theater security coopera-

tion plan to enhance stability in the region. I think it's very important.

Chairman LEVIN. Now let me ask both of you about the readiness of our nondeployed forces and what effect that has on you. I believe, Admiral, you made reference to 30,000 of your forces being forward deployed and obviously that has an effect on your readiness to some extent. But what about the nondeployed forces that we have? To what extent are those problems affecting your capability? What are the risks that are entailed from your perspective when our nondeployed forces are not ready, which is the case today?

Why don't I start with you, General, and make sure that we hear from you during my first round. Then, Admiral, we'll turn to you. General?

General BELL. Thank you, Mr. Chairman. I'm very pleased with the forces that are ashore and Korea's readiness. We put enormous energy into that, the commands have, and the Services have supported us.

Our principal capability ashore is Army and Air Force. Air Force gives us the ability to assure deterrence because it's ready to fight tonight and respond to some kind of provocation. I'll just tell you, we completed an exercise 3 days ago called Key Resolve-Foal Eagle. Quite frankly, as the cards just played out we had a large number of forces involved. Certainly all of our on-peninsula forces were involved. I got around to see all of them, plus deploying forces that came to Korea, and I was very impressed.

Our Second Infantry Division, which has one maneuver brigade and then some enabling brigades like an artillery brigade, fires brigade we call it now, military intelligence, et cetera, is doing very, very well and is fully resourced.

I will tell you they don't have all the equipment that we see we need in Iraq, which I would want. For example, they do not have all uparmored wheeled vehicles yet and given the experience that we've had in Afghanistan and Iraq, and knowing the special operating force capability of North Korea, I want all of my wheeled vehicles to be uparmored on the peninsula, and that has not taken place yet.

So I would say the readiness of our forces, certainly the Army and the Air Force, is very good, particularly against the criteria, if you will, pre-war. Some of the things I've seen in Iraq and Afghanistan I would like to bring to Korea and that has not happened yet.

Last point if I might. Our Army Prepositioned Stock (APS) that is ashore there, APS–4 it's called, is in extremely good shape and is ready to fight, and we've drawn it and used it and it has a very good record. So I'm satisfied.

Chairman LEVIN. Admiral, let me focus in on the contingency plans that you have if you needed to bring forward nondeployed forces and the problem we have with the readiness of the nondeployed forces. It's a different situation, I think, than General Bell has described. What concerns do you have about the challenges that are faced by our nondeployed forces and how does it affect your current contingency plans, which require and assume that those nondeployed forces be ready?

Admiral KEATING. We address those contingency plans and assess them daily in our headquarters and I report back on a monthly basis to the Secretary of Defense on our readiness to execute those plans. I have not yet had to submit to the Secretary anything other than, "We can execute the plans as they are on the shelf." Now, that said, with a larger proportion of land forces out of our AOR, we have shifted some of our focus and some of our planning to the naval and air forces that we would use in the early stages of those contingency plans. There is increased risk attendant thereto and I have reported that to the Secretary of Defense. It is not unmanageable. It is not a cause of great concern for us, and I would back that up or move that timeline left a little bit from the execution of the contingency plan. An area of some concern to us is intelligence, surveillance, and reconnaissance (ISR). Because assets are forward-deployed and for other reasons I'm sure of which the committee is aware, we don't have quite the visibility into the regions we would watch carefully in the weeks and days leading up to a potential conflict.

So it's ISR assets and capabilities that are of increasing concern to us.

Chairman LEVIN. Thank you both.

Senator Warner.

Senator WARNER. Thank you, Mr. Chairman.

First, Mr. Chairman, we note that General Bell will be stepping down, and I'd like to comment that I have vivid memories of earlier appearances in this hearing room when we assessed the challenges that faced you in the first years of your distinguished service there. I recall very well that in the Army we were experiencing, particularly among younger officers, that they would rather leave the Army than face another tour in Korea, given the harshness of the weather and oftentimes the families couldn't accompany them.

But you turned that around, and I had a nice visit this week with your successor, General Sharp, and he gave you full credit for that. How'd you do it?

General BELL. Senator, thank you for the compliment. I don't know that I deserve that much. I think we've seen a turn-around in attitude about serving in Korea, I think principally because it is a vital national interest area for America. I've tried to craft with the servicemembers there how important their service is, and I think they realize that.

Part of it is just attitude about why we are there today. We are there to deter, let there be no doubt about it. That's our principal mission, to deter North Korean aggression. But also I think the mission goes much broader than that. As Tim Keating has said, the U.S. engagement in that area of the world, given the situation that we see developing in East Asia, is vital. I think that we've been able to instill in our young servicemembers a sense of duty about the future of the United States. This is a vital place for us; 25 percent of our trade flows through that area and 25 percent of the world's gross domestic product is generated in that area.

Senator WARNER. I think you've answered the question, but you did a lot to make that happen.

General BELL. Thank you.

Senator WARNER. I remember some declined to take on their first major command as maybe a battalion commander, rather than go there.

General BELL. Those were different days.

Senator WARNER. Tough times.

You said that 2012 would be the shift of the responsibility in the command structure.

General BELL. Yes, Senator.

Senator WARNER. Run a quick mathematics. I was scribbling it down. The war started in 1950. This is 2008. That's 58 years. You're saying it's going to take another 4 for them to come to the realization that they're going to step up and take a greater degree of responsibility for the defense of that peninsula. That's in the face of South Korea today which is, I believe, the 11th strongest economy in the world.

General BELL. Yes, sir.

Senator WARNER. Now, maybe they've been spending a little too much time on building up the economy and not enough on the military. Is that 2012 locked in place? There was a target of 2009.

General BELL. Yes, sir.

Senator WARNER. What happened to that?

General BELL. Senator, I was a proponent of 2009. I thought in 2006 that we could effectively do this over a 3-year period of transition, both in terms of training and assisting our allies to execute high-level battle command. Their formations are very competent. They're very good. It's an impressive military, one of the best in the world. But at high-level battle command, they've allowed the United States, and we've certainly pursued that, to have the theater command structure apparatus.

It takes quite a bit to train high-level battle staffs to function. So I said 2009.

Senator WARNER. General, 3 or 2 years is a long time to train some senior officers to take over the command. I must express a degree of indignation and disappointment, and I don't know that it quite rests on your shoulders. It rests on basically the South Korean government's shoulders to take it over. I think it would be a matter of a sense of pride for them to do it.

After all, we're relocating a number of our forces down the peninsula, away from the demilitarized zone, to add somewhat of an element of security and for other reasons. I can't understand why they don't step up and accept the challenge.

General BELL. Senator, I will tell you that the Secretary of Defense of the United States and the Minister of National Defense of South Korea agreed last year that 2012 would be satisfactory to both of them. I have a very good timeline worked out now with the South Korean military.

Senator WARNER. I've made my point, you've made yours, and you did your best.

Admiral, I picked up on your colloquy with the chairman here. I'm concerned about the lack of transparency with the Chinese. You would think that they might take an element of pride on growing as they have with their military professionalism and the size of their forces. I think in response to the chairman's question, while you didn't say it directly, you inferred that the current size

of the force structure that they now have and, as a matter of fact, I think they increased their defense budget this year, am I not correct?

Admiral KEATING. Yes, sir.

Senator WARNER. That force structure goes well beyond the size of force structure that might be needed just to, as you say, protect that which is ours. Do you not agree with that?

Admiral KEATING. I do agree, Senator.

Senator WARNER. Now, your predecessors, again having had the privilege of being in this chair for a number of years, made efforts, I recall distinctly, of urging that we do an incident-at-sea (INCSEA) type of agreement that we successfully had with the Soviet Union in the height of the Cold War. The tensions between our Nation and then the Soviet Union and the European nations, we pushed that aside and realized the military necessity for rapid communications between the Soviet Union, the United States, and other North Atlantic Treaty Organization (NATO) nations, and it was done.

I remember very well, Mr. Chairman, you and I together with Senator Nunn worked on the hot line to the Soviet Union, whereby we literally had a phone on the NATO commander's desk and back here in the Pentagon with a direct line into the senior elements of the military of the Soviet Union.

Have you explored the possibility of a hot line? These people have to remove themselves from the dark ages if they want to be respected, I think, by other military powers.

Admiral KEATING. Yes, sir. The Secretary of Defense has just concluded technical discussions with counterparts in the People's Republic of China. A hot line will likely be in place and functional I'll say within 2 months.

Senator WARNER. That's encouraging news.

Admiral KEATING. Yes, sir, it is. It's not the end-all, as you'd expect, but it's a step.

Senator WARNER. But it's a step forward.

Admiral KEATING. On the INCSEA agreement, we took your advice and we have engaged with the People's Liberation Army-Navy. As recently as 4 or 5 days ago, within the past week, our J–5, General Conan, has been in Shanghai with his counterparts for the Marine Consultative Agreement discussions. Not very productive and a lot of political back and forth, not much hard-core military yes and no, but it's a step in the direction that you recommend for us. We cite as an example that we got it done with the Russians in times of increased tension.

So we have that underway. It is going to take a while, but that is our goal, to have something very similar to the INCSEA agreement.

Senator WARNER. I take that as at least some progress. But it's in the mutual interest of the United States and China, and indeed other nations in that area, to have it, because sometimes mistakes are made at a flashpoint and they should avoid that mistake. I'm not suggesting the mistake is on their side. It could well be on the side of another military power. But instant communications to determine the nature of the problem and the corrective measures that should be taken can save lives.

Admiral KEATING. I couldn't agree more.

Senator WARNER. I listened carefully. I said a few things about Taiwan and their relationship, but that always concerns me. We have the Taiwan Relations Act in this country and I'm concerned that Taiwan thinks that's a 911: Dialing the United States, come rescue us.

What is the current status of that situation now, the degree of tension, the degree of armaments that each are building up, and in your professional judgment the likelihood that anything could happen by way of an outbreak of the use of force?

Admiral KEATING. I think it very unlikely, Senator, that anything will happen across the strait. It is our overarching concern when discussing with Taiwan or China, we want to maintain stability in the region, across the strait in particular. There has been significant military buildup by the People's Republic of China on their side of the strait. The Taiwan officials certainly notice that. We caution both sides against untoward military activity.

The Taiwan election is on March 22. The two leading candidates both advocate a more moderate, less bellicose approach in Taiwan's dealings with the People's Republic of China. So we're cautiously optimistic that a little bit of the steam will leave the kettle after March 22.

We do then have that period of transition between election and inauguration, which is in late May. So there will be a period of a couple of months where we'll continue to watch very carefully cross-strait tensions. I think it very unlikely that any hostilities will break out.

Senator WARNER. Thank you.

Mr. Chairman, my time is up.

Chairman LEVIN. Thank you, Senator Warner.

Senator Webb.

Senator WEBB. Thank you, Mr. Chairman.

Admiral, General, welcome. Admiral, I'd like to follow up a little bit on the line of questioning that the chairman began and that Senator Warner picked up on with respect to understanding how China is asserting its pressure in the region irrespective of whether there is predictable actual kinetic hostilities against Taiwan. You're right to say that it's difficult to speculate about intentions and that we should look at capabilities. But I think we can also look at decipherable actions in order to try to examine exactly what this set of increasing pressures might mean.

I'm thinking specifically of three different areas in the immediate region around China and the South China Sea. One is the Paracel Islands, which China and Vietnam both claim. China years ago put an air strip on the Paracels at the same time that it was articulating a more offensive military posture in the way it was structuring its military, downsizing a lot of the army units, and upgrading its technology.

The second is the Spratlys, which I think five countries claim at least pieces of, including China, Vietnam, Malaysia, Brunei, and the Philippines. China several years ago had actually erected a structure that could be interpreted as a military structure on the Spratlys.

Then the Senkaku Islands between Taiwan and the Ryukyus Islands, where there was some naval activity a year or so ago that the Japanese were pretty engaged about and I think actually had sent in some of their own destroyer squadrons. I don't remember the exact details of it, but Japan does claim the Senkakus. China has never accepted that the Ryukyus are actually a part of Japan. They've been active in the Ryukyus, which include Okinawa, since the late 1960s.

If we take a look at these three data points as they give us some indication of how China has been expanding its activity, what do you make of it?

Admiral KEATING. If I could, a very brief anecdote, Senator. While in discussions with a senior Chinese naval officer on our first visit, he with a straight face, so apparently seriously, proposed the following deal to me. He said: As we develop our aircraft carriers, an interesting note to begin with, why don't we reach an agreement, you and I. You take Hawaii east, we'll take Hawaii west, we'll share information, and we'll save you all the trouble of deploying your naval forces west of Hawaii.

Even if in jest, it indicates some consideration of the strategic vision that the People's Liberation Army, Navy, and Air Force might have. While not necessarily hegemonic, they clearly want to expand their areas of influence and those strategic goals of theirs, while not necessarily counter to ours, are at least of concern to us.

So it is for that reason and many others that we stress our forward engagement, that we stress the readiness of those forces that we have who can move around those parts of the world, engage in exercises with smaller countries on a multilateral basis, so as to be the offset for the Chinese presence in the area and this increased pressure applied by Chinese checkbook diplomacy.

So we're watching very carefully. We are actively engaged in activities that we think serve as an effective foil to this increased Chinese presence and pressure.

Senator WEBB. Thank you for that. I would suggest that is every bit as much an indicator, not simply of military strategy, but it's of a piece when you look at a nation's grand strategy, the way that the Chinese have been increasing their pressure in a lot of countries in that region.

There was a piece in The Economist magazine just a couple of weeks ago saying that Burma, now calling itself some other name, but still it's Burma, may be moving toward the Chinese currency as their national currency. When I was in that country in 2001, I think you and I have had a discussion about this previously, that you went an hour outside of Yangon, there was a huge port facility that had been built by the Chinese, which if you follow the strategic logic of it could result in oil pipelines and other pipelines moving through Myanmar or whatever they want to call themselves now, up to the southern part of China, so that the Straits of Malacca, the Straits of Longbok, and these other places, would be less strategically vulnerable to them than they are to us.

Have you been following those developments at all?

Admiral KEATING. Yes, sir, we have. The Chinese expansion, as you say, is not just straight military, with destroyers and potential aircraft carriers. They are working all throughout Oceania, the

area that is Australia's front porch, if you will, on through the Indian Ocean and all the way to the coast into internal Africa, to develop these ports of call so as to provide, it would seem, some sort of foothold in the area, not just a military port presence, so as to be able to protect that which is theirs and to ensure access to those maritime domains.

So the answer to your question is yes, sir, we are watching that, and not necessarily attempting to counter it, but just to serve as a balance on a military basis at PACOM headquarters to those countries who are subjected to the Chinese pressure.

Senator WEBB. Thank you.

General, my time is about to run out, but I am curious as to the level, if any, of exchange programs, military-to-military programs, with the North Koreans that might allow the future leaders of North Korea to see what the rest of the world looks like. This was done with very good success in Vietnam as we began the normalization process there.

General BELL. Senator, it's pretty sparse. We do have weekly contact and, frankly, we can have it any time we want with the North Korean People's Army at Pammunjon. It's at the colonel level, in other words not the brigadier general or higher level, unfortunately. But we do have contact, and we do talk about a range of issues.

That doesn't seem to go very far, however. I believe the North Koreans treat it as a bureaucratic process more than an opportunity for advancement. Over the years the North Koreans have rejected any number of opportunities. They run the Neutral Nations Supervisory Commission out of North Korea. We still have them with us, and that was a great opportunity for dialogue. Certainly the high-level meetings we had at Pammunjon for years at the general officer level produced some merit. They don't allow that now.

So frankly, other than those meetings that we have at Pammunjon about once a week at the colonel level, our contact with the North Korean military is nonexistent, and I regret that. I do agree with you, sir, that that is something that down the road we need to find a way at the right diplomatic levels to re-engage somehow and to convince them that re-engagement is in their interest.

Senator WEBB. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Webb.

Senator Thune.

Senator THUNE. Thank you, Mr. Chairman.

General, Admiral, thank you for your service to our country and thank you for being with us today.

Admiral, there's a lot of discussion around here about the next generation bomber, which is scheduled to be fielded in 2018. I'm just wondering if you might comment on the importance of long-range strike as a deterrent capability in your command's area of operations.

Admiral KEATING. It's a critical element of our operational planning and conceptual planning, Senator. We're very interested in the Air Force program. The particular platform is of less consequence to us. The capability is, of course, where our focus remains. So the short answer to your question, we're very interested in that long-

range penetration capability and it is an important element of our planning.

Senator THUNE. Admiral, the Chinese have recently undergone an incredible leap forward in terms of their air defense capability by fielding a lot of systems such as the SA–10, SA–20, SAN–20, SAN–7, HQ–9, and HHQ–9. What are the capabilities and survivability of our legacy fighter and bomber forces versus these advanced surface-to-air missile systems, and are you concerned about these and other Chinese anti-access technologies?

Admiral KEATING. Senator, we are concerned about the Chinese surface-to-air capabilities. It is a source of discussion between those of us at PACOM and our counterparts when we visit China and on those rare occasions when they come visit us. We have state-of-the-art equipment that we can deploy if we need to. That said, we also are flying some airplanes that I flew when I was still doing that sort of thing as a younger man.

The electronic countermeasures we enjoy are in most cases sufficient, and in some cases insufficient. So, at large, we are concerned with the Chinese electronic warfare developments and it has been a topic that I've discussed with the Joint Chiefs within the past couple months expressing our concern.

Senator THUNE. Thanks.

Admiral, let me just ask a question too if I might regarding some of China's claims that there's no threat to U.S. interests. But on the other hand, there has been this issue with cyber intrusions that originate in China and attempt to gain access to various U.S. institutions that deal with national security, ranging from the Pentagon to think tanks.

What's your opinion of the message that China is attempting to deliver, at least publicly, and how that conflicts with some of the things they're doing, and have you communicated with the Chinese military leadership about these intrusions, and what's their reply when you ask them?

Admiral KEATING. We have communicated our concerns, Senator. We asked them to try and describe for us their intentions in the warfare specialty they call informationization. They study it in their war colleges. They have books on informationization. It's a concept a little foreign to us, but fundamentally it comes down to asymmetric warfare, computer network attack, and computer network defense.

They acknowledge that they are pursuing these specialties and subspecialties, but they do not acknowledge, at least to me, their engagement in those activities. It is clear they are engaging in those activities. We have expressed our concern. I know that the State Department, the Department of Homeland Security, and Department of Defense (DOD) have efforts to provide better protection for our networks and to be able to determine conclusively who it is conducting the penetration.

Senator THUNE. General, as the ranking member on the Readiness Subcommittee I'm interested in the preparedness of U.S. forces on the Korean peninsula. How would you rate the preparedness of your units and are there enough exercise venues and events to effectively train on the peninsula, or do you see a necessity to deploy forces more for training events?

General BELL. Senator, last year I was getting nervous about this, but I have to tell you, over the last year I've seen a lot of emphasis placed from off the peninsula to ensuring my readiness on the peninsula is where it ought to be. We've just concluded a major exercise, both a command post exercise that's driven by simulation, and real field exercises, land, sea, and air, and all those were done in a very, very professional way, a very pleasing way to me, and reiterated for me, I think, the capacity that we've achieved in the last year.

Our Air Forces ashore are ready. We've gotten upgrades to our F–16 fleet that are very impressive. Our Army forces ashore are very ready. However, they do not have all the equipment that I wish they had, given our lessons in Iraq, for example uparmored wheeled vehicles. If you walked amongst the Second Infantry Division right now, you'd see a very ready division without uparmored vehicles. So that piece, given what we've seen in Iraq and that vulnerability, does concern me, and we're working with the Army to get in line to make sure that we get this equipment over to Korea quickly.

But I'm pleased with our readiness ashore and I would put it at a high level right now. It's very good.

Senator THUNE. Let me ask both of you. I'd like to explore the North Korean ballistic missile threat. Where do you see the biggest gap in defense against that threat and how do you propose that we solve it?

General BELL. North Korea has a range of ballistic missiles, obviously. They cross all the spectrum of missile capability from relatively short-range missiles, which they've just begun to field a modern version of. It's called the KN–02 missile, solid fuel, very mobile, and something like our Multiple Launch Rocket System or our Army Tactical Missile System (ATACMS), pretty sophisticated; all the way up through their traditional Scuds, which are liquid fuel but very reliable. Every time they test them they work. They land where they're supposed to go.

They have the No-dong missile, which is a medium-range ballistic missile. The Musadon they have in research and development (R&D), which is an intermediate range ballistic missile which could threaten Guam and certainly threatens all of Japan, all the way out to their hard work on an intercontinental ballistic missile (ICBM) called the Taepodong-2, which failed in its last flight test.

So they have the whole range and we have to protect against all those ranges. Ashore in Korea I have today eight Patriot batteries. That is adequate to protect my U.S. force. Our Republic of Korea ally does not have adequate theater ballistic missile defenses on their peninsula. They recognize this as a shortcoming. They are now purchasing Patriot systems, believe it or not, from Germany and they're fielding Aegis cruisers that could have an air defense capability as well.

My biggest concern is not theater ballistic missiles coming at South Korea. I think we are adequately prepared for that. It's the off-peninsula missile capability that they are developing and have to either threaten Japan, Guam, Hawaii, or even the continental United States that is the biggest issue for us to address right now.

I will hand that off to Admiral Keating because he is more aware of and into the layered defense that we have to defend against that threat.

Senator THUNE. Admiral?

Admiral KEATING. The lower 48 States and Alaska and Hawaii can be well defended against ICBMs from North Korea with our ground-based mid-course interceptors and increasingly by our sea-based ballistic missile defensive capabilities. I am more concerned about helping our allies protect themselves. Senator, the Japanese just conducted a successful test of one of their Aegis ships. The Japanese ship *Congo* launched an SM–3 missile and intercepted a target ICBM over the Pacific Missile Range Facility and successfully destroyed that target ICBM.

So Japan is developing the capability themselves, but there are other countries, of course, that do not have any capability throughout our AOR. Helping our allies protect themselves is a source of some concern to us. I am satisfied that we continue the development of the integrated system to which B.B. alludes. It is important for the 48 States, Alaska, and Hawaii, and we're working with our allies for their own self-protection.

Senator THUNE. Thank you, gentlemen, very much for your service.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Thune.

Senator Reed.

Senator REED. Thank you very much, Mr. Chairman, and thank you, gentlemen, for joining us today.

General Bell, I want to thank and commend you for your extraordinary service to the Army and the Nation. You have inspired great confidence in many, and good luck as you move forward, and thank you.

Admiral Keating, you say in your written statement that anti-submarine warfare is a top priority of U.S. Pacific Fleet and that PACOM requires pervasive and persistent surveillance to understand the adversary's plans, et cetera. Do you have a sufficient number of submarines in your AOR to do that?

Admiral KEATING. I do today, yes, sir.

Senator REED. Looking forward in terms of your longer-term and medium-term?

Admiral KEATING. Through the mid-term, through the Future Years Defense Program, Senator, 5 to 10 years, we have sufficient numbers of U.S. attack submarines.

Senator REED. I don't want to put words in your mouth, but you probably have missions that you would like to run but you can't at the moment, that you have excess demand?

Admiral KEATING. That would be true, sir.

Senator REED. General Bell, you are recommending, I believe, departing from the 1-year tour in Korea and going to a 3-year stabilized tour with family. Can you talk to that recommendation, and also the impact on your plans on the constant draw of troops into Iraq and Afghanistan, and just generally the whole flow of troops back and forth?

General BELL. Senator, I'm an advocate of what I call troop normalization. I am convinced, after serving over there for over 2

years, that the 1-year unaccompanied tours that we pursued over there sends a message of temporary commitment by the United States. Just 1 year in and we can be out. I believe that a 3-year tour would send the right message of commitment of the United States to that area of the world, first. Second, it adds measurably to the personnel tempo of our military Services right now, unnecessarily in my view.

I admit that I've advocated a 10-year transition period to a normalization policy over there because there are a lot of issues to be dealt with. You just can't one afternoon say, bring another 15,000 U.S. families over there. But over time and with the help of our ally, who I believe would help us resource part of this, I believe that it's best for our families and it's best for our readiness. If I had a servicemember over there for 3 years, he or she would be very ready, as opposed to just being there 1 year.

I think it sends the right message to our allies of a commitment to that area of the world, which is of vital interest to the United States of America.

Now, there are a lot of details to be worked out here and I have not yet gotten the policy decision out of the DOD yet, and I certainly haven't even had a formal request from my Korean ally yet. But I believe those may be forthcoming, and then with that in hand we could lay out a program to achieve this.

I do believe it's necessary for the United States to send the message to all of our friends in that area of the world that that area of the world is important to us and that if the North Korean issue is resolved, through whatever methodology, peace treaty, reunification, or otherwise, that does not mean the end of U.S. commitment and we're not going to just take our troops and go home. As long as we're welcome and wanted by the Republic of Korea and they desire our alliance to continue, I believe it's in our interest, and the best way to demonstrate that is through normalization.

Senator REED. Thank you, sir.

The Second Infantry Division, at this juncture, and correct me, but my impression is they have one brigade in Korea and two plus brigades in Iraq or Afghanistan or in combination. Is that correct?

General BELL. Yes, sir. We have one brigade that is permanently stationed in Korea with the division headquarters. The other brigades are permanently stationed in the United States and there is no desire to bring them forward unless, of course, we had a conflict break out. In addition to the one maneuver brigade, we have other important brigades there in the Second Infantry Division, an aviation brigade with attack helicopters, a fires brigade, artillery, military intelligence, engineers, et cetera. It's still a pretty good-sized division, but it only has that one maneuver brigade. I deem it essential to force protection, quick reaction force capability, and, believe it or not, if I had to do a noncombatant evacuation operation. There are 100,000 U.S. citizens that live in Seoul pursuing American business. I would need those maneuver troops to help run an evacuation.

So we're at about the lowest level I'm interested in getting to on Army troops right now, Senator.

Senator REED. That brigade has so far been immune to deployment as a brigade into Iraq and Afghanistan?

General BELL. It has. We had two maneuver brigades there until 2 years ago. One of them was withdrawn, went to Iraq, and it's now stationed at Fort Carson, CO. This brigade is not on the deployment list.

Senator REED. But are you seeing some personnel turmoil? Not brigade units and battalions, but individuals moving in and out of the division because of Army-wide demands? Is that affecting your readiness at all?

General BELL. The Army does a good job of keeping up with the 1-year rotations. What I think is due to the fallout from the current commitment to Iraq and Afghanistan it's very normal for me to get a servicemember, a soldier mostly because it does affect the Army more perhaps than it does the Air Force, but it's not unusual for a soldier to show up, a young specialist, a staff sergeant, or a master sergeant, having just returned from Iraq 5 or 6 months ago. Here they are with another set of orders for a short tour in Korea and continued family separation.

That's fairly common now, and of course I would like to end that practice by a normalization tour. So the issue is that they are not getting much time at home before they're ordered on forward to Korea, having come out of Iraq. The same thing happens when they're going back, Senator. They'll leave Korea after a year, end up in a unit, and then off they are to Iraq or Afghanistan, perhaps fairly quickly.

Senator REED. I have read in news accounts of incidents of depression with troops based on service in combat, in Iraq and Afghanistan, that are being medicated with Prozac still in combat areas. Are you detecting that in terms of your soldiers and airmen who are coming back through Korea?

General BELL. I'm really not seeing that in Korea. I think this is an issue for our military. I'm not trying to minimize it. But I can tell you that, having been in this business now 39 years, this Army that we have remains an Army of great morale, great commitment, brotherhood, and sisterhood. It's very special. It is different than some of the issues that we had during other wars, Vietnam, et cetera. I can tell you in Korea these troops are high-spirited, they're committed, they're dedicated, and I'm very proud of them and I do not see a degradation in their morale or their readiness because of Iraq or Afghanistan.

Senator REED. My impression is similar to yours, but I think this is a fault line in terms of some of the mental health issues of our troops. It's something, as you suggested, that the Army particularly, and the Marine Corps, and all of our Services have to be acutely aware of because we're asking these young men and women to do some extraordinary things repeatedly, and it adds up.

General BELL. It is, it is.

Senator REED. Admiral Keating, we spoke briefly about the renewed relationship with Thailand. Can you comment on your efforts on cooperation with the Thais, particularly the anti-drug efforts?

Admiral KEATING. Yes, sir. We were just there 2 weeks ago and we met their supreme commander, General Boonsrang, who was a good friend from previous engagements. The Thai military remains strong. They are solid. They're aware of some concerns we have

had about their observing what the rest of the world would regard as appropriate human rights measures and expectations, and I have the assurances of him, General Boonsrang, that they have that in hand, and our trainers who work with them agree.

We have a Joint Interagency Task Force (JIATF) West headquartered at the United States PACOM, headed by a Coast Guard one-star, and they work extensively the counterdrug challenges throughout the Asia Pacific AOR. The Thailand military is certainly aware of their position on the flow and the flow points for narcotics. They are actively engaged. They did not share with me any particular efforts they have underway, but I did note that General Boonsrang mentioned his concern and his active involvement in trying to stem the flow of those drugs. So too are Coast Guard-led forces at JIATF West.

Senator REED. Thank you very much, gentlemen.

My time has expired.

Chairman LEVIN. Thank you, Senator Reed.

The Clerk's notes say that Senator Wicker arrived 1 minute before Senator Martinez. However, review of the videotape shows some uncertainty in this regard. [Laughter.]

I've had extensive conversations with the ranking member and we decided to leave it up to you gentlemen. Did you arrive simultaneously?

Senator MARTINEZ. I will go with the chair.

Chairman LEVIN. Thank you.

Senator Wicker.

Senator WICKER. A random act of kindness by my colleague.

General Bell, we appreciate that high level of commitment and morale that you just testified about. I want to follow up on a conversation you and I had last year when I was in the House of Representatives and you testified before the Appropriations Subcommittee on Military Construction. At that time you mentioned a need for a TRICARE representative to assist all the servicemembers' families you have living in Korea on the economy.

Can you provide me with an update on that situation?

General BELL. We're making progress. I don't have the full TRICARE service contract in place yet. It's coming. This is a competitive process. You just can't order it one day. There has to be a request for a proposal through the contracting agencies and different companies have to bid for it, et cetera. But we expect that in the very near-term, Senator.

The good news is that in the interim the Army has committed several individuals who are wearing Department of the Army civilian hats as administrators for me. So now I have people in critical locations across the peninsula who are fundamentally doing the job of a TRICARE contractor in an interim way. They are coordinating with the local Korean hospital. They are setting up hot lines and phone lines with them, so when a patient comes in and they need care at the local hospital we have that liaison working for us. Then the reimbursement of the servicemember is handled in an expeditious way.

We had a situation there for a while where the servicemember was expected to pay up front. Can you imagine something like that, walking in and saying, I need an appendectomy, and having to

reach into your pocket as a staff sergeant and pay for your appendectomy before you had it? It was completely unacceptable. We fixed all that.

Senator WICKER. Has Congress given you everything you need in this regard?

General BELL. Senator, they have. I'm very pleased. I'm working inside the DOD now. I think we're on the right track, and I'll report back to you if it comes unglued. But I think we are on the right track.

Senator WICKER. Thank you.

Another thing we talked about at that hearing last year was your concern for ensuring that you have a medical activity hospital instead of a combat hospital.

General BELL. Yes, sir.

Senator WICKER. Could you update us on that also?

General BELL. Yes, sir. It's done. We activated the medical activity about 5 months ago, which gives us all the authorities to requisition the right kind of doctors, the right kind of practitioners, and the right kind of nurses for our clientele. Embedded in that remains the combat support hospital. So we have exactly the right organization now, and that was something I look at very positively. I'm very excited about that.

Senator WICKER. Congratulations on that.

Now, let me then follow up on something that I'm told you testified to earlier before I was able to attend and that's the need for uparmored wheeled vehicles. Now, Congress has made quite an investment in the mine resistant ambush protected (MRAP) vehicle. Would that meet your needs?

General BELL. Senator, I am concerned about not having uparmored vehicles there in the Republic of Korea. I agree with the prioritization that the Army has now. For example, in the old days a National Guard unit would never be prioritized over an Active unit. But National Guard units are going to Iraq. They need them before I do. So we have a requirement in for various types of vehicles, including the MRAP vehicle, to meet our needs, and I believe we'll start seeing that fielding here in about the next year.

But we are at the tail end of that fielding chain and I think rightfully so. I'm not complaining at all, because I'm not facing imminent combat. So the answer is yes, MRAP is part of our future. So are other uparmored kits, whether it's on our 2½- and 5-ton vehicles or even our Humvees, and we don't have any of that right now of merit. We have about 2 percent of our vehicles uparmored, which is not really satisfactory.

So it's a good program that is laid out and not resourced yet.

Senator WICKER. Thank you very much.

Now, Admiral, let me quote from page 6 of your testimony: "Southeast Asia remains the central front against terrorism in the Pacific." It strikes me that many people, many Americans, don't understand that the war on terrorism affects the region that you have charge of. Could you give us the status on the fight against terrorism specifically in the Philippines and its impact on regional stability?

Admiral KEATING. Yes, sir, I'll try. We were there 2 weeks ago and met with Ambassador Kenney and the leader of the Joint Spe-

cial Operations Forces, Philippines, an Army colonel. He is in charge of about 500 Special Forces personnel, Army, who are deployed throughout central and southern Philippines in support of, and it is very important to emphasize, the Armed Forces of the Philippines (AFP) in their war against violent extremists and terrorists in the southern Philippines.

Progress is being made. It is measurable, discernible, and palpable. As we traveled throughout the southern Philippines, the support demonstrated by young men and women who greet the AFP as they are moving through the very dense jungle in the Philippines is a visual demonstration of the support enjoyed by the AFP.

That said, the AFP are also killing and capturing a significant number of Abu Sayyaf Group and Jemaah al-Islamiah leaders and lieutenants. There is work to be done, to be sure, acknowledged by the Philippines and by our Armed Forces who are there now. But the progress is measurable, demonstrable, and I'm very proud of the work being done by those 500 soldiers who have been there for a while now and are there for the foreseeable future.

Senator WICKER. What would be the consequences of not getting the job done in the Philippines to the average American citizen?

Admiral KEATING. To the average American citizen who might be in the Philippines, we have seen American citizens kidnapped there and some killed.

Senator WICKER. To my constituents back in Mississippi?

Admiral KEATING. To your constituents in Mississippi, it would be a gradual erosion of peace and stability all throughout the Asia Pacific region. It would have an economic impact, and it would have a social impact, it would have an impact on one of our longest standing allies in all of the world, the Republic of the Philippines.

Senator WICKER. Thank you very much.

Thank you both for your service.

Chairman LEVIN. Thank you, Senator Wicker.

Senator Lieberman.

Senator LIEBERMAN. Thanks, Mr. Chairman.

Admiral, General, thank you for your testimony. Good morning.

In some sense I want to follow up on Senator Wicker's line of questioning. Admiral, you have reported to us this morning that your AOR, the Pacific, is secure and stable, but obviously you have concerns of different kinds. One is the terrorism just mentioned, the other is our relations with China, managing those in a way that is peaceful and constructive, and of course the particular threats represented by North Korea.

Of the various concerns that you have in your AOR, which would you say is your top concern?

Admiral KEATING. The struggle against violent extremism, Senator.

Senator LIEBERMAN. In that sense, this is the regional expression of Islamist extremism and terrorism?

Admiral KEATING. Good point. Not just in the Philippines, but all throughout the Asia Pacific region, from the east coast of Africa to the west coast of the United States.

Senator LIEBERMAN. It's a very significant answer because obviously we're focused on North Korea and China in different ways,

but you would say from the region that your number one concern is to stop the spread of Islamist extremism and terrorism. It does make the point that Senator Wicker made, which is that this war against Islamist extremism and terrorism is global. It's a world war.

At this point, would you say that the enemy in your region is gaining, receding, or being held about where it's been?

Admiral KEATING. Receding, Senator.

Senator LIEBERMAN. Why is that?

Admiral KEATING. Progress made in the Philippines, progress made in Indonesia, progress made in Malaysia, and progress being made in India. The kinetic attacks being conducted by violent extremists are down. There have been, thank God, very, very few significant attacks that have been conducted in our AOR since September 11, 2001, as you're aware.

They are on a much smaller scale. The activities are much more local. That makes them no less onerous for those who suffer the sting of the terrorists, to be sure. But it is not a widespread, coordinated, collaborated effort the likes of which we have seen in the wake of September 11.

Progress is being made on not just a military front, but in the sharing of intelligence, on the curtailment of movement of violent extremists, and the support that they need to conduct their onerous activities. All of these are being reduced in our region.

Senator LIEBERMAN. That's good news.

Would you say that the Joint Special Operations Task Force, Philippines is a model for the way in which we might combat extremism and terrorism in other countries in the world?

Admiral KEATING. I would, sir.

Senator LIEBERMAN. So if you would, and if you've done this before I was able to arrive you can make it short, but talk a little bit about what that task force does and how you see it as that model being applied to other areas of the world?

Admiral KEATING. Yes, sir, I'll try. Our Special Operations Forces are world-class counterterrorism experts. It is a different kind of expertise than many nations possess. So our ability to train the trainers and work through the host nation's armed services in preparing the host nation for the different aspects of intelligence gathering, of monitoring, of prosecuting attacks on a very small scale that are some urban, some suburban, and some jungle, it's a very diverse warfare set.

Our Special Forces troops are the best in the world. So by training them to train their own personnel we can, one, reduce the demand signal for our forces; two, make them better to much better the armed forces of our host nations; and three, develop information-sharing and collaboration techniques that are at least uncommon, if not unprecedented, between those countries themselves, and encourage those other countries to share between themselves, and it gets to be a network that is very powerful and effective.

Senator LIEBERMAN. I think that's a very important statement, an important model. It makes the point that we have allies in this war against Islamist terrorism. They tend to be, fortunately, the local indigenous security forces, but they need help. It also makes

the point that we don't have to, we can't really be on the front lines in that world war everywhere it's taking place. I appreciate that.

Now, the other good news that you reported on is that we have very strong relationships throughout the region, and we have some very significant good allies, Australia of course, and South Korea. I want to ask you to focus a little bit on two others that maybe we don't focus on enough because they are such good allies. One is our long-time strong relationship with Japan and the second is very significant, improving relations with India.

Give us your report on both the military-to-military and political relationships with those two great allies of ours, Japan and India.

Admiral KEATING. Yes, sir, thank you. Wandalee and I had the pleasure of living in Japan for a couple of years. As you say, we have no more steadfast or important ally in the world in my view than we do in Japan. I have been there seven times since assuming command of PACOM. In each case, though I will see sometimes a different minister of defense than I saw in the previous visit, the leadership remains constant. Admiral Saito, who is their chief of defense staff, is a good friend. They remain committed to improving, not just sustaining but improving, the military-to-military relationships that we enjoy.

As an example, you know that we are swapping out the U.S.S. *Kitty Hawk* and the U.S.S. *George Washington*. The *Kitty Hawk* will retire this summer, the longest serving ship in the United States Navy inventory, to be replaced by the *George Washington*, a nuclear-powered aircraft carrier. While I lived in Japan and served on the *Kitty Hawk*, this would have been an unattainable goal, to put a nuclear aircraft carrier in Japan.

Senator LIEBERMAN. It's important. It's a mark.

Admiral KEATING. It's happening. The swap-out will take place this summer, and there is almost no commotion about it.

They are committed to the same goals as us, Senator, and I am very confident that if we called upon them for support they would answer the bell. They have resumed their oiler operations in the Indian Ocean in support of Operation Enduring Freedom.

Senator LIEBERMAN. Yes.

Admiral KEATING. India; I have been there once. I mentioned a little bit ago I went through there in the mid-1980s carrying Admiral Crowe's bags. The relationship we enjoy with them is a much more open, a much more productive, and a much more energetic relationship on a military-to-military basis. Our visit there in August was very reassuring to me. We were conducting exercises with them. They are interested in personnel exchanges.

They are at a critical strategic crossroads for all of us and they want to work with us in providing maritime and air security over the Indian Ocean and the Bay of Bengal. They're critical partners.

Senator LIEBERMAN. Those are encouraging reports. I thank you for them.

I know that a while back there was a joint exercise carried out among some of our most significant allies in the Pacific. Tell us what happened and how it went?

Admiral KEATING. Exercise Malabar I think, Senator, is that to which you refer?

Senator LIEBERMAN. Correct.

Admiral KEATING. I've been doing this for many years and I would not have conceived of anything this ambitious, this sophisticated, or this successful. Aircraft carriers, two carrier battle groups of the United States, one from India, an Indian aircraft carrier, and ships from Japan, Singapore, and Australia all participated, tens of thousands of servicemen and servicewomen, in a Bay of Bengal-located high-end technological and military tactics, techniques, and procedures exercise.

It went very well. It was conducted in August. There were search and rescue challenges posed by operations and everybody pitched in. Of note, it doesn't get headlines, but each of the vessels and command centers involved in the exercise were able to communicate real-time on a secure channel. So that is a dramatic change and a significant step forward in our ability to communicate with our allies and partners. It was a very successful exercise.

Senator LIEBERMAN. My time is up. Thank you. Those are very significant reports. Obviously, we're a global power with global interests and global responsibilities. But the encouraging news here in the Pacific is that we have increasingly significant assistance from a range of very important allies who have a shared interest, obviously, in the security and stability of the Pacific. I thank you for the job you're doing.

I thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Lieberman.

Senator Martinez?

Senator MARTINEZ. Thank you, Mr. Chairman.

Gentlemen, good morning and thank you both for being here and for your service to the Nation.

Admiral, I think I'll begin with you and just talk about Chinese military expenditures. This may have been covered before I came and if it was I apologize. But I realize that they're on an upward trend that is rather significant, and I was wondering if you could describe for us how significant it is, whether it is escalating or in any way tapering off. Also, I would like for you to comment on the merger of civilian and military efforts, which would mask true military spending because of whatever participation the civilian sector may have into that as well.

Admiral KEATING. Senator, thank you. The shortest way to say this is, the defense budget is going up, it's going way up. I don't know how much it's going up, but it's going up. I don't know how much it is. Estimates in a recently released report have it around 50 billion U.S. dollars. The Chinese will not discuss this with me when I'm there. We don't even bring it up any more.

In my first visit, when we did bring it up, they said: "Well, you don't understand; it's all going to personnel and quality of life accounts," which is true enough. The Chinese are learning the lesson that we could have and do instruct them upon: It costs a lot of money to recruit, train, and equip a modest, much less high end, military like we enjoy. They are finding out how expensive it is to provide a senior noncommissioned officer corps, to provide health care, to provide cost of living allowances for folks who get orders from the western part of the country to, let's say, the Shanghai Naval District. It is a very expensive proposition to recruit and train and equip a navy, an army, an air force, and marine corps.

That said, there is no question that they are putting significant amounts of money into research, technology, and development. The higher end weapons capabilities they're developing are of concern to us: area denial weapons, ASAT technology, submarines. They have 65 submarines. They're building more. That's nearly two and a half times the number of submarines we have in the Pacific.

So long answer to a short question. Their developments are of concern to us. It is an increased budget that they enjoy and I don't believe all of their increased budget is going into personnel costs.

Senator MARTINEZ. Speaking of the submarines, 65 is a substantial number, is it not?

Admiral KEATING. It is.

Senator MARTINEZ. What does that tell us, those two elements, about their intentions or their goals?

Admiral KEATING. When I ask them that question, they choose not to answer, Senator, which is in a way an answer in my view. They do not share with us their intentions beyond the overarching: "We seek to defend those things that are ours, we seek a harmonious integration into civilization, and we're pursuing a peaceful rise." We get the same response to almost every question we direct to them as to intentions.

It would seem to us at the United States PACOM that the development of a blue water navy capability, a significant subset of which is their submarine force, which is quiet and getting quieter, and capable of going further and further to sea, the development of the blue water navy capability and these area denial weapons go beyond that which would be normally expected of a country who only wanted to protect their littoral region.

Senator MARTINEZ. General, I was interested also in talking a little bit with you about the quality of life issues. I was interested in your testimony about the deterioration of facilities, the fact that apparently your budgets for housing and things of this nature have deteriorated over time and a lot of the housing is quite aged.

I was just wondering if you could dwell on that a little bit and explain to us your concerns there and what might be necessary in order for us to improve the situation.

General BELL. Thank you for letting me address it. To be honest with you, two-thirds of our facilities are either temporary or they are between 25 and 50 years old even if they're not temporary. So only a third of the facilities that we enjoy in Korea are the kinds that we would be proud of, say, if that force was in the United States.

I can only attribute this to a 1-year-at-a-time mentality over the years and, instead of improving our facilities, we've worked hard on our combat readiness, but we've not really put the resources into the facilities that we should have.

We have a strategic window now. We're moving the Second Infantry Division from its location north of Seoul to south of Seoul, to a garrison that we call Humphreys. The area at Humphreys that we're expanding into, much of the construction costs down there are being borne by our Republic of Korea allies. These are brand new facilities being built to our specifications, but with their money.

But at the same time, we have to maintain the stuff that we do have in other locations, and the amount of money that I've been given to do the maintenance and sustainment on those standing facilities is inadequate. The best I've done in any given year is about 25 percent of what I believe is necessary to give full readiness to those kind of facilities.

So while we have this strategic window to see an improvement, I do believe that if we're going to change the paradigm in Korea, particularly if we're going to adopt, and I hope that we will, a more normal approach to stationing in an area that's of vital interest to the United States, we're going to have to make the investment. It's not a big investment. We don't have a large force there. I don't see this as being a major fiscal challenge for the United States. I think it's a matter of priorities.

I am making this a major area of interest for myself and the DOD, and I am hopeful that we will continue to see it rising. It has gotten better, Senator, in the last couple of years. But we are still a long way from the kind of sustainment operation for facilities that we see both in the United States and in Europe for our forces. I think that's in need of change.

Senator MARTINEZ. I commend you for your efforts in that regard because I think those are really important, both the effort to regularize by allowing family tours as well as the improvement in the facilities. I think those are very, very important to our future in the area.

Admiral, I was really pleased to hear your answer, in response to Senator Lieberman's questions about the Islamic extremists in the region. I think one of the great surprises to me and perhaps to many others was the growth of Islamic extremism in your region, which became apparent immediately after September 11, when it was obvious that we had problems in those parts of the world.

Can you give us a comparison as to what the situation that you found or we found immediately after September 11, 2001, when we became aware of the fact that we were in a global war on terror, and where we are today?

Admiral KEATING. Yes, sir. You and all the members will recall that many of those extremists who were in the attack against us on September 11 were trained or moved through South Asia during their training track, if that's the right term to use. So it was our area of the world that movement was uncontested and financial and logistical support was unfettered. It was a much more open area for the movement and lodging of terrorists.

Today that is a much different situation. It started with intelligence, information-sharing, intelligence-gathering, and intelligence-sharing, in my opinion. Not just military, but all manner of agencies, Federal, State, local, and private personnel became aware of the challenge. They knew what to do with the information that they gathered. Remember, these are some of the largest Muslim populations in the world. Indonesia, 210 million; Malaysia, almost 100 million; India, tens of millions. India is the largest democratic country in the world with a significant Muslim population.

All that said, it is a much tougher area of the world for radical extremists to navigate around. The flow of money to support them

is being very, very closely monitored and curtailed in a very quick fashion, and all of this below the radar. So those who would pursue violent extremist tactics are finding it much tougher to live and to operate in the southern part of our AOR.

It's not just a military effort. It is civilian, law enforcement, State and local governments, and the private population, all combining to make it a very inhospitable atmosphere for them.

Senator MARTINEZ. I commend you for the success and thank you both for your service.

Admiral KEATING. Thank you, sir.

Chairman LEVIN. Thank you, Senator Martinez.

Senator Nelson.

Senator BILL NELSON. Good morning, gentlemen, and thank you for your service to our country.

As a matter of fact, the largest Muslim population country in the world is Indonesia. This surprises people. The second largest Muslim population country is India, more than Pakistan.

Gentlemen, I have the privilege of chairing the Strategic Forces Subcommittee for the leadership of our Armed Services Committee and I want to ask you about the Theater High Altitude Area Defense (THAAD), the Aegis ballistic missile systems, designed to go after short- and medium-range ballistic missiles. Now, the testimony we received in our committee is that we've only got about half of what we need or what we project to need. This came out of a study called the Joint Capability Mix Study.

I'm curious. In your theater were you consulted on your needs to come out with the result of this study?

General BELL. Senator, I am consulted and I lay my requirements out with great clarity for the DOD. What I can tell you is that, while the majority of what I do on the Korean peninsula is protected with Patriots and so that's the weapon of choice, I still have a significant requirement, particularly for Aegis cruisers. What they can do for me off the southern coast of Korea is protect my port facilities, and instead of having to use Patriots for those, having this picket line of Aegis cruisers protecting those ports is of vital interest to me. I'm encouraging the South Koreans to purchase this system and, of course, we have our own significant capability.

My biggest issue is getting the most modern Patriot system in Korea, which I do not have sufficient numbers of now, the PAC–3 missile. Why the PAC–3? It engages at a higher altitude and prevents the kind of fallout of chemical munitions or whatever on the local population. So I have a shortage of PAC–3s. I have plenty of missiles of older varieties. They are effective, but they are not as effective as the PAC–3, and I am fairly vocal about my requirement for additional PAC–3s.

So from my foxhole I'm a PAC–3 man. I'll pass over to my good friend Tim Keating because I think he has a lot more to say about THAAD than I do. But I would sure like more PAC–3s.

Admiral KEATING. Senator, we were consulted and B.B.'s perspective is understandable since he would have a somewhat more land-centric focus. We are more interested in the system of systems and the connectivity between those systems whether it's afloat,

land-based in the United States, or mobile but still land-based in South Korea or in many of our allies' and partners' countries.

It's the integration of the system of systems in which we're principally interested, successes realized by our Navy in the maritime portions, and successes realized by our allies at hand, and, not insignificantly, the U.S.S. *Lake Erie*'s launch of this one-time shot. To be sure, it was a maritime capability that we witnessed as we brought down our defunct intelligence satellite.

All of these support our increased emphasis that we're recommending for the development of an integrated system of systems that includes THAAD, Patriot, and land-based mid-course interceptors.

Senator BILL NELSON. So the conclusion of this Capability Mix Study is that we need to buy about twice of both THAAD and Aegis systems. You have stated here that you were consulted. Should we rely on this Capability Study?

Admiral KEATING. Let me take that for the record, Senator, if I could.

Senator BILL NELSON. Both of you have testified that you need more. In your case, General Bell, you need more Patriots, but you could sure use more Aegis. You're saying that you could use more of both THAAD and Aegis.

General BELL. I need the right model of the Patriot.

Senator BILL NELSON. Right.

Now, Mr. Chairman, this thing's coming up as an issue because the administration has requested less than what we put in last year's authorization bill as report language on where we should be going with these two systems. So as we get ready for this authorization bill for this year, this is going to be something. I wanted to hear directly from the theater commanders.

These are two effective systems and when you add Patriot to it you have multiple layers of protection that any theater commander would certainly like to have on incoming warheads, trying to knock them down.

Chairman LEVIN. Anything additional that they want to supply for the record we ought to tell them would be welcome.

Admiral KEATING. I will, sir. Thank you.

[The information referred to follows:]

While not OSD-approved, the Joint Capabilities Mix II study is helpful in identifying the significant ballistic missile threat we face in the Pacific. The study is also correct in recognizing an existing shortfall in U.S. active defense interceptor inventories to address this threat.

From USPACOM perspective, we are making improvements in our missile defenses at a satisfactory pace, particularly given the worldwide demand on defense resources.

Chairman LEVIN. We'll try a short second round, perhaps maybe 3 to 4 minutes. General Bell, in your written testimony you say that, "We remain concerned about North Korea's proliferation of military equipment and ballistic missiles, along with missile-related technologies." Security Council Resolution 1718 bans imports and exports from North Korea and to North Korea of military items, including missiles or missile systems. Are they complying with 1718?

General BELL. Senator, they're complying, but I'm not sure it's because of 1718, to be honest with you. The last significant sale

that I've seen, and this is in the public record, of missiles by North Korea to anybody was in 2005. That doesn't mean for a second that they wouldn't like to, but the atmosphere today is not conducive to North Korea proliferating. There's a huge amount of pressure from the Six-Party Talk process. Certainly these Security Council resolutions put enormous pressure on them, and right now their proliferation, which they have such a history of, is at a near-zero balance.

I believe they would certainly want to proliferate. It's a source of income for them and I think it's something of great concern for us. Nonetheless, today this Security Council resolution on balance is being complied with.

Chairman LEVIN. What about other conventional military equipment?

General BELL. Sir, they get very little equipment in from other countries, almost none. In terms of proliferation outbound, we're not seeing that either right now. I would just say that North Korea is behaving to a level that is consistent with progress in the Six-Party Talks and I think that's encouraging.

Chairman LEVIN. Have you seen any other rhetoric or do you have any other information coming from North Korea that would indicate a potential shift of North Korean resources from the military to other government sectors? Is there any sign of that?

General BELL. No, sir. I read about that, but I have not seen any shift at all.

Chairman LEVIN. Do you anticipate that the new administration in South Korea will be making any changes in policy towards the north?

General BELL. Yes, sir, I do.

Chairman LEVIN. Would you describe them?

General BELL. I will. This president has a policy that he will require reciprocity with North Korea. By that, he articulates that if something is given to North Korea by the South, economic aid or agreements with the Six-Party Talks process, that North Korea must return the favor.

We've not necessarily seen that with the previous government. There were a lot of steps going to the north, economic aid, et cetera, but not much reciprocity. Lee Myong-bak has been very clear in his short time as president that whenever the Republic of Korea offers assistance to the North, reciprocity will be required.

I really haven't seen that play out yet because he's such a new president but he's very firm about it. He is on public record, and we will see how the next months go.

Chairman LEVIN. Does that include food aid?

General BELL. Sir, it does.

Chairman LEVIN. Does it include visits from South Koreans to the North, which give them some currency? Is he going to cut off the South Korean visits, for instance, to the Kumgang Mountain? Is that included?

General BELL. I don't believe that that is going to be cut off. Both the tourist trade in the eastern corridor, as it's called, and the Kaesong Industrial Complex in the west, there's no indication that that process is going to stop. So I would say that flow of income to the North is not part of this policy at this point.

Chairman LEVIN. May I just ask one final question for this round? That's the North Korean position relative to nuclear matters. According to your written statement, it says that, "The leadership of North Korea spent decades developing a nuclear deterrent and this will not be relinquished without an explicit security guarantee from the United States that includes in practice a declaration of permanent peace on the Korean peninsula."

Can you just state that or expand on that a bit?

General BELL. Yes, sir. That's what the North Koreans want, Senator, very clearly.

Chairman LEVIN. Do you believe that they mean it?

General BELL. I believe that they will not give up their nuclear weapons unless they are convinced that they are going to be allowed to live with their current governmental system into the future and that it will not be subjected to any kind of offensive maneuvers.

Of course, we wouldn't do that anyway, but that is their stated policy, and I believe they will hold to that as we go through these negotiations.

Chairman LEVIN. Senator Warner?

Senator WARNER. I was going to ask you two gentlemen to describe for the committee the current maritime protection that we have in place against North Korea exporting what we have reason to believe are WMD and the respective responsibilities in that area. General?

General BELL. Sir, there are two things, of course. The United States has been the leader in both. First is the Proliferation Security Initiative (PSI), which the United States pursues and retains the right to board ships, and mostly it's ships that are leaving North Korean waters, heading into international seas, if we choose to.

Senator WARNER. Now, where do we do that interdiction? In international water or territorial water?

General BELL. First, Senator, I'm not aware of any actual execution of the PSI authorities in the recent term. But the United States reserves the right to do that and it would be in international waters, yes, sir.

So if there was a ship that was suspected to contain some kind of missile capability and it was on the high seas, through this PSI mechanism the United States has the right to board, or with our allies if they would assist us. So Admiral Keating is very aware of this procedure.

Senator WARNER. Do you have the command and control of those ships within your AOR?

Admiral KEATING. I do, sir.

Senator WARNER. Under what authority does the United States exercise this right to board ships in international water which embark from North Korea?

Admiral KEATING. It is that PSI, Senator.

Senator WARNER. Clear authority there.

Admiral KEATING. Yes, sir.

Senator WARNER. International authority.

Admiral KEATING. Correct.

Senator WARNER. We do maintain a ship on station for that purpose?

Admiral KEATING. We don't maintain it for that express purpose. There's a ship on station, Senator.

Senator WARNER. Do you have assets you can call on in short order to get up there?

Admiral KEATING. Can and have.

Senator WARNER. General, it's important that we cover the issue of family housing, given that the military in your command are relocating. This is one that I have followed with great interest. I observe in the hearing room today your able staff assistant, Kathy Abell.

General BELL. Yes, sir.

Senator WARNER. Who has been working on this for many years. What's the status of that now?

General BELL. Sir, we are dead in the water at this moment on the family housing that we agreed to provide in a 2004 agreement with the Republic of Korea. Fundamentally, they agreed to build almost all the facilities that we would need in the vicinity of Camp Humphreys. We call it now Garrison Humphreys. We agreed to provide the majority of the family and senior leader quarters for those who are there on 1-year tours.

Our approach to that was the build-to-lease mechanism. We also have the potential for a military construction approach. Neither of those have been considered favorably here in Congress.

I will tell you the Army this year is pursuing yet a third option, and that is a full privatization approach without any lease guarantees with South Korea or, frankly, to companies.

Senator WARNER. Right. But do you find that the dead in the water situation is largely owed to congressional inaction or executive branch decisionmaking?

General BELL. Sir, over the period of 2004 to 2008, in my view, it has been a shortcoming in three areas. First, we did not properly articulate the requirement at U.S. Forces Korea.

Senator WARNER. Was it articulated to Congress?

General BELL. Back in 2004 and 2005, I see no history of effectively articulating it in a way that you could deal with it.

In 2006 we began to properly articulate the requirement that we had signed up for. We had a lot of resistance in the administration, a lot, both in the building, in the Pentagon, and also in the Office of Management and Budget. When we finally worked our way through that in 2006 and did submit a proposal that was in the National Defense Authorization Bill, it was taken out last year.

Senator WARNER. Here in Congress?

General BELL. Yes, sir, it was.

Senator WARNER. So again, it looks like the burden is on Congress if this thing is to be straightened out.

General BELL. We're going to try a different approach, not just with Congress, but to see if we can get a privatization effort going. That may work for us.

Senator WARNER. My last question, Mr. Chairman, relates to Australia. It's interesting that Australia is a nation that has participated with U.S. forces in every single international combat situation we've had since World War I. Am I correct on that, Admiral?

Admiral KEATING. I believe you are, sir, yes.

Senator WARNER. Give us your own view now. You have a new Labour government in Australia that has decided with respect to its continued participation in the coalition of operations in Iraq. Similarly, did the Australians indicate there would be any changes in the level and character of the Australian contribution to the NATO International Security Assistance Force mission in Afghanistan? Bring us up to date on those?

Admiral KEATING. We were in Australia 3 weeks ago, Senator, for what's called the Australian ministerials. Their minister of defense, their chief of defense staff, our Secretary of Defense, our Secretary of State, it was in this case Secretary Negroponte, Admiral Mike Mullen, and I representing the United States.

During the course of 2 days of discussions on a wide variety of topics, the Australians expressed their continued support for Operation Enduring Freedom, and their drawdown of forces deployed, though not complete withdrawal of forces, in support of Operation Iraqi Freedom in Iraq. The theme that was unmistakable from our allies was a continued emphasis from them on fighting and winning the global war on terror by working carefully with us at PACOM on those countries that are closer to them that are less solid and very fragile. Timor, Papua New Guinea, Fiji, and the Solomon Islands foremost among them. They are working carefully in collaboration with us on their relations with Indonesia.

So I came away from that day and a half session reassured that the new government and the new policies were largely consistent with those of their predecessors and were in support of in particular PACOM's strategy and goals.

Senator WARNER. Thank you very much.

Mr. Chairman, my time is up, but I may want to submit for the record a question on India. I'm not sure our record today has your full dissertation on the Indian-U.S. military-to-military cooperation.

Admiral KEATING. I'd be happy to take it. Thank you very much.

[The information referred to follows:]

U.S. Pacific Command (PACOM) military-to-military interaction with Indian Armed Forces is positive and steadily improving. Initial cooperative efforts in the areas of counterterrorism, maritime security, and disaster relief have been effective and successful in increasing trust between our militaries. For the future, we are developing a military-to-military program that includes progressively more complex exercises. This is best exemplified by the recent U.S.-Indian Naval Exercise Malabar 07, which involved two U.S. and one Indian aircraft carrier as well as participants from Japan, Singapore, and Australia. Similarly, completed and potential defense sales to India have increased levels of cooperation and interoperability.

From discussion with Indian leaders, it is clear we share many of the same security concerns in South Asia and the broader Asia-Pacific-Indian Ocean region. PACOM will continue to be a key contributor in the important U.S.-India strategic partnership.

Chairman LEVIN. Thank you, Senator Warner.

Senator Lieberman.

Senator LIEBERMAN. Thanks, Mr. Chairman.

I take the opportunity on the second round, General, to do what I should have done on the first, which is to thank you for your service, not just in the time you've been in Korea, but over a distinguished career in the national interest, and I wish you the best in the next chapter.

Admiral Keating, as I hear you talk it strikes me, and I think we appreciate it enough here, that those of you who are regional commanders have a critically important diplomatic role as well as a military role, and that in many ways in an area as farflung and diverse as the Pacific the Commander of PACOM is really the face of America, with all the credibility of the American military behind them. So I thank you for all that you've done and all that those who serve with you have done.

I wanted to come back on this round just to ask you if you would comment on the current status of what has looked like a real breakthrough agreement with India. That is, the U.S.-India civil nuclear agreement.

Admiral KEATING. I'll try, Senator.

Senator LIEBERMAN. Yes. I set you up as a diplomatic authority before asking you the question. I want to establish your credibility. But I actually meant what I said. It wasn't just for the purpose of asking this question.

Admiral KEATING. I'll give it my best shot, sir. While there in August, those folks with whom I met expressed concern that they weren't able to get this over the goal line, the nuclear agreement.

Senator LIEBERMAN. Meaning within their political system?

Admiral KEATING. Yes, sir. Some in sidebar conversations weren't just concerned, they were frustrated. They think that this is very much to India's benefit as well as ours. They see a program of significant strategic benefit to them being all balled up in pure local politics. I don't think much has changed. I was in the State Department yesterday, Senator, and a relatively brief discussion indicated to me that this program is still wrapped up in local politics. The folks with whom I discussed this at State are cautiously optimistic that there may be light at the end of the tunnel, if that's the right metaphor, but it is not yet a done deal. It is something that would indicate to us at PACOM passage of this bill would be a significant step forward in even better relations we enjoy with India. So we'd be anxious to see it improved.

Senator LIEBERMAN. Yes, I agree. I think it's a significant development in our bilateral relationship.

If I'm correct, in the last few weeks Secretary Nicholas Burns made a statement to a newspaper in India that he thought that China would accept, if not endorse, the U.S.-India nuclear agreement. I wonder if you could comment, if you have any knowledge, on not just China, but what the reaction in the region has been thus far to the proposed nuclear agreement with India?

Admiral KEATING. There has been almost no discussion with me in any country, including China, Senator. I'm sure they're watching it, but there's been no demonstration.

Senator LIEBERMAN. So that's important. In other words, nobody in your various travels around the region has raised the question with you?

Admiral KEATING. Zero.

Senator LIEBERMAN. Needless to say, they're not objecting.

Thank you very much. Thanks to both of you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Lieberman.

What is the status of the Six-Party Talks, General?

General BELL. The Six-Party Talks are still ongoing and there is still optimism. Physically, what's happened is that we expected a declaration by the North Koreans by December 31 of their full nuclear program laydown, including anything about their highly enriched uranium (HEU) program. That was not forthcoming on time with our negotiators.

It's being led by our State Department. What we're doing now is attempting to get the North Koreans to fully comply with their agreement, and that was during phase 2 to provide us with a complete list of their nuclear programs, including HEU programs. I'm still optimistic. I watch the North Koreans closely. They are still disabling the Yongbyon reactor. There are somewhere in the vicinity of 8,000 uranium rods in that reactor and they are extracting about 30 a day from the reactor and moving them to a cooling tank, and they've not stopped doing that.

Chairman LEVIN. What percentage of the rods have been moved?

General BELL. About 25 percent, Senator, around 2,000 of the 8,000.

Chairman LEVIN. At the rate they're doing it, when would that be completed?

General BELL. About August, which is a lot later than we had hoped for. But they're still doing it. It's actually happening.

Chairman LEVIN. What happens if at the end of the day they just simply say they don't have and never did have an HEU program?

General BELL. I'm not certain that they will say that, but they may. We have a lot of evidence. You can go back to 2005 when the president of Pakistan in a news conference articulated that A.Q. Khan had passed on to the North Koreans 12 centrifuges. There is some other classified evidence perhaps that our community is concerned about, that I have not been privy to.

But we want a clear declaration. I think, based on what they say, if they'll just provide it to us, we can make a judgment about whether to accept that or whether to draw a hard line.

Chairman LEVIN. General, you made reference to the South Koreans contributing resources to our presence in South Korea.

General BELL. Yes, sir.

Chairman LEVIN. Give us some idea of the cost to South Korea each year of that contribution to our presence, if you have a number?

General BELL. They pay about a third of our operations and maintenance costs. We call them bureaucratically non-personnel stationing costs. In other words, all the sustainment money. Our sustainment requirements are in excess of $2 billion a year. They paid this year $787 million in cash to us to assist in sustainment, payment of local national labor, and a percentage towards military construction.

Frankly, the majority, a significant majority, of the military construction I do in the Republic of Korea is through this burden-sharing account that we have. So it's not where I want it. I believe that they could contribute more and I've been relatively vocal about that. But they are contributing significantly and I think it's very positive.

Chairman LEVIN. By the way, I want to share Senator Warner's thoughts in terms of their taking command. It has been delayed.

You say that 63 percent of the people in South Korea want us to stay even after that command is shifted? I believe that was the statistic.

General BELL. I think it's 68.

Chairman LEVIN. Sixty-eight percent.

General BELL. Sir, that's even if the North Korea problem is solved.

Chairman LEVIN. Even if that problem is solved.

General BELL. Seventy-five percent want us to stay even if that command shift happens.

Chairman LEVIN. Thank you for that clarification.

What that means is that they're happy with us to basically not only stay, but to continue in our present situation. They are not pressing us for a shift in command, apparently; we're pressing them; is that true?

General BELL. Senator, I don't think that's true.

Chairman LEVIN. Then why hasn't it been shifted?

General BELL. We do have a plan that we both signed up to. It's very detailed. It's called a Strategic Transition Plan. I do believe we got to that plan later in our evolution with the Republic of Korea than we should have. But when we signed that plan last year it was a firm commitment by both nations for them to take operational control of their military in wartime in 2012.

So I believe we could have done this earlier effectively. I've said that many times, sir, even on the record here. But we do have a good plan now. Both nations are signed up for it, and the South Koreans are very much working hard. They're spending money. They're producing enormous energy. They're exercising with us now.

I will just conclude by telling you that in August of this year we will conduct an exercise where we attempt to separate the commands into a leading South Korean command, we're calling it Joint Forces Command, with the United States in a supporting role, and we'll try that out for the first time. Then we'll take the lessons learned and we'll try it again later. So this is making substantial progress.

Chairman LEVIN. Had there been a firm commitment to do this by 2009?

General BELL. There was never a commitment to do it by 2009, no, sir, there was not.

Chairman LEVIN. Just a discussion to do that?

General BELL. I was proposing that, yes, sir.

Chairman LEVIN. We want to again thank you both. Particularly we'll single you out, General Bell, because of your shift.

General BELL. Thank you.

Chairman LEVIN. Do you know what you're going to be doing after the change of command?

General BELL. Yes, sir.

Chairman LEVIN. I don't want to pry into your personal plans.

General BELL. I'd like to put it on the record. I have an appointment with a trout in the Smokey Mountains, and he or she and I have an arrangement to work out.

Chairman LEVIN. Can you tell us the approximate length of that trout? My hunch is it's probably that big [indicating].

General BELL. It doesn't matter, and I will return that trout alive to those waters. I don't kill trout.

Chairman LEVIN. You've been a terrific asset to our country and to our Nation.

Admiral, we feel the same about you, but you've still got a little longer tour of duty ahead of you.

Admiral KEATING. My hair is not quite white enough yet, sir.

Chairman LEVIN. We are grateful to both of you for your service. Thank you. This hearing is adjourned.

[Questions for the record with answers supplied follow:]

QUESTION SUBMITTED BY SENATOR CARL LEVIN

ADDITIONAL GROUND-BASED MIDCOURSE DEFENSE TESTING

1. Senator LEVIN. Admiral Keating, with respect to flight testing of the Ground-based Midcourse Defense (GMD) ballistic missile defense system, the Pentagon's independent Director of Operational Test and Evaluation reported in December that "GMD flight testing to date is not sufficient to provide a high level of statistical confidence in its limited capabilities." On March 6, 2008, General Renuart, Commander of U.S. Northern Command, testified that he agrees that we need to conduct robust and operationally realistic testing of the GMD system, in other words, testing the system the way it is intended to be used in an operational mission, to demonstrate its operational capabilities. He also agreed that such testing should include salvo launches and multiple target tests, as well as tests with countermeasures. Do you agree with General Renuart that we need such additional testing of the GMD system?

Admiral KEATING. I agree with General Renuart's assessment.

QUESTIONS SUBMITTED BY SENATOR BILL NELSON

CHINA

2. Senator BILL NELSON. Admiral Keating, how would you characterize the relationship that exists between the U.S. military and China's military?

Admiral KEATING. The military-to-military relationship is constructive and cordial. The People's Liberation Army (PLA) recognizes the value in working with us to reduce potential for miscalculation. In this regard, U.S. Pacific Command (PACOM) continues to advocate for pragmatic engagement with the PLA. We are encouraging a more mature, constructive, and potentially cooperative relationship. At the same time, PACOM will retain the capability to credibly maintain a secure and stable Asia-Pacific.

SHOOT DOWN OF SATELLITE

3. Senator BILL NELSON. Admiral Keating, what has the reaction been in the region to the shoot down of the National Reconnaissance Office (NRO) satellite?

Admiral KEATING. Regional reactions to the U.S. shoot down of the NRO satellite were largely muted. The Governments of Australia and Japan publicly supported the shoot down. China, Russia, and North Korea denounced our actions.

4. Senator BILL NELSON. Admiral Keating, planning for the shoot down effort actually began in December of last year. Generally, what was involved in reconfiguring the Aegis missile defense system to conduct the shoot down and how long did it take?

Admiral KEATING. Modifications were made to the software of the shipboard Aegis Weapon System and the Standard Missile-3 (SM–3). I would defer to the Missile Defense Agency for specifics on the length of time to implement those modifications and the exact nature of the changes.

IMPACTS OF TRANSFORMATIONAL COMMUNICATIONS SATELLITE

5. Senator BILL NELSON. Admiral Keating, in your various planning activities, what do you see as the growing demand for satellite-based communications including the bandwidth needed to fly unmanned aerial vehicles?

Admiral KEATING. PACOM requires medium and high data rates capacity to enable real-time and persistent worldwide connectivity. For the future, the requirement to bring voice, data, and imagery to our tactical users for communications-on-the-move will demand increased bandwidth. In addition, the requirement is expanding for wideband protected communications such as unmanned airborne vehicles and airborne and space, intelligence, surveillance, and reconnaissance assets.

6. Senator BILL NELSON. Admiral Keating, would the Transformational Communications Satellite (TSAT) meet some of those requirements?

Admiral KEATING. Yes, the TSAT System would provide tremendous capacity to meet PACOM requirements. TSAT will support both wideband and protected requirements, and ensure uninterrupted communications for command and control and intelligence missions. Also, TSAT will employ crosslinks between satellites which will reduce the satellite vulnerability footprint.

7. Senator BILL NELSON. Admiral Keating, is there some general percentage of your communications requirement that you plan to be commercially provided, and if so, what is the percentage now and the percentage expected in the future?

Admiral KEATING. PACOM use of commercial satellites is driven by demand. Currently, our communications modeling shows 73 percent of our requirements filled by commercial satellites.

Because commercial satellite communications resources are scarce in the PACOM area of responsibility and we face stiff competition for access to them, we advocate for alternatives to commercial assets. Timely deployment of the Wideband Global Satellite Communications System, Advanced Extremely High Frequency Satellite Communications System, and TSAT System are necessary to reduce our reliance on commercial satellites in the future.

8. Senator BILL NELSON. Admiral Keating, in your various war games and scenarios, do you exercise losses or decreases in availability of various satellite services, such as communications, intelligence, surveillance, reconnaissance or the navigation and timing provided by the Global Positioning System, and if so, what are those results?

Admiral KEATING. Yes, we regularly train to scenarios in which satellite communications are degraded or denied for various reasons. In these simulations, we have achieved satisfactory results by realigning priorities and offloading mission to other space or alternate ground assets.

[Whereupon, at 11:41 a.m., the committee adjourned.]

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