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KOSOVO OPERATIONS SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1999

HEARING

BEFORE THE

COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE

ONE HUNDRED SIXTH CONGRESS

FIRST SESSION

SPECIAL HEARING

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KOSOVO OPERATIONS SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1999

TUESDAY, APRIL 27, 1999

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

The committee met at 10:05 a.m., in room SD–192, Dirksen Senate Office Building, Hon. Ted Stevens (chairman) presiding.

Present: Senators Stevens, Cochran, Specter, Domenici, Bond, Gorton, McConnell, Burns, Shelby, Gregg, Bennett, Campbell, Hutchison, Kyl, Byrd, Inouye, Hollings, Leahy, Lautenberg, Harkin, Milulski, Reid, Kohl, Murray, Dorgan, and Durbin.

OFFICE OF MANAGEMENT AND BUDGET

STATEMENT OF JACOB J. LEW, DIRECTOR

OPENING STATEMENT OF HON. TED STEVENS

Chairman STEVENS. Good morning. I apologize for being slightly late because of a conference downtown.

This morning, this committee will hear testimony on the supplemental appropriations request for military and humanitarian relief activities stemming from the North Atlantic Treaty Organization (NATO) air campaign against Yugoslavia.

Our witnesses are the Director of the Office of Management and Budget, Jack Lew; the Deputy Secretary of Defense, John Hamre; and the Chairman of the Coordinating Council for Humanitarian Response, Brian Atwood, who additionally serves as the administrative aide.

The President submitted a request for $6.05 billion on April 19. That request was referred to this committee on April 21. The administration request designates the entire amount as an emergency pursuant to Section 251(b) of the Budget Act.

This appropriation, if approved, combined with the previous fiscal year 1999 appropriation for operation in and about Bosnia would result in at least $8 billion in spending on military assistance program in the successor states of Yugoslavia in one year.

Since 1995, we have spent more than $10 billion on military assistance programs related to Bosnia. Costs related to Kosovo for one year could match or exceed that figure.

Virtually all of these funds have been sought as emergency spending at the administration's request above the budget caps that were established in August of 1997.

Earlier this month, I joined 20 other members of Congress, including Senator Durbin of this committee, to visit Albania and Macedonia to view firsthand the refugee crisis and the military buildup in that region.

In addition, we met with military and NATO leaders at the air base in Albiano and at NATO headquarters in Brussel. For myself, I returned from that mission much impressed by the determination and dedication of our military forces, engaging both a serious military threat and a very tough weather situation with regard to the undertaking of an air campaign.

In contrast, the refugee situation appeared to be very grave and seriously lacking in organization and planning. It appears that we and NATO had simply made no provision for the flow of refugees triggered by the start of the air war.

And, Mr. Atwood, I understand you recently spent several days in the region. We will welcome your observation and assessment of progress in that regard.

My memory will last forever seeing people standing in line for a three-quarter-of-a-mile line to receive one meal a day, cold meal a day, with eight people serving 38,000 people in that line that we saw.

Our focus today must be on the spending issues presented by the supplemental request.

And the impact on military readiness of the pace of operations in and around Kosovo is significant, and the funds that have been spent today—to date must be replenished. But make no mistake, the human crisis of the refugees is real and immediate. These challenges will not be solved by this single supplemental bill.

Congress and the administration must decide whether there is an equitable division of the burden for dealing with this crisis in the Balkans between our nation and our partners in Europe. Those will be some of my questions today about who is paying the bill for the air campaign.

I returned from the visit to the region concerned that we are bearing the brunt of the fighting and the cost and taking the risk and responsibility for the refugees as well as apparently assuming the burden for the future reconstruction of Yugoslavia.

Mr. Lew, we look forward to your assessment on how these challenges will fit in with the caps we face on spending, along with other priorities such as implementation of the Yi River agreement.

I am now very pleased to present my—our great friend, the former chairman, a ranking member, Senator Byrd.

STATEMENT OF HON. ROBERT C. BYRD

Senator BYRD. Thank you, Mr. Chairman, and thank you for scheduling this hearing.

I thank our witnesses for appearing before the committee to review the request from the administration for $6.05 billion in supplemental funding for the Kosovo military and humanitarian operation, as well as for Operation Desert Fox in Iraq.

And I appreciate your leading the Congressional Delegation to the region, Mr. Chairman, to get a firsthand report on NATO's military and humanitarian needs.

I was represented by staff on that trip and have been briefed on the situation. And like you, I am very deeply concerned about the fate of the refugees, both trapped inside Kosovo and in the refugee camps in Albania and Macedonia.

I would like to take a moment to commend our U.S. military forces for the superior skill and courage that they are demonstrating in Kosovo and Yugoslavia. I hope that this hearing will send a strong message of support to our men and women in uniform and their families.

The conflict is demonstrating not only the high caliber of our active duty units, but also the absolutely vital role that the Guard and Reserve play in today's military force structure. And I salute the men and women who serve in these units.

This is a large supplemental funding request. There are many in Congress who suggest that it is not enough. I fully understand the emergency nature of the request.

I am also mindful that Yugoslavia has been simmering on the front burner for many months. It has not, in my opinion, prudent fiscal policy to launch such a major undertaking on what amounts to a wing and a credit card and wait until the bills come in to reckon with the costs.

It seems to me that the President and his foreign policy and military advisors should have seen this coming in one form or another and planned accordingly.

I think they have underestimated this man and grievously so. Instead, as happened so many times with Bosnia, this committee is being handed a bill stamped "emergency" and asked to pay it.

No matter how we end up paying for the Kosovo operation, this is not free money. We need to budget for these operations.

Surely, some thought is being given to the long-term picture. Along with its military plans and its diplomatic plans, I strongly urge the administration to bring Congress a fiscal plan for any subsequent round of expenditures in Kosovo.

On that note, Mr. Lew, Dr. Hamre and Mr. Atwood, I look forward to hearing your assessment of the situation in Kosovo and your estimate of the current and anticipated funding needs of this operation.

Thank you.

Chairman STEVENS. Gentlemen, we have ten people that are also here and entitled to make an opening statement.

The Senator and I have taken six minutes between us, so may we suggest that you limit your comments to not more than three minutes also?

Mr. Campbell, you are first.

Senator CAMPBELL. I think in the interest of time, Mr. Chairman, I will pass on a statement.

Chairman STEVENS. Senator Burns.

Senator BURNS. Thank you, Mr. Chairman. I want to thank you for calling these hearings. I will submit my statement in the essence of time.

I just wanted to raise one issue of my letter to Senator Cohen on March 9 that has not been responded to. I asked several questions that I think would help clear up what our mission is and the

role that Congress plays and that would be my only question at this time. And I will submit my statement.

I thank the Chairman.

[The statement follows:]

PREPARED STATEMENT OF SENATOR CONRAD BURNS

Thank you, Mr. Chairman.

I want to express my appreciation to the Chairman for calling this hearing and providing us all with an opportunity to discuss the most pressing issue facing the world today. My thanks as well to the gentlemen before us who have the task of answering some necessary and difficult questions by members of the Committee.

On March the ninth I sent a letter to the Secretary of Defense requesting information on Operation Allied Force and I am disappointed that I have not yet received a response. My questions were of a fundamental nature and reflected the concerns of constituents throughout Montana and, I suspect, the rest of the nation.

The questions involved the issue of readiness of our troops. Our national defense capability has been and continues to be declining. Morale and recruitment are declining. While we have the very best personnel, we simply do not have enough personnel. The result is soldiers spending too much time away from family and too many hours at their assigned duty. Quality of life issues have not been adequately addressed and the result is that we are not recruiting nor retaining our Armed Forces Personnel.

The interventionist strategy of this Administration has only made the situation worse. I am told that we have over a quarter million troops scattered throughout the world in over one hundred and thirty countries. Our military is over-extended and, at the same time, we have serious deficiencies in equipment as well.

Today's hearing will be one of many where the Administration will be afforded the opportunity to explain its strategy in Kosovo and the costs associated with that strategy. I am hopeful that the Administration will more fully articulate strategy in order to secure the support of Congress. And I am hoping as well that the Administration will be forthright in assessing the true costs of our actions.

I am attaching my letter to Secretary Cohen that I referred to in the opening of my statement. I request that it be included in the record along with my statement and renew my request for a response. All of America is waiting for straightforward answers to some straightforward questions

Mr. Chairman, I assure you that I could continue for quite a while longer with my statement but I will instead defer to my colleagues who I am confident have equally important issues to raise themselves.

Chairman STEVENS. Senator Bond.

STATEMENT OF HON. CHRISTOPHER S. BOND

Senator BOND. Thank you, Mr. Chairman. I want to submit a slightly longer statement to the record. I want to say here at this—at this meeting that I—I believe I, along with all the members of this committee, support our troops 100 percent.

I support them so much I do not wish to see them squandered in ill-planned or unplanned endeavors that are the result of one diplomatic misstep after another.

And we are concerned about that. Flexibility in plans is great on the battlefield, but complete flip-flops on the operational war plans leads us to question whether our leaders who made the decision paid adequate attention to the military.

I thought we learned—we seemed to have flown into a blind valley and I—I thought the escalation of conflicts would have been something we would have been concerned about as a result of our experience 30 years ago.

And we—many of us want to know if—if we "win" in Kosovo, if that entitles us to station troops for 25 years in that country to separate warring ethnic groups.

I have a major problem, however, that I do want to raise. I have attempted on a number of occasions to find out basic information such as which units from my state would be involved in prosecuting the operation.

The legislative liaison office of the Joint Chiefs of Staff told my staff that they could not divulge that information, even though we had B–52 pilots on Central News Network (CNN) telling who they were and their units after returning from missions.

On another occasion, I requested a list of the aircraft we used in the bombing campaign, what aircraft flew what types of missions, how many targets were assigned, what the mission success was for each mission. I did not ask for future plans. My staff was told that NATO was restricting that type of information.

Yet, you come and ask us to give you money to replace expended weapons, and you do not tell us what weapons you used. Somehow, that just does not make a lot of sense to me. And I do not know whether it is of concern to other members of the committee. I want to call it to your attention.

Thank you, Mr. Chairman.

Chairman STEVENS. Thank you, Senator.

Senator Shelby.

STATEMENT OF HON. RICHARD C. SHELBY

Senator SHELBY. Mr. Chairman, I ask that my entire statement be made part of the record, and I will be brief.

Mr. Chairman, we all realize we are here today for a very serious reason. Our nation is at war, whatever they call it. And this committee must weigh in on how to pay the bill, and I would submit to all of you that success, if we have it in the Balkans, is not going to be cheap.

[The statement follows:]

PREPARED STATEMENT OF SENATOR RICHARD C. SHELBY

Good morning Gentlemen. Thank you for being here this morning.

We are here for a very serious reason. Our nation is at war and this committee must weigh in on how to pay the bill. Many in the Administration and NATO are reluctant to call it a war. However, when a nation drops bombs on another nation for the better part of a month with no end in sight, reasonable people would refer to that activity as war.

Make no mistake, I want this nation to succeed. However, I have grave concerns about why we are there; our national interest; our military strategy; the effect of this operation on our worldwide military readiness, and how we can and should conclude this operation.

The Balkans are not a place for the faint of heart. It is a harsh region and if there is a national interest in fully prosecuting this war we must be prepared to pay a heavy price in both dollars and maybe American lives. I hope that does not happen, but we must be realistic with the American people. Success in the Balkans, in any form, will not be cheap.

I have a number of questions regarding my stated concerns. I look forward to hearing your responses.

Chairman STEVENS. Senator Hollings—for the gentlemen that have just come in, we are limiting opening statements—Senator Inouye—pardon me, Senator Inouye.

Senator INOUYE. That is OK.

Chairman STEVENS. We are limiting opening statements to three minutes, if you will. Each round will be seven minutes per member on questions.

Senator INOUYE. Chairman, I wish to commend you and Senator Byrd for calling this hearing on this very important subject. I ask that my statement be made part of the record.

Chairman STEVENS. Thank you, Senator.

[The statement follows:]

PREPARED STATEMENT OF SENATOR DANIEL K. INOUYE

Mr. Chairman, I want to commend you and Senator Byrd for holding this hearing today. It goes without saying that this is a most serious subject.

As I understand it, the administration is requesting $6.1 billion to carry our operations in and around Kosovo through until the end of the fiscal year.

There has been much speculation in the press that Congress will add additional sums to this request. I, for one, think we must ensure that we provide enough funding to support our men and women in uniform.

I also agree with those who argue we must do our share to support those caught up in this human tragedy in and around Kosovo.

Having said that, I am disturbed that some might be looking at this as a way to solve other shortages or to make up for what some describe as a flawed budget resolution.

And, what is even worse, there are some that see this bill as a "target of opportunity" and they want their weapons systems added to it. In previous times that would be called profiteering.

Mr. Chairman, I know you agree with me that we cannot stand for that.

I hope that this hearing will instruct us on just how much funding is really needed and how it can be best utilized.

Mr. Chairman, thank you for your courtesies and I look forward to hearing the testimony from our witnesses.

Chairman STEVENS. Senator Hollings.

STATEMENT OF HON. ERNEST F. HOLLINGS

Senator HOLLINGS. Thank you again, Mr. Chairman, for holding this hearing.

It is not the money. I am worried about the policy. I would accept whatever the witnesses attest to that is needed. I voted against this policy. I still do not think it is worth the life of a single GI, and I could get into that later.

What I am concerned about, Jack Lew, is the statement of the majority leader on the weekend saying that it is really not a $6 billion package. It is going to be about $6 billion more.

And then when I asked, he said, "Well, yes, it would come out of Social Security."

I want you and Dr. Hamre to be thinking about that, because we have not had any application for $6 billion more before this committee, and that is what we want to find out about.

Thank you.

Chairman STEVENS. Senator, we have not presented that yet. I will be happy to give you that sheet as we go along here.

Senator HOLLINGS. Well, you think we need $6 billion more too than the other needed in Kosovo?

Chairman STEVENS. I think we need to provide these people the systems that they have asked for. When we were on that trip, they asked for specific items, and I had hoped to ask for——

Senator HOLLINGS. In excess of the $6 billion?

Chairman STEVENS. Pardon?

Senator HOLLINGS. In excess of the $6 billion that the President requested?

Chairman STEVENS. Yes. Yes.

Senator HOLLINGS. Thank you.
Chairman STEVENS. Senator Lautenberg.
Senator LAUTENBERG. No.
Chairman STEVENS. Senator Dorgan.

STATEMENT OF HON. BYRON L. DORGAN

Senator DORGAN. Chairman, let me just put a statement in the record. But I do want to say this about emergency spending; it is an emergency, and I will support the funding that is necessary to support our troops and the missions.

But in February, other emergency spending requests were requested. This committee took action. Senator Harkin, Senator Burns, myself and others from farm country understand that that urgency, that emergency still exists. Spring planting is going on. The money necessary for spring planting loans is not available. That legislation has not gone through the Congress.

It is not this committee's fault, but while we are talking about emergencies here this morning, let us understand that the request received in February has already been acted on and now sits before the Congress.

We need action on it quickly if we are going to respond to an emergency in farm country. And so I urge all of us to try to do something about that in the coming days.

I would share Senator Byrd's remarks. I appreciate your leadership and the leadership of others here in the Senate to go to the region and wish I had been able to go. My schedule would not allow me to do that, but thanks for your leadership in doing that.

Chairman STEVENS. Senator, just for your information, I did request that the House hold that up because it was my judgment that if we tried to bring that other bill back at this time, we would face amendments for the money, in this bill before the committees would be able to consider that and make recommendations. So the House is holding that bill at our request waiting to see what is going to happen with this bill.

Senator DORGAN. I would just point out the dilemma: Spring planting is about to begin. There is no money for spring planting loans in a number of states. And those family farmers who are wondering whether they are going to be able to continue to farm now do not have an answer.

Chairman STEVENS. But it is my judgment you are going to get that bill sooner following the procedure we have outlined. I hope I am right.

Senator Domenici.

STATEMENT OF HON. PETE V. DOMENICI

Senator DOMENICI. I want to say to Senator Byrd: You raised the question here of, "Should the White House have anticipated some of this and requested it in advance?"

Well, we all should note that the President of the United States has indicated that we are going to rebuild Yugoslavia. We are going to rebuild the war-torn parts of Kosovo.

On the morning paper, we saw a bridge. It looked like our earthquake disaster out there in California when the bridges collapsed. We are probably going to pay for that. Anybody that thinks this $6

billion is anything but a down payment on this war is just not paying attention.

And frankly, I believe, the administration ought to be asking for more rather than less, because the truth of the matter is we are going to spend more rather than less.

It is going to be far more than this $6 billion. Frankly, I do not think it is enough, because we are in a very dire state of readiness before this event.

I believe the Chairman is right. We better find out what impact this war has had on our readiness, on our supplies, on our munitions, on our various things that we are in short supply because of this war.

Now, we have to pay for those. And frankly, I don't think it is right to pay for them next year. We ought to pay for them this year.

We ought to get some estimates of what this cost is going to be.

But I can also state to everyone we are doing it in a way that is not going to be very cheap for the American taxpayer.

And for those who say it is coming out of the Social Security trust fund surpluses, they are right. There is no other place to get it.

The President's request, I say to my friend Senator Hollings, requires that the surplus, which we were accumulating—as a matter of fact, we paid down the debt $80 billion this year by accumulating Social Security surplus.

Now, we are going to have to go use some of that, and the $6 billion was out of that. The $12 billion will be out of that, or whatever we spend will come out of that.

There is no other source of money. We must go use it or borrow money. And we—we cannot borrow money when we have a surplus.

So from my standpoint, I am very concerned about how much it is going to cost, and we have some other emergencies in the United States. You have just expressed one about farm belt country, counties and states. So we ought to not be worried about doing this on the cheap side.

We ought to be putting plenty of money in, because there are plenty of repercussions from this on our military and on the pursuit of a strong solid military with high morale.

[The statement follows:]

PREPARED STATEMENT OF SENATOR PETE V. DOMENICI

I thank Senator Stevens for calling this important hearing. Current U.S. involvement in NATO operations in Yugoslavia require immediate attention to the pressing needs of the men and women in uniform. Addressing those needs in a comprehensive and calculated manner should be our objective here today.

We threatened air strikes as early as last October. If the talks at Rambouillet has been successful, we would be dealing with emergency appropriations for U.S. peacekeeping operations. The peace talks collapsed, and NATO started the current bombing campaign. There is no hint of an early or easy conclusion to the crisis.

All of these scenarios were foreseeable to some extent, yet the current Administration lacks the courage to take the lead in these matters. The Administration thrusts explanations and accountability upon the Congress.

The President repeatedly suggests that the U.S. will rebuild Yugoslavia. After we've concluded this ill-conceived campaign and accelerated the humanitarian crisis, the U.S. will supply a major portion of peacekeepers and foot the bill for our share of reconstituting the war-torn parts of Kosovo.

Yet today the Administration's request is for $6 billion.

The Administration is asking us to believe that the costs for continued military operations, humanitarian activities, economic assistance to the bordering countries, and replenishing depleted munitions and missile stocks through the end of this fiscal year is included in this low-price package.

Anybody that thinks this $6 billion is anything but a down payment on this war is not paying attention. Frankly, I believe the Administration ought to be asking for more rather than less, because eventually we will spend more than less.

I do not believe this is sufficient for numerous reasons. However, the main reason is that the U.S. military's readiness was already in a precarious state prior to this recent engagement.

People inside the Defense Department report extremely serious shortages in support equipment, spare parts, munition, and experienced personnel. Here are just a few examples. "War Reserve" stocks have largely been used up for operations in Bosnia and Iraq. Cannibalization rates for aircraft are roughly twice of what they were last year for bombers. Skilled pilots and mechanics are in very short supply. We are running out of key munitions—not just cruise missiles, but even more basic laser guided bomb kits.

Last year Senator Stevens and I requested that GAO investigate the reasons for retention problems in the military. The preliminary findings of this study indicate that the major reasons for leaving the military is that they don't have sufficient equipment, constantly face shortages in spare parts, and don't have enough people with the skills to meet the demands.

In other words, pay and pension are not their foremost concerns. Their frustration and fatigue is directly related to and being compounded by operations in the Balkans. We will continue to witness skilled and specialized military personnel leaving in droves, if we do not pay close attention to how this current adventure exacerbates an ongoing readiness problem.

This is going to cost a lot more than $6 billion. We need to find out what impact this war has had and will have on readiness, including spare parts and munitions stocks. And we need to pay for them this year, not next.

We need real estimates, not the discount rate for this campaign. We should assume higher costs and allow for possible contingencies up to October in putting together a reasonable response to the Administration's request.

Repeatedly, I am asked about how our involvement in this civil war will impact social security. I must admit that I'm pleasantly surprised that even in our discussion of a war, we are asking questions about social security. We spent a lot of money in the past several years on military operations other than war without asking any questions about the solvency of our social security system.

This money will come out of the Social Security trust fund surpluses. There's no other source to draw from. But U.S. taxpayers and retirees will hear this from us long before the Administration comes forward to explain it.

I'd like to also remind everyone present that Kosovo is only one of several situations this Committee must address. As the members at this hearing know all too well, we've also got an emergency in Central America. The devastation of Hurricane Mitch required immediate U.S. assistance and was just as much an emergency as this situation in Kosovo. And this happened just next door to us. Despite the overwhelming tragedy, we still haven't passed that bill.

In closing, I would like to make two simple points. First, I have never been one to cut corners on questions of U.S. defense. The men and women who have uprooted their lives to contribute in this campaign deserve our respect and full support. Second, I strongly concur with my fellow Senators on the Committee who suggest that the Administration make sure this is the last emergency request we see this year.

Chairman STEVENS. Senator Kyl.

STATEMENT OF HON. JON KYL

Senator KYL. Thank you, Mr. Chairman. I concur with the remarks that you and the distinguished ranking member made and the comments that Senator Domenici just made.

I am participating in a markup in the Judiciary Committee on the bankruptcy bill. I will have to leave here in a few moments, but I appreciate the opportunity to be here briefly.

Chairman STEVENS. Thank you, Senator.

Senator Harkin—oh, Senator Lautenberg, pardon me.

Senator LAUTENBERG. It is OK.

Chairman STEVENS. No. Wait. I think Harkin was here first. All right. Whoever.

Senator LAUTENBERG. I made the chair ready for him, Mr. Chairman. [Laughter.]

STATEMENT OF HON. FRANK R. LAUTENBERG

Senator LAUTENBERG. I—Mr. Chairman, first, I commend you for getting to the subject, getting on it, and let us try to deal with it fairly quickly, but thoroughly.

The fact of the matter is that I am fully behind the action taken by our country and fully behind funding the campaign as we discuss it here.

I am opposed to adding lots of other non-direct campaign resources—I am sorry—resources for other than the military campaign.

And I hope, Mr. Chairman, that we will keep this clean, attend to the other emergencies as they occur, even as we try further to restrict what emergencies are.

It seems particularly ironic to me that we are talking about emergencies on the one hand and a binding agreement across the table here that there are other emergencies that have to be tended to, and yet we have people who want—who say that we ought to restrict the definitions, the timing, et cetera, two-thirds vote or 60-person vote.

I was in Kosovo with Senator Harkin in November and have pictures. I am not going to show them here. We have all seen pictures of what the Serbians were doing way before this campaign got started. So they are using this as an excuse.

And I am pleased to see that coming this Friday, there will be some of the Albanian refugees coming to New Jersey to Fort Dix. We are going to do our part to try and house them and care for them until this dispute is resolved, but Mr. Chairman, we have to move on with it.

I will submit a statement for the record, and I hope that we can dispense with this important business fairly quickly.

[The statement follows:]

PREPARED STATEMENT OF SENATOR FRANK R. LAUTENBERG

Mr. Chairman, the United States and our NATO allies are rightly conducting air and missile strikes against a Yugoslav regime and forces carrying out horrific genocidal attacks against the ethnic Albanian population of Kosovo.

We need to pay for our role in these military operations and do our part to aid the neighboring countries and help more than a million Kosovars who have been driven from their homes. The President has properly designated these costs as emergency spending.

We should not delay this assistance by trying to add non-emergency military spending as a way to circumvent the balanced budget agreement. This is an emergency spending bill, not a Christmas tree to be adorned with everyone's favorite defense project. In fact, during consideration of the Budget Resolution we debated how much we should allocate to defense to address readiness concerns and other needs.

I am concerned that we have not yet held a conference to provide needed aid to help the victims of hurricanes Mitch and Georges and American farmers. We should work on the offsets in that bill to make it acceptable to the Administration, include the requested Kosovo supplemental, and get it to the President without further delay.

I hope we can avoid politics and quickly address genuine emergency spending needs, for the victims of the natural disasters in Central America and the victims

of the man-made disaster in Kosovo. I look forward to working with my colleagues to make this happen.

Chairman STEVENS. Senator, I will be pleased to get the whole committee a copy of this list. We are—the President requests on military matters now—there is humanitarian also—$5.5 billion.

We are suggesting an operation and maintenance (O&M) and depot increase of $3 billion. That is for operations, depot support, spare parts and recruiting, a munitions augmentation of $460 million.

Operational has been identifying recognizance, electronic warfare as key priorities. That is a total of $9.36 billion and the potential pay increase, which is $1.8 billion, raises that to $11.16 billion.

There is still a matter of whether we look at the retirement. I do not intend to do that, but some people are thinking about that.

That takes it up to about $13 billion, but as a practical matter, every one of those items was mentioned to us on the trip. We will hear about them later today, I am sure.

Now, let us go to Senator Harkin.

STATEMENT OF HON. TOM HARKIN

Senator HARKIN. Thank you, Mr. Chairman. I just ask my entire statement be made a part of the record.

Chairman STEVENS. Yes.

Senator HARKIN. First, I happen to be on the side of those that believe that our involvement in Kosovo is justified.

I believe it is an apt way to close out the 20th century and perhaps send a warning to would-be dictators in the 21st century that this kind of action will not be tolerated. We will join with other democratic nations, both in Europe and in other parts of the world to ensure that such people like Milosevic will not be able to get by in the 21st century with what others have gotten by with in the 20th century. The deployment costs us money, but I believe in the long run it is going to be a lot cheaper than if we do nothing at all.

That is on the policy side.

On the budget side, I really question adding a lot more money to the budget on top of what we are adding for air involvement now in Kosovo.

And I say that not because I am opposed to a pay raise. I have been advocating that for a long time, and there are some other operational readiness things that we need.

But I think just to add additional Pentagon spending on as a layer on what is necessary for our actions in Kosovo is to skirt what we ought to be doing. Congress needs to take a hard look at how the military is spending its money.

I have asked for a GAO investigation and we have gotten a report back. Later today, I and some of my colleagues are releasing this GAO report detailing some very serious inventory problems.

The Navy is unable to ship enough supplies from its contractors to its warehousers and end users. In fact, the shortfall is about ten percent.

However, the inventory problem was not because of a lack of money, but because the Navy lost about ten percent of its shipments. This is $3 billion of lost shipments. Now, these items——

Chairman STEVENS. Senator, could we confine ourselves to what is going on in this request, please?

Senator HARKIN. But——

Chairman STEVENS. That is not in this request.

Senator HARKIN. No. But what I am trying to point out, Mr. Chairman, is that before we start layering on a bunch of other stuff, here is $3 billion that they have lost. We ought to——

Chairman STEVENS. If they lost it, they are not going to find it in time to get it to Kosovo. [Laughter.]

Senator HARKIN. No. You are right about that. But that is why we need the administration's request. But before we start adding on layer after layer, this, I think, is something that we have to address.

Chairman STEVENS. We will be pleased to schedule another hearing for that, but that is not this hearing, Senator.

Senator HARKIN. Well, Mr. Chairman, with all due respect, if we are going to be asked as appropriators to add more and more money on for operational and maintenance and other things like that on top of the Kosovo request, then I do have to ask the question, "What are they doing with the money that we have already given them?"

I believe that is a legitimate question to be asked and that is why I have asked the GAO to do this investigation.

I will just point out one thing. In 1941, then Senator Truman from Missouri, at the very height of our involvement in World War II, when we were beginning to build up, formed a committee to look into war profiteering, the kind of things that are happening here, and the Congress supported that. And his whole goal was to make sure that the taxpayer got the most for their dollars.

And I am just trying to say that precisely because we are in a war now that we should not just all of a sudden give a blank check to the military for whatever they want.

I think we really have to be cautious about it. That is my whole point, Mr. Chairman.

[The statement follows:]

PREPARED STATEMENT OF SENATOR TOM HARKIN

I see two important questions now before the Committee. First, are the NATO operations in Kosovo and Serbia justified? I believe the answer is yes. Second, what effect with the operations have on our military, including the Pentagon budget. The effects on the budget is the focus of today's hearing.

Kosovo Operations

In my view the United States and our NATO allies are doing the right thing by forcing the Serbian military to stop its horrible attacks against the people of Kosovo. As we all know, the goal of the NATO operations is stability for the region. And it is going to take a lot of effort on the part of all parties involved. The refugees need to return home and their freedom of movement needs to be restored as well as their quality of life.

One key element is Milosevic himself. Maintaining any kind of stability will be difficult if he continues his current course. He thrives on creating chaos and instability. Even if he pulls his military and police forces out of Kosovo, an international peacekeeping force will be necessary to prevent a similar situation from happening again.

And I think the NATO plan of action generally makes sense. NATO is following a specific air war campaign plan and is proceeding systematically, attacking a large list of targets. NATO is degrading Milosevic's war making machine.

Defense Supplemental

A key question for the Committee is the financial costs of the war. The Pentagon asked for more than $5 billion as part of a special emergency supplemental that will pay for the operation through September.

Unfortunately, some in Congress want to use the Kosovo mission as an excuse to spend billions of dollars more on the military. There is talk of adding more than $10 billion on top of the Pentagon request. This is simply inappropriate. It is one thing to replace the used bullets or bombs. It is another to buy a lot of unnecessary and expensive weapons under pressure from military contractors.

We have been hearing a lot of questions in the past few weeks as to whether our military has become hollow. There are some real problems with our forces, however, simply throwing money at problem, perceived or real, is not the answer.

Chairman STEVENS. Senator Byrd and I envied then Senator Truman because he held 38 days of hearings out of Washington in the springtime and did not miss one vote. [Laughter.]

Senator Mikulski.

Senator HARKIN. So were you both in the Senate then?

Chairman STEVENS. Pardon? Strom was here just ahead of me. [Laughter.]

Senator Mikulski.

STATEMENT OF HON. BARBARA A. MIKULSKI

Senator MIKULSKI. Thank you very much, Mr. Chairman. Thank you for organizing the hearing, and we will look forward to the testimony.

I just want to make a few brief comments. I had the pleasure this weekend of joining—being at the meetings with the NATO leaders as they discussed both Kosovo and the new strategic concept.

I was joined by my colleague, Senator Bill Roth, and was heartened to hear that our NATO allies want to continue to stay the course and stay the course on the strategy that has been developed.

Therefore, though, to show the American commitment, I think it is important that we absolutely move expeditiously with this request. We show our support for the military. But where there are other issues related to readiness, I think they need to be dealt with in other hearings.

However, I am concerned about replenishment, whether it is in men, women or material that we are not only supporting them financially, but we are supporting the replenishment.

I hope we focus a great deal on this hearing, though, also on the humanitarian. We can get so involved in talking about "What type of gear do we need?", that we forget that the whole point of this is the humanitarian.

We have the head of—the Catholic Relief Services are in Baltimore. I know the non government organizations (NGO) are doing an outstanding job, but they are stretched to the limit. We need to hear that.

We know that our military is actually involved in creating the infrastructure for the delivery of humanitarian relief. We need to know that and what comes out of the military budget.

We also need to know how we should support the frontline states, so we do not have an implosion and collapse in Albania or an explosion in Macedonia.

And last but not least, though I know it is not a subject of this hearing, we must keep in our mind our——

Chairman STEVENS. Move over and let him get in, will you?
Senator MIKULSKI. Oh.
Chairman STEVENS. Pull a chair in there.
Senator LEAHY. That is OK. I will just stand.
Chairman STEVENS. Pull a chair in there.
Senator MIKULSKI. I—I will wait until everybody is——
Chairman STEVENS. I am sorry. I apologize.
Senator MIKULSKI. Oh, that is OK. It is just——
Chairman STEVENS. Senator Leahy needs a chair.
Senator MIKULSKI. We know it is very——
Senator LEAHY. We have got a seat over here.
Chairman STEVENS. You can join our side. [Laughter.]
Get over here. We need you. [Laughter.]
Pardon me, Senator.
Senator MIKULSKI. OK.
Chairman STEVENS. Pardon me, Senator.
Senator MIKULSKI. Could I—I would really like to be able to continue my statement——
Chairman STEVENS. Yes, ma'am.
Senator MIKULSKI [continuing]. And—and not have——
Chairman STEVENS. We are trying to get him a seat, Barbara.
Senator MIKULSKI. No. No. I understand that. But I think—there is a seat over there. And sitting next—I have found sitting next to Senator Domenici very pleasant on more than a few occasions. [Laughter.]

But this is really a very serious matter, and I believe in all the briefings that I have gotten the whole humanitarian situation and the cost has not been given the visibility that we need. So we really need to do this.

Second, what really needs to be also kept in the back of our mind is the funding related to Hurricane Mitch. If our NGOs are stretched to the limit, you cannot fund Catholic Relief on bake sales. And all—and my concern for Hurricane Mitch is if we do not address that, we are going to have very serious problems on our own borders while other nations are facing the border.

So we really look forward, Mr. Atwood, to you making your presentation; and to you, Mr. Deputy Secretary, on how our military is playing a role.

Mr. Chairman, that is all the remarks I wish to make.
Chairman STEVENS. Thank you very much.

The sheet that I have just given all of you is the working paper that my staff and I have been working on with regard to supplemental military and other humanitarian items beyond that.

Senator REID.

STATEMENT OF HON. HARRY REID

Senator REID. Mr. Chairman, thank you very much. This hearing is, of course, apparently very important and it is. But I personally appreciate all the other informational hearings you have held while you have been chairman of this committee. They have been most helpful.

This package that is before us will protect the military readiness of those forces in the Balkan theater and other United States forces that assures our military has full measures of resources necessary

to carry out the Kosovo air campaign and also funds U.S. commitment to provide humanitarian relief now in response to future refugee assistance needs.

Mr. Chairman, I—I am not at first glance totally opposed to the supplemental items. I think we have to take a very close look at them.

I also want to reiterate, underline, and put an exclamation mark by what the Senator from Maryland has just said. I think we also have to include the previous supplemental that has already passed both bodies of this Congress.

And I hope we can move on with this whole package in the immediate future.

Chairman STEVENS. Thank you, Senator.

Senator Murray.

STATEMENT OF HON. PATTY MURRAY

Senator MURRAY. Thank you, Mr. Chairman. Thank you for allowing me to sit on your side for lack of seats on our side. I assume that means we are getting more members. I am not sure. [Laughter.]

Mr. Chairman, in the interest of time, I want to hear from the witnesses. I think this is an extremely important hearing. I think we need to move expeditiously on this package.

Clearly, the American public is—is behind this at this time, and I look forward to the witnesses testifying before us today.

Chairman STEVENS. Senator Specter.

Senator SPECTER. Thank you, Mr. Chairman, for convening this hearing.

Just a couple of comments: I believe it is very important when we take up this request for $6 billion that we have some idea as to where we are heading and what the total cost is going to be as best we can project it.

I am concerned that we are involved in a war without Congressional authorization as required by the Constitution. The Senate has authorized the air strikes, but has put a specific reservation on ground forces, but the House has not acted, and we are a bicameral legislature.

It seems to me that we ought to have some idea as to where we are heading with the great many conflicting reports coming out.

The President over the weekend said that he was going to be looking to the Secretary General of NATO for a reevaluation of the need for ground forces, which surprised me a little. I would think that kind of leadership ought to be coming from the President, because the United States is the driving force.

We have comments from France and Great Britain about ground forces. I think the Congress needs to have some idea as to where we are going and what the total cost is going to be, because we do not want to exercise our authority through control of the purse strings.

When our fighting men and women are over there, we, obviously, have to back them up. But I believe it is necessary to have some projection as to where we are going and what the total cost is going to be.

One other point, I would hope that this hearing will take up the funding for the war crimes tribunal. We have a very excellent opportunity for cross political pressure against President Milosevic by proceeding against him as a war criminal, providing the evidence holds up. And the indications at the moment are that it does.

But that is a signal to others in his chain of command and that can have a very salutary effect, so that it is necessary that adequate funding be provided for the war crimes tribunal.

But overall, I think you will find a receptive audience here, gentlemen. But Congress has to be involved, if not at the takeoff, during the course of these flights, so we know exactly what is going to happen and what the ultimate costs are going to be.

Thank you, Mr. Chairman.

ADDITIONAL SUBMITTED STATEMENTS

Chairman STEVENS. Thank you. I would like—I—I thank all of you for your patience.

If any other members wish to submit statements for the record, they will be inserted at this point.

[The statements follow:]

PREPARED STATEMENT OF SENATOR HERB KOHL

Like many of my colleagues who have spoken before me, I am deeply concerned about what is happening in Kosovo. I support the request before us today because we cannot stand by while this dictator Milosevic causes pain and suffering for all the people of the region. Although the Administration and NATO worked diligently to bring a peaceful resolution to the conflict in Kosovo, the use of force was always held out as an option. There is an international consensus that now is the time to use that option. It is my hope that air strikes will pave the way for a diplomatic resolution in Kosovo, a resolution that provides for the safe return of refugees, and a political arrangement for the people of Kosovo that can be supported by all.

The air strikes, as well as the humanitarian and military efforts we have engaged in so far, define the phrase "emergency situation." I appreciate the Administration's efforts to present us with a request that addresses this emergency before us, and only that. While I am prepared to support a funding request that addresses truly emergency needs, I have concerns that this bill will become a magnet for increasing the defense budget beyond what is necessary.

Congress just passed a budget that set severe caps on spending that many of us believed were not feasible. If this bill becomes a backdoor method of increasing spending on non-emergency defense items, our fears will have proven founded. If we believe that defense is not adequately funded, we should openly and honestly budget more for defense. We should not use the tragedy in Kosovo as an excuse to bust a budget that everyone knows is unrealistic and unworkable.

That said, the Administration has brought us a request that is, for the most part, justifiable as emergency spending. However, I do have some questions about how you arrived at some of the funding levels for State Department operations. For example, $30 million for police training and $25 million for increased diplomatic activity seem excessive, especially in light of the incredible humanitarian crisis unfolding. The international community is struggling to meet the basic needs of the refugees who are fleeing from Kosovo—food, water, shelter and medicine. And yet, there are ample funds for police and politicians and no funds for food aid.

The UNHCR currently estimates that there are 1 million refugees, and that number could go even higher. To meet food aid demands in the region, the World Food Program estimates that $66 million to $102.7 million will be needed. Of those totals, the U.S. share would be $4.9 million to $7.7 million.

In spite of this need, there is nothing in the President's budget to provide additional funding for the Public Law 480 program—our international food aid program. In fact, the House has rescinded $30 million in the Public Law 480 Title I program (which can be used for Food for Progress grants or transferred to the Title II assistance program) and the President's budget proposal for fiscal year 2000 included reductions in both Titles I and II.

PREPARED STATEMENT OF SENATOR LARRY E. CRAIG

Mr. Chairman, thank you for holding this very important hearing today about paying for the military operations in Yugoslavia.

I am deeply concerned about the current operation in Kosovo. It is very apparent that President Clinton hoped for the best, and got the worst when be began the campaign. I voted against the authorization for air strikes against Yugoslavia because I do not believe this so-called "campaign" is in U.S. national security interests, or an appropriate action for NATO—a defensive military alliance.

Despite the fierce air war over Yugoslavia, Milosevic does not appear ready to capitulate any time soon. Meanwhile we must closely examine the impact this operation is having on our ability to defend our national security interests around the world.

Prior to the Kosovo operation, it was evident that our Armed Forces were feeling the strain. For example:

—Since 1989, manpower has been cut by nearly one-third, the number of missions has quadrupled, and defense spending has been dramatically reduced.

—In spite of claims to the contrary, President Clinton's fiscal year 2000 defense budget represents a real decline of 1 percent (inflation adjusted) from current spending levels, and marks a 39-percent drop from the spending levels of the mid-1980s.

—The Kosovo mission is increasing an already high operational tempo for our service members. As defense spending declines, the U.S. military has been asked to do more with less. Since 1990, U.S. armed forces have been used in 37 major foreign missions, compared to 22 between 1980 and 1989.

At what point will this mission in Kosovo jeopardize our ability to defend our vital interests around the globe, if it hasn't already? The impact on readiness is real. For example:

—800 U.S. aircraft are planned for deployment to the Balkans. This deployment reportedly will tie up 7 combat air wings out of 20.

—The Pentagon's declared mission is to be able to fight, and win, two "major regional conflicts (MRCs)" almost simultaneously. The humanitarian mission in Kosovo now accounts for two-thirds of the number of planes needed for one such fight.

—7 out of 10 of the Army's active division are currently involved in operations. Only the 25th Infantry, the 82nd Airborne, and the 101st Airmobile Divisions are not committed.

—Since March 24, the Pentagon has diverted needed planes from the Pacific command and the Iraq operation, to the Balkans.

—There is no aircraft carrier in the Pacific because the U.S.S. *Kitty Hawk* has been diverted to covering in the Gulf while other carriers go to the Adriatic.

It is clear that this Administration never considered what would happen if Milosevic did not give in after the first wave of bombings. As a result, it is no surprise that we find ourselves in the current situation. President Clinton believed that he could impose an artificial solution on an ancient ethnic conflict.

This grave miscalculation has both magnified the violence against ethnic Albanians, destabilized neighboring states, and has jeopardized our national security interests. Now it appears that the Administration obviously intends to reinforce failure.

This weekend the President said the Serbs "had 40,000 troops in and around Kosovo and almost 300 tanks. It takes time to reverse that, but we are working on it and we will prevail if we execute well with real determination."

The truth is that we are not reversing the situation. Indeed, more intense bombing will weaken the Yugoslav military, but destroying buildings and even tanks is not likely to drive Serbian troops out of Kosovo. In fact, there are more Serb troops in Kosovo today than there were before the campaign began (approximately 8,000 more.)

Meanwhile the U.S. finds itself paying the lion's share of the Kosovo costs, both financially and militarily. The label "NATO campaign" is a misnomer. For example:

—Of the roughly 1,000 aircraft in the campaign, about 700 are American.

—While U.S. warships have launched Tomahawks by the hundreds, the British Royal Navy has fired a grand total of five cruise missiles since March 24th.

—At least 58 percent of the combat sorties are flown by U.S. planes.

—At least 65 percent of supplies sorties have been flown by U.S. planes.

Everyday we hear a different report as to whether the Administration is considering the introduction of ground troops.

In spite of the mission's laudable goals, it is clear that a ground war is not the solution. It would be a costly and grueling endeavor that would bog down U.S.

troops in Kosovo for years as peacekeepers and guarantors of the Kosovars' human rights. An open-ended commitment would divert America's military forces from more urgent threats to U.S. national interests, such as those posed by Iraq and North Korea—a gamble we cannot afford to take.

Mr. Chairman, thank you again for holding this very important hearing.

Chairman STEVENS. Mr. Lew, we are going to call on you first. When you first came to the committee not quite a month ago, we were talking about $3 billion from—from the administration's point of view.

We are now looking at $6.05 billion on this and we have gone a little bit further than that in terms of our suggestions. We would be happy to have your comments about not only the bill you presented, but about what you know about what we are seeking to add.

OPENING STATEMENT OF OMB DIRECTOR JACK LEW

Mr. LEW. Thank you, Mr. Chairman. I would like to begin, if I could, just to reiterate some of the comments that were made by the members of the committee, sitting here today talking about the funding of this operation.

It really is incumbent on us to begin with—by recognizing the commitment, the skill, the readiness of our troops abroad right now and the excellent way in which they are performing their duty, and to recognize the efforts undertaken by Americans and voluntary international organizations and our allies to provide urgent humanitarian relief.

There really is an extraordinary effort underway, with an extraordinary alliance performing together.

Mr. Chairman, Senator Byrd, members of the committee, I appreciate the opportunity to appear today to describe and respond to questions about the President's request for supplemental appropriations to fund activities with regard to Kosovo.

Last week, the President submitted a request for $6.049 billion in supplemental requests. And that package sends a very clear message. We will protect readiness and provide the resources necessary to maintain the current operations for as long as necessary to succeed.

The 1999 supplemental request is not a schedule or a deadline for this operation. It is merely the 1999 funding portion of the operations.

The administration's package does protect the military readiness of forces in the Balkans and around the world. It does ensure that our military has the resources necessary to carry out the Kosovo air campaign for as long as necessary, and it funds a U.S. commitment to provide immediate and anticipated humanitarian relief.

Because the current situation in Kosovo was not anticipated in the context of the fiscal year 1999 appropriation cycle or during the preparation of the President's fiscal year 2000 budget, we think it is necessary and appropriate that it be treated as an emergency request.

We think it is critical that Congress pass this legislation very quickly because the real issue in terms of readiness is a question of the timing of this funding.

The request includes all the resources that the Department of Defense needs to maintain readiness, but it needs to get a clear signal very quickly that the funding will be provided.

We also urge Congress to act expeditiously on the other supplemental requests that are pending: the Central America supplemental, the agriculture relief supplemental and the Jordan supplemental.

These matters have been pending since February. They remain very, very urgent and time sensitive. And we hope we can work together to get those enacted quickly.

SUMMARY OF REQUEST FOR MILITARY OPERATIONS

I would like to briefly review the funding levels. The funding for military activities is $5.123 billion; $3.3 billion is for current and projected operations in Kosovo; $698 million is for munitions replenishment, and $850 million is contingent funding for readiness and munitions reserve.

This request also includes $274 million to cover the Department's unanticipated strike and operation costs in Southwest Asia.

On the humanitarian side, the request includes $335 million for the Department of Defense Refugee Assistance, which brings the total for the Department of Defense to $5.458 billion.

The total for international affairs is $591 million. This includes $386 million for humanitarian operations, $55 million for state operations and other stabilization efforts, and $150 million for securing the frontline states.

Combined, the package requests $721 million for humanitarian operations and refugee relief when you combine the State Agency for International Development (AID) and the Department of Defense portions.

I would like to, if I could, review the objectives of the operation and some of the funding requests and some of the details that I think are very important for us to go through.

We must protect the readiness of our U.S. forces. The current Kosovo operations are being paid for out of funds that were in the Department of Defense previously. And if they are not replenished, if they are not replaced very quickly, the Department will need to move resources around in a way that we think would undermine readiness.

That is why there is time sensitivity to this request. Secretary Cohen has testified that we need funds tomorrow, and no later than Memorial Day. I think that suggests a very real sense of the time considerations in terms of avoiding a readiness crisis.

We must ensure that our military has the full measure of resources necessary to carry out the Kosovo air operation for as long as necessary.

The supplemental request anticipates maintaining in theater all the forces that are there and all the forces that are scheduled to be deployed there for the balance of the fiscal year.

Chairman STEVENS. Now wait, Jack. When you submitted that to us, there were 700 airplanes there. There are 1,000 there now. When you submitted it to us, there were 2,200 people along with Apache helicopters. There is 5,500 now. You did not include that money at the time. You did not know they were coming.

You now just called up in addition to that another 3,000 Reservists and National Guardsman this morning. So that is not quite correct, is it?

Mr. LEW. Well, Mr. Chairman, I was going to get to that. But I am happy to go out of order and address that issue right now.

This request does include all of the air resources that have been requested by General Clark. They include all of the ground support for the Apaches, and they include the funding for the Reserve call-up. We will have more to say about that later today.

Chairman STEVENS. You anticipated that 30 days ago?

Mr. LEW. Well, as you know, Senator, the package was developed contemporaneously with the operational plan being undertaken.

When we first spoke about this, actually the number was very close to where it is now. The number developed in a two- to three-week period as we got the additional requests from General Clark and as we determined the cost of putting those additional resources into play.

The last change that was made between our conversations was made in order to accommodate the Reserve requirements and to accommodate them at a generous level, certainly a level in excess of what we anticipate we will be using in the short-term.

The package, to put it into a time frame, provides $287 million to fund the estimated cost of the initial U.S. air campaign through April 30, and $3 billion to sustain air operations for the balance of the fiscal year.

As you know, we cannot predict when the air campaign will achieve its desired outcome. And the principle behind the funding was that funding should not drive the decision. The funds should be available for the operation to proceed for as long as necessary.

I would like to underscore that the supplemental request does not provide funding for the deployment of U.S. ground forces to Kosovo.

The only ground expenses are the expenses associated with the Apache helicopters, which technically are Army operations, even though they are aircraft. We have fully funded the ground support for the Apaches, but that is the only ground expense included.

Chairman STEVENS. Jack, I do not know how you can say that. We were there and we were told it was a surprise to Clark, that it was a surprise to the rest of them, that we went from 2,200 to 5,500. You could not have known that when you submitted this document.

Mr. LEW. In preparing the estimates, there were a number of cases where the Department—I will defer to Dr. Hamre on some of the details, identified a range of costs and a range of resources that might be needed to deploy the resources that were being called for.

We have, if anything, erred on the side of high estimates rather than low estimates to permit us to have the room to say with some confidence that we have taken account of what we have anticipated to be the resources required for the balance of the year.

I would not for a minute sit here and say that there will not be some surprises. We have actually planned this package, so that we have the ability to deal with costs that might arise that we did not anticipate.

As you know, we put in a readiness reserve fund where, in terms of operations, we provided $150 million in excess of our firm estimates so that to the extent that there are operational requirements in excess of what we have projected, we have the ability to pay for those without having a readiness issue arise in other areas.

In the case of munitions, we provided for $700 million to replace munitions that may be used over the course of the year.

We had not tried to do a dollar-for-dollar or bullet-for-bullet replacement. What we wanted to do was give the Department the ability to deploy the munitions that it needs to accomplish the task, with the firm knowledge that they have the resources to replace what they use with what they need.

And if those are different weapons, different munitions, if they are somewhat more costly, more modern, we provided the additional funding to deal with that.

So we have tried to design this package to anticipate as much as we can, but also to understand that there are costs that we cannot firmly project and to build on the flexibility necessary so that we will not find ourselves resource constrained to respond to the situation as it develops.

I have, in the course of responding to your question, gone through many of the issues that I was going to raise with regard to the Department of Defense.

SUMMARY OF REQUEST FOR HUMANITARIAN RELIEF

And if I could, I would like to say a few words about the humanitarian relief effort, because I think it is very, very important and demands our attention.

We must fund the U.S. commitment to provide humanitarian relief now and to respond to potential future refugee assistance needs. There are hundreds of thousands of refugees and internally displaced persons from Kosovo, who need urgent assistance. We are planning to assist through several means at least 1 million and possibly up to 1.5 million refugees.

The President's supplemental request of $220 million for the migration and refugee assistance account and the emergency refugee and migration assistance account will provide the resources necessary to cover the estimated U.S. share of the multilateral costs for 1 million refugees or internally displaced persons through the end of fiscal year 1999.

The U.S. contribution shares the burden with other countries by providing roughly 25 percent of the estimated cost.

The requested funds will also permit the United States to help meet its commitment to bring up to 20,000 refugees to this country and provide them with a safe haven. In addition to bringing 20,000 refugees to this country, we have undertaken a commitment through the Department of Defense to provide assistance to 20,000 refugees in Albania. That funding is provided for in the Defense portion of the humanitarian request.

For refugees outside Kosovo, there may be unknown costs that we cannot project with the precision that we would like. And for that reason, the request provides the necessary funds for additional large scale refugee outflows from Kosovo, or if necessary, provides

the humanitarian assistance to those Kosovo Albanians in Kosovo if conditions permit.

We are not requesting funding for long-term reconstruction activities, but we think it is prudent to anticipate the need for planning for refugee repatriation and for that reconstruction.

Moreover, our request for funds in the Eastern European assistance program allows for the possibility that we can address the most immediate costs such as digging wells, providing shelter and other infrastructure needs associated with the return of Kosovo refugees to their homes once we achieve a solution to the conflict.

Overall, the request includes $721 million for the humanitarian relief activities of the Departments of State and Defense and AID.

With this request, we believe that we have fully addressed both the critical short-term needs of the refugees and others adversely impacted by the crisis.

If I could provide just a few more details on the State Department's portion of the refugee assistance, overall within the State Department, we have requested $386 million in humanitarian assistance.

Of this, $125 million is requested for the migration refugee account (MRA), and $95 million for the emergency refugee and migration account.

The MRA funds would be used to respond to the appeals of international and non-governmental organizations such as the United Nations (U.N.) High Commission on Refugees.

The supplemental emergency refugee management account (ERMA) funds would be used to ensure that the account has sufficient funds to meet any urgent and unforseen requirements that arise from the crisis, which could conceivably be doubling the refugee population, while enabling the fund to meet the need to provide frontline life-saving responses to humanitarian emergencies worldwide.

It is also the ERMA fund that will provide assistance to the 20,000 Kosovo refugees who are brought to the United States.

The President has also requested $71 million for AID's Office of Foreign Disaster Assistance. And the $68 million is primarily going to be used to deal with the unusual nature of refugee assistance that is being provided.

There are an enormous number of refugees who are being taken into people's homes and into community facilities, not through the traditional refugee assistance network. And the flexible approach taken in the AID's Office of Foreign Disaster Assistance gives us the opportunity to help support those very critical efforts.

The last issues that I would like to mention are the funding for the diplomatic operations and other stabilization efforts and the assistance we have requested for frontline states. The supplemental includes $55 million for diplomatic operations and other stabilization efforts.

This includes $25 million to meet diplomatic and security requirements arising from the crisis in Kosovo and will enable us to fund many activities including some training of law enforcement officers and investigations related to prosecuting alleged atrocities in Kosovo.

The funds would be used to interview refugees and to prepare the necessary documentation for possible war crimes that may be forthcoming.

ASSISTANCE TO THE FRONTLINE STATES

Finally, I would like to talk about the assistance for frontline states. And I think this is probably the piece of the President's request that has been the most misunderstood and really deserves an extra moment of attention.

The needs of the frontline states are immediate. It is not a question of going ahead with reconstruction. This is a question of: What does it take to have the frontline states maintain their security during these very difficult times and not to have one or more of the frontline states simply implode from the pressures both financial and physical, in terms of their infrastructure during this critical period?

The President has requested $150 million, which would enable us to provide both economic and physical support. There are short-term economic pressures, both in terms of debt payments and loss of trade.

There are immediate needs in terms of infrastructure that is just being overtaxed to the point that it is going to collapse in some areas.

As we go through the questions, this is an area that I know has caused some concern to many on the committee, but it is absolutely critical.

I know on Friday at the NATO events, I had the opportunity to talk with General Clark for a few minutes. And the thing that he emphasized to me was that this is a critical area of funding, that everything we are doing depends on maintaining the stability in the region and not forgetting the frontline states.

I would like to conclude just by thanking the committee for holding this hearing and thanking the Chairman for his interest in moving quickly.

I know that there are going to be issues about additional funding that the committee may be thinking of. I would urge all members of the committee to try and work in a bipartisan manner on this and in a very quick manner, because timing is of the essence.

We cannot allow this to become delayed by controversy or by the kinds of issues that have in the past delayed supplemental requests.

At the same time, we have urgent needs in Central America, in our own farm communities and we need to keep our eyes focused on completing the emergency supplemental request that was pending prior to the submission of this package.

PREPARED STATEMENT

Mr. Chairman, with that, I would like to complete my opening remarks. And I would be happy to defer to my colleagues.

Chairman STEVENS. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF JACOB J. LEW

INTRODUCTION

Mr. Chairman and distinguished members of the Committee, thank you for the opportunity to explain the Administration's request for supplemental appropriations to finance military and humanitarian operations related to Kosovo. Since you are very familiar with the foreign and military policy objectives of our Kosovo operations, I will restrict my comments to describing the President's proposed supplemental funding request, its key assumptions, structure, and purpose.

Last week the President transmitted a $6.049 billion emergency supplemental appropriations request to provide the resources necessary for the key elements of our military, humanitarian, and diplomatic efforts. It sends a very clear message—we will protect readiness and provide the resources to continue current operations for as long as necessary to succeed. While this is an fiscal year 1999 supplemental request, it does not represent either a schedule or a deadline for those operations. The Administration's package: protects the military readiness of those forces in the Balkan theater and all other U.S. forces; ensures our military has the full measure of resources necessary to carry out the Kosovo air campaign; and, funds the U.S. commitment to provide humanitarian relief now and respond to potential future refugee assistance needs.

Because the current situation in Kosovo was not anticipated when the fiscal year 1999 appropriations were enacted or when the fiscal year 2000 budget was prepared, we have submitted this supplemental as an emergency request. It is critical Congress act quickly to pass this emergency request to ensure that the Departments of Defense and State and the U.S. Agency for International Development (AID) have the proper resources to carry out their missions. In particular, we urge the Congress to act quickly to avoid any degradation to our military readiness. We hope that Congress will act expeditiously on this package and avoid delays brought about by consideration of extraneous matters. Our armed forces and the humanitarian crisis in Kosovo demand nothing less. We also urge Congress to act expeditiously on the Central American and Agriculture relief supplemental requests without adding extraneous legislative riders or unrelated matters.

As I mentioned earlier, the overall package totals $6.049 billion and covers only the fiscal year 1999 costs of these operations. Funding for military activities is $5.123 billion, with $3.301 billion of that for current and projected operations in Kosovo, $698 million for munitions replenishment, and $850 in contingent funding for a readiness and munitions reserve. It is important to note again that U.S. forces will remain as long as necessary to accomplish their mission, and we intend to provide full funding to support that endeavor. Also included in the total for DOD military activities is $274 million to cover the Department's unanticipated strike and operations costs in Southwest Asia. On the humanitarian side, the request also includes $335 million for DOD refugee assistance, bringing DOD's total to $5.458 billion. The total for the international affairs is $591 million. This includes $386 million for humanitarian operations, $55 million for State Department operations and other stabilization efforts, and $150 million for securing the front-line states. Combined, this package requests $721 million for humanitarian operations and refugee relief.

OBJECTIVES

This supplemental request is designed to meet the following objectives:

1. We must protect the military readiness of those forces in the Balkan theater and all other U.S. forces. A chief priority of the Administration has been to ensure this supplemental fully covers the costs of the Kosovo effort and maintains U.S. readiness. Currently, Kosovo operations are being paid for with funds that already are in DOD's budget for normal operations and training activities during the last three months of the fiscal year. Expedient action is needed to restore these funds to avoid serious readiness consequences later in the year. Moreover, to ensure that we will have sufficient stocks of critical munitions for future operations, we must begin to replace those munitions already used and those we anticipate using during this operation. This supplemental meets these needs. That is why we are anxious to work with Congress on a bipartisan basis to enact this supplemental as soon as possible.

2. We must ensure our military has the full measure of resources necessary to carry out the Kosovo air campaign for as long as necessary. To provide maximum flexibility to our military commanders, we are requesting sufficient funding to provide the capability to continue operations at a high pace with the currently approved forces. The supplemental request assumes that the currently approved level

of U.S. forces, including a carrier battle group, more than 600 Air Force and Marine Corps aircraft, one Marine Expeditionary Unit, several Army helicopter battalions and missile batteries, and other support forces are sustained in the Balkans for as long as necessary. This supplemental would support these force levels for the remainder of fiscal year 1999. The requests also provide the capability for U.S. forces to maintain the air campaign at the current rate of sorties and strikes on Yugoslavia.

3. We must fund the U.S. commitment to provide humanitarian relief now and respond to potential future refugee assistance needs. Hundreds of thousands of refugees and internally displaced persons from Kosovo need urgent assistance. Although there is no precise count, we are planning on assisting through several means at least one million and possibly up to one and one-half million refugees and internally displaced persons. The President's supplemental request of $220 million for the Migration and Refugee Assistance (MRA) and the Emergency Refugee and Migration Assistance (ERMA) accounts will provide the resources necessary to cover the estimated U.S. share of the multilateral costs for one million refugees or internally displaced persons through the end of fiscal year 1999. The U.S. contribution shares the burden, with other countries providing 75 percent of the required resources. The U.S. 25 percent share is consistent with customary practice, which demonstrates a strong U.S. commitment while fostering a multilateral burden-sharing approach. The requested funds will also permit the U.S. to help meet its commitment to bring up to 20,000 refugees to this country to provide them a safe haven.

No one can be sanguine, however, about the final costs of helping the refugees and internally displaced persons. We do not know the full needs of a population that we have been unable to help directly, the displaced Kosovars in Kosovo. For the refugees outside Kosovo, there may be other as yet unknown costs as the international community helps build temporary camps for hundreds of thousands of people, and arranges assistance though a non-governmental and private voluntary organizations. For that reason, our request provides the necessary funds to provide for additional large-scale refugee outflows from Kosovo or to provide humanitarian assistance for those Kosovo Albanians in Kosovo if conditions permit.

We are not requesting funding for long-term reconstruction activities, but we think it prudent to anticipate the need for planning for refugee repatriation and for that reconstruction. Moreover, our request for funds for in the Eastern Europe assistance program allows for the possibility that we can address the most immediate costs, such as digging wells or providing shelter, associated with the return of Kosovo refugees to their homes once we achieve a solution to the conflict.

DETAILED EXPLANATION

The highlights of our funding request for military operations, humanitarian operations, diplomatic operations, and readiness and munitions replenishment are as follows:

Military Operations

Military Readiness.—As a first priority, this supplemental package protects military readiness through funding levels based on robust assumptions, such as providing the capability to sustain operations for the rest of fiscal year 1999. In addition, we have requested contingency funding to cover unanticipated costs that might arise during the prosecution of this action. We have worked hard to ensure that this package would provide DOD sufficient funding to sustain military readiness while action in Kosovo continues.

Kosovo Operations.—First, this package provides $287 million to fund the estimated cost of the initial U.S. air campaign through April 30, 1999. Also requested is funding to cover the costs of U.S. forces' support to the Organization for Security and Cooperation in Europe operations in the Balkans and the Kosovo Air Verification Mission, which ended shortly before the air campaign began. Second, this package requests $3.01 billion to sustain air operations against Yugoslavia, which will continue as long as necessary. We cannot predict when the air campaign will achieve its desired outcome. Therefore, to provide maximum flexibility to our military commanders, we are requesting sufficient funding that will provide us the capability to continue operations at the current, planned levels with the currently approved forces. Funding will cover the cost of operating aircraft and ships, deployment of assets, force protection and base activities, spare parts, transportation, logistics services, equipment maintenance, special pay and allowances, supplies, and other support costs for U.S. forces in the Balkans. I should stress that the supplemental request does not provide funding for the deployment of U.S. ground forces to Kosovo.

There has been a lot of discussion concerning the monthly cost of this military operation. First, the costs associated with Southwest Asia ($451 million, of which $274 million is for operations and $177 million for munitions) and refugee relief ($335 million) should be removed from the total. In the remaining $4.6 billion, our request includes nearly $500 million in one-time start-up costs that cover deploying forces and setting up facilities in theater. The costs will be incurred in the early part of the operation; therefore, as the operation proceeds, the actual costs per month will decrease. Including munitions costs, discussed below, the recurring costs for the Kosovo operation total $4.1 billion or approximately $700 million per month. This package fully funds the Department's request for operations.

For the Kosovo operations, the Department of Defense is requesting authorization to call up approximately 33,000 reservists. Approximately 25,000 will support Air Force strike operations, 2,000 will support Navy and Marine Corps operations and 6,000 will meet the Army's demands for support to Task Force Hawk. We have included approximately $450 million for fiscal year 1999 in the supplemental for costs associated with the call-up.

Munitions Replenishment.—The Administration requests $698 million to replenish and upgrade cruise missiles and certain other types of "smart" munitions used in Kosovo and Iraq. This request both replaces munitions used in Iraq and Kosovo to date and covers anticipated usage of these critical weapons. It includes: $445 million to upgrade older Tomahawk missiles (including Tomahawk Anti-Ship Missiles) to the more capable Block IIIC Tomahawk Land Attack Missile; $178 million to convert 322 nuclear-Air Launched Cruise Missiles to Conventional Air Launched Cruise Missiles; $35 million to accelerate Joint Direct Attack Munition (JDAM) production; and $40 million to accelerate air-launched towed decoy production. This funding will protect readiness by ensuring that adequate stocks of these critical munitions will be available for current and future operations. This request will not only replenish those critical munitions already expended, but will also increase the inventories of these munitions from when we began the operation. For example, for JDAMs, the request funds 33 percent more units than contained in the inventory at the start of the operation.

As we work to ensure readiness in all theaters, both now and into the future, it is imperative that we replace certain munitions as rapidly as possible through this emergency supplemental. Of the programs included in the supplemental, deliveries of all but Tomahawk will actually begin this calendar year. However, we continue to maintain substantial reserves of these missiles. Tomahawk deliveries will not begin until fiscal year 2001, but supplemental funds will ensure that we have an adequate and more capable inventory for future operations.

Readiness and Munitions Contingency Reserve.—The Administration's proposed contingency reserve fund will ensure readiness levels of all forces remain high while operations continue in Kosovo and that inventories of critical munitions are adequate for future operations. The Administration proposes that $850 million of the Department of Defense funding request be set aside in a contingency fund to: (1) prohibit any degradation in the readiness of our forces in the Balkans and around the world that could result from the uncertainties of conflict in Kosovo; and (2) replenish the inventories of munitions that could be used in Kosovo but have not been used to date. Prudent planning for quickly-changing operations calls for setting aside additional funding on a contingency basis to assure that a high level of military readiness is maintained in and outside of Kosovo, and that the supply of munitions, an essential element of readiness, remains sufficient for future operations.

Southwest Asia.—As you know, we are still conducting operations in the Persian Gulf at higher than anticipated rates. Therefore, a total of $274 million is requested to cover the costs of Operation Desert Thunder and Desert Fox, as well as to fund higher-than-anticipated operating levels in and around Iraq through the remainder of the fiscal year. Funding to replace CALCMs and Tomahawk missiles used in Operation Desert Fox totals $177 million.

Before I conclude my discussion on funding for military operations, I want to reiterate the necessity for rapid consideration of this package. The military will soon need to make decisions regarding its fourth quarter training program. In order to plan effectively, DOD must know that it has sufficient funding available to carry out those activities. Further, it is difficult to defer costs in the fourth quarter, making it imperative that DOD have sufficient resources available immediately to undertake all the necessary readiness activities during the fourth quarter. I strongly urge the Congress to consider this supplemental request expeditiously to protect military readiness.

Humanitarian Operations

Our request includes $721 million for the humanitarian relief activities of the Departments of State and Defense, and the AID. With this request, we believe we have fully addressed both the critical short-term needs of the refugees and others adversely impacted by the crisis and also begun planning for the long term humanitarian implications for the region. We have requested our share of the multilateral effort to supply food, shelter, water and sanitation, health, and other life sustaining elements for up to a million refugees that United Nations High Commissioner for Refugees (UNHCR) has currently projected to result from this crisis. We are confident our request also fully addresses the potential needs of the hundreds of thousands of people in Kosovo who may be without shelter, and the hundreds of thousands of other Kosovars whose lives have been tragically altered by the policies of the Milosevic government.

The Department of Defense's costs for aiding Kosovar refugees fall into three categories. First, for the last three weeks DOD has provided $25 million in defense articles and services under the drawdown authority signed by the President March 31. This amount has funded the provision of humanitarian rations, tents, blankets, and other relief supplies. Our supplemental request would replenish the operation and maintenance accounts that have been the source for these funds. Second, DOD may contribute up to $10 million toward a NATO-led task force that is providing refugee relief, and our request includes these funds. Finally, DOD plans to construct and operate a temporary camp for up to 20,000 refugees, likely in Albania, and provide other assistance as needed. Our request provides $300 million to carry out this plan.

The President is requesting $220 million for the Department of State's refugee accounts. Of this amount, $125 million is requested for the MRA account and $95 million for the ERMA account. The MRA funds would be used to respond to the appeals of international and non-governmental organizations, such as the UNHCR, International Committee of the Red Cross, and the International Organization for Migration. These appeals would fund programs providing critical life-sustaining assistance to refugees, displaced persons, and conflict victims and support the multilateral effort to transport Kosovar refugees to temporary refugee countries. The supplemental ERMA funds would be used to ensure the account has sufficient funds to meet any urgent and unforseen requirements arising from the crisis—such as a doubling of the current refugee outflows—while enabling the fund to meet the need to provide front-line, lifesaving responses to humanitarian emergencies worldwide. Moreover, we will use $40 million of ERMA funds to provide for the Department of State's share of the costs of resettling up to 20,000 Kosovar refugees in the United States.

The President is requesting $71 million for AID's International Disaster Assistance account. Of this amount, $68 million would fund programs providing direct humanitarian assistance to the victims of the Kosovo crisis. A large percentage of the Kosovar refugees are not in traditional refugee camps supported by UNHCR, but in private homes, schools and other host government facilities, and these kinds of arrangements are likely to increase as refugee outflows continue. The humanitarian assistance requirements for refugee communities living in these arrangements are substantial. Working through private voluntary organizations, AID disaster assistance can provide prompt and critical support for the affected communities, as well as continue to provide essential assistance in specified sectors within the more traditional refugee camps. The request would also provide $3 million to support the Federal Emergency Management Agency's role in the U.S. response—a 24 hour toll-free phone bank for private donations. That phone bank has received thousands of phone calls a day.

The President is requesting $95 million to address regional requirements for the well-being, safety and return of the Kosovar refugees. The current situation is highly uncertain, no one has a crystal ball to predict when a settlement will be reached. We have requested these funds in the Eastern European Assistance account, which has particularly broad authorities, to permit us to respond to a broad number of possible requirements for the care and return of the refugee population. Should greater resources be necessary to handle additional outflows of refugees, these funds could be used. If there is an unexpectedly early end to the hostilities, these funds could be used for urgent relief within Kosovo.

Diplomatic Operations and other Stabilization Efforts

The supplemental request also includes $55 million for diplomatic operations and other stabilization efforts. These funds include $25 million to meet diplomatic and security requirements arising from the crisis in Kosovo funded through the State Department's operating accounts and $25 million to be funded through the Assistance to Eastern Europe and the Baltic States account to do background checks on Kosovar police recruits, and to train these recruits for their eventual return to

Kosovo. We are also requesting $5 million for the Economic Support Fund (ESF) to begin the difficult process of documenting alleged atrocities in Kosovo. The funds would be used to interview refugees and prepare the necessary documentation for possible war crimes that may have been committed in Kosovo.

Securing the Front Line States

Albania, Macedonia, Bulgaria, Bosnia, and Romania, and the Republic of Montenegro within Yugoslavia were struggling to make the transition to democracy even before the current conflict. These countries have suffered significant reductions in trade and investment as a result of the conflict. They have borne the burden of the refugee exodus from Kosovo. They also are under threat if Milosevic expands the conflict, as witnessed by border incidents such as the Serbian shelling of a village inside Albania. The confluence of these events threaten to undermine the political stability of these countries as they struggle to make the transition to market democracies. Therefore, we are requesting $150 million, $100 million in ESF funds and $50 million of the funds requested for the Eastern European Assistance account, to help increase stability in these countries and to alleviate the disruption created by the fighting in Kosovo. It is clearly in our national interests to help stabilize these countries and prevent both the spread of the conflict and erosion of the hard-won progress on reforms in the region. The ESF funding will be closely coordinated with World Bank, IMF, and other donor contributions, which will far exceed these levels, to help maintain stability in the region. We anticipate the U.S. share of this assistance will be around 10 percent, with the Europeans and other donors providing the lion's share of assistance.

OTHER CONCERNS

Let me also mention other urgent supplemental priorities. The fact that we are asking the Congress for funding to respond to an enormous emergency far away does not in any way diminish the importance of an emergency that is very close to home. The Central American relief package remains urgent. Every day we delay means another day the people of Central America lose hope in their ability to rebuild their homes, earn their livelihood, and achieve a prosperous future in their homeland.

In addition, the fiscal year 1999 supplemental request for $100 million in assistance for Jordan is critical to stabilizing the Jordanian economy and ensuring a smooth transition of leadership. Jordan is a key to the Middle East Peace process and the implementation of the Wye River memorandum, and our continued strong support for Jordan will help to achieve the goal of peace in the Middle East that we all share. Also of critical importance is our request for agricultural relief to our farmers that both the House and Senate have included in the supplemental appropriations bill. I urge the Committee to act quickly to enact these emergency packages expeditiously.

CONCLUSION

Despite months of allied diplomatic efforts to achieve a balanced peace plan, the government of Slobodan Milosevic defied the international community and pursued a course of repression and terror against the people of Kosovo. We determined that we could not allow these actions to go unchallenged. Now, we have a responsibility to our country and to the men and woman serving our country in the Balkans and to address the humanitarian crisis provoked by the Milosevic government. We have provided you with our best estimate of the resources required to achieve our goals in Kosovo. We ask the Congress to act quickly upon this request and send a clear message to Milosevic—his actions will not be tolerated and that we are prepared to back our words with action.

Thank you. I am prepared to answer questions that you may have.

DEPARTMENT OF DEFENSE

STATEMENT OF HON. JOHN J. HAMRE, DEPUTY SECRETARY OF DEFENSE

PREPARED STATEMENT OF SECRETARY COHEN

Chairman STEVENS. Dr. Hamre.

Dr. HAMRE. Well, thank you very much, Mr. Chairman.

I do not have a written statement, but I did bring Secretary Cohen's statement that he offered in front of the House Appropriations Committee last week. And with your permission, I would ask that that be included in your record.

Chairman STEVENS. Yes, we will put it in the record.

[The statement follows:]

PREPARED STATEMENT OF WILLIAM S. COHEN

Mr. Chairman, members of the Committee, it is a pleasure to be here to discuss President Clinton's request for fiscal year 1999 supplemental appropriations for Kosovo military and refugee relief operations and for other requirements.

Before detailing our supplemental request, let me assure this committee and the American people that our Kosovo operations remain on track and that we and our NATO allies are more determined than ever to succeed.

Our purposes are clear, and they have broad international support. President Milosevic must withdraw his military, paramilitary and police forces from Kosovo. He must also allow all refugees to return, with full access for humanitarian assistance and with the deployment of a NATO-led international security force. And the people of Kosovo must be given the democratic self-government that they have too long been denied.

Clearly, Milosevic will try to divide NATO. But we will not be divided. Our allies are getting stronger in their determination as the operations continue. Every NATO country is contributing to the effort, in a military or humanitarian capacity. We will stand our ground. And we will be patient. NATO operations will continue until our terms are met. We will intensify our air operation, and we will provide our commanders the tools they need.

OPERATION ALLIED FORCE

Our military objective is to degrade and damage the military and security structure that President Milosevic has used to depopulate and destroy the Albanian majority in Kosovo. To this end, NATO forces are making significant military progress. We have gained tactical maneuverability over a tough air defense system, even in the face of difficult weather and terrain. This allows us to fly where we want and when we want with acceptable risk, 24 hours a day. We are systematically choking off the Yugoslav army and security forces in Kosovo by cutting their supply lines. We have already eliminated 100 percent of Milosevic's refining capability and 50 percent of his ammunition production. As we isolate and weaken the Serb forces in Kosovo, we are launching aggressive attacks against troops on the ground by hitting staging areas, headquarters, and forces in the field. These attacks will accelerate as we continue to subdue Serb defenses and deploy additional aircraft. We will continue to attack Milosevic's command, control and communications and other elements of the infrastructure that supports his machinery of repression.

The United States currently has well over 500 planes assigned to air operations over Yugoslavia, part of an allied force of well over 700 planes. In terms of attack sorties, we have flown about 60 percent, our allies 40 percent—and approximately the same proportion applies to overall missions such as support, reconnaissance and tankers.

We and our allies are unanimous that we should intensify the air campaign against Milosevic. Such intensification is part of our planned, sustained, phased air campaign. We have advised the allies from the beginning that, once we start, we have to see the campaign through to its successful conclusion. They have agreed. And they, and we, have planned for a tough, hard campaign.

Earlier this month I approved an enhanced air package of 82 airplanes requested by the SACEUR, General Clark. The addition of these aircraft will allow us to do two things: expand the number of strikes over any 24-hour period; and give us more deep strike capacity as necessary. This will allow us to increase the intensity of the air campaign over Kosovo and Yugoslavia.

General Clark has more recently requested a substantial number of additional U.S. planes, and this request is being reviewed now. The planes fall into three categories: ground attack, air suppression, and tankers. If approved, this enhancement would allow for tradeoffs between various types of planes, and the Joint Staff is considering the appropriate ways to fulfill it. We hope to have a decision on this soon.

Apache Helicopters.—On April 3, President Clinton approved the deployment of two battalions of Apache attack helicopters to Albania to help support our air operations. These are to be accompanied by Multiple Launch Rocket System artillery, a robust force protection element, plus military intelligence, aviation maintenance, and other required support. There also will be support helicopters, such as Black Hawks and Chinooks. The deployment of the Apaches is taking about 10 days—not because of moving the Apaches themselves, which could be self-deployed in about two days—but because moving the support elements requires numerous C–17 loads into an already overtaxed and quite limited airport in Tirana, Albania, and requires establishing an operating base in a difficult location.

Providing the Apaches was done at the request of General Clark, who wanted a wider variety of weapons to attack tanks, artillery and other targets on the ground in Kosovo. It is very much in line with our stated objective of degrading and diminishing the Yugoslav ability to attack Kosovar Albanians. However, one should not expect miracles from the Apache or any other single system. There will be no silver bullet in Kosovo. NATO resolve and patience will be our decisive weapon. Additionally, the introduction of Apache helicopters should remind us that the risk of casualties on our side remains very real.

Ground forces.—Let me address the issue of ground forces. We believe, based on the advice of our military commanders and the reports of our intelligence, that the air campaign is being increasingly effective and will produce the success that we desire. That campaign will continue, with more missions, more sorties, more aircraft—and more targets and more effect. There is no intention to use ground troops in a hostile or non-permissive environment. Nor is there any consensus in the Alliance, or among the American public and their representatives in Congress, to do so.

NATO has examined the possibility of ground operations from the very beginning of the crisis. There has, of course, been detailed planning for a NATO-led peace implementation force, operating in a permissive environment. In addition, NATO considered an option to enter Kosovo to maintain a cease-fire without a comprehensive peace agreement between Belgrade and the Kosovar authorities.

Last year, the NATO military authorities made an assessment for various options for use of ground troops in a nonpermissive or hostile environment. The options included an operation to enter the Federal Republic of Yugoslavia (FRY) with force against full-scale resistance by Belgrade and conduct offensive operations throughout the FRY, as well as an operation using ground forces against military resistance, but with the objective limited to defeat of the FRY forces in Kosovo itself. These assessments included estimates of the forces that would be required. Without going into details, suffice it to say that any such operation, while militarily feasible, would involve very substantial forces and carry considerable risks.

These assessments could be quickly updated and developed into full-scale operational plans should the need arise. As General Shelton and I have said, should General Clark and the Chairman of the NATO Military Committee make a recommendation that the earlier assessments be updated—that is, should they advise that the point has been reached where further planning for possible use of ground troops is necessary—we will take that request under advisement, aware that the planning could be done within a short period of time.

REFUGEE CRISIS IN KOSOVO

True to form, Belgrade is taking every opportunity to make a bad situation worse. We are deeply concerned that hundreds of thousands of people are at risk within Kosovo. It appears that Belgrade is deliberately depriving them of food and shelter. We are receiving many, many credible reports of atrocities. NATO has released im-

ages of what appear to be mass gravesites in Kosovo. We should not be surprised if more graves are found.

Belgrade has been warned. Those found responsible for war crimes and crimes against humanity will be held accountable. Our nations are providing information to the International Criminal Tribunal for the Former Yugoslavia. And the Tribunal will follow the evidence however far or high it leads.

Milosevic has not achieved his primary goal of eliminating the Kosovar Liberation Army. Although it is weakened, the KLA continues to fight, and its ranks are increasing.

As NATO air power meets our military goals, NATO is also responding to the refugee crisis. The Department of Defense (DOD) is now providing and transporting more than 1 million rations and thousands of tents, sleeping bags, and other supplies for the refugees in Albania and the Former Yugoslav Republic of Macedonia. We are also providing troops from our Marine elements in the region to help respond to the refugee crisis. Meanwhile, our allies are also providing relief supplies and in fact are responsible for the vast majority of the shelter, medical supplies, and food relief sustaining the latest victims of Milosevic's brutality.

CONTENT AND ASSUMPTIONS OF FISCAL YEAR 1999 SUPPLEMENTAL

In partnership with our allies, America's armed forces continue to perform superbly in Kosovo and other critical regions around the globe. Their near flawless execution of assigned missions should be a source of enormous pride for the American people. Now, with this supplemental appropriations, we must ensure that our forces have everything they need to continue their current operations and to sustain their readiness for future dangers.

This is an emergency, non-offset supplemental totaling $6.05 billion: $5.458 billion for DOD and $591 million for the State Department and international assistance programs. The DOD portion of the supplemental has these major components:

Kosovo Military Operations ($3.3 billion).—The request funds projected force levels and the current high operating tempo through the end of the fiscal year. All U.S. forces that have been deployed or ordered to deploy are assumed to remain in theater and operate at current sortie and strike levels. The request does not fund possible deployment of U.S. ground forces to Kosovo or peacekeeping operations or reconstruction there.

For Kosovo operations, Air Force assets have grown from about 200 aircraft in early February (most of them from in theater) to over 500 now. Navy assets include a carrier battle group and land-based surveillance aircraft (EA–6Bs primarily). Army supplemental funding supports the deployment and sustainment of Apache helicopters and other assets and support. The request includes costs of the Call-up and deployment of 100 Army, 700 Navy/USMC, and 25,000 Air Force Reservists.

Refugee Relief Operations ($335 million).—Funding will cover DOD's costs for support of U.S./NATO refugee operations. It includes the cost estimated as needed to set up and operate a refugee camp for 20,000 at Guantanamo Bay, Cuba. However, we need the flexibility to apply those funds to establishing a camp in Albania, if that is deemed a better location for the refugees.

Munitions ($698 million).—This enables the needed replenishment of munitions inventories based on current and projected usage in operations in Kosovo ($521 million) and SWA ($177 million). Fully $623 million of this is for replenishing and upgrading Conventional Air Launched Cruise Missiles (CALCMs) and Tomahawk Land Attack Missiles (TLAMs).

Readiness and Munitions Contingency ($850 million).—The supplemental requests $850 million to be set aside in a contingency fund for possible use to (a) prevent any degradation in readiness that could result from Kosovo operations and (b) replenish munitions that could be used in Kosovo, but for which we cannot now estimate consumption.

Southwest Asia SWA ($274 million).—The request covers costs for Operations Desert Thunder and Fox and unbudgeted enhancements to ongoing Operations Northern and Southern Watch.

PRESERVING FORCE READINESS

Currently, most of the costs of our Kosovo operation are being accommodated from within the military services' Operation and Maintenance (O&M) accounts by borrowing funds that will be required for 4th quarter training. The services are continuing to conduct normal training for those forces not involved in Kosovo operations, and readiness is not currently being affected. However, expeditious action on this supplemental is needed to restore previously budgeted fiscal year 1999 funds and avoid serious readiness impacts later in the year. As for U.S. personnel in the-

ater, they are gaining valuable, real mission experience and increasing their skill and proficiency. What about the impact of Kosovo operations on our security in other regions? The bulk of the Air Force and Army forces deployed or being deployed to the Balkans come from Europe and the U.S. The carrier deployment to the Balkans necessitated rescheduling of other carriers, including moving the Kittyhawk from the Pacific to Southwest Asia, but DOD is using other forces and measures to help compensate for the Kittyhawk's absence from the Pacific. The key point is that we are still postured to be able the support the national military strategy despite our operations in Kosovo.

CLOSING

Congressional debate on national security issues is vital, healthy, and helpful. This hearing is one part of our intensive, continuing dialogue with Congress on the Kosovo crisis. I was grateful that a number of members of Congress have traveled to visit our troops and consult with our allies in Europe. We have seen a strong and growing consensus in Congress and in the country for the campaign that we have under way. NATO is engaged in a serious military effort in Kosovo. It will not be quick, easy, or neat. We have to be prepared for the possibility of casualties among NATO forces. But we cannot falter, and we will not fail. Our engagement in Operation Allied Force is justified by U.S. interests—strategic, political, and humanitarian. We intend to see it through. I urge your prompt and full support of our fiscal year 1999 supplemental appropriations request. Together we must work to promote the success of our critical operations in Kosovo and Southwest Asia and to ensure the future readiness of U.S. forces.

RESPONDING TO CONGRESSIONAL INQUIRIES

Dr. HAMRE. If I might begin by first apologizing to you, Senator Burns. I know that you had written to us in March. I am very embarrassed that you have not received a letter yet in response to that. Before the day is out, you will hear from me and I will find out what is going on. I am sorry.

Senator Bond, you raised your concerns that we have not been forthcoming to you as to what units are involved in the operation and the expenditure rate and things of this nature.

I do not know what you have asked for and what you have been denied. I will get on top of that, because I see no reason why our oversight organization should not have answers that they legitimately asked that we have to be responsive to. And I will certainly find out about that.

Senator BOND. Mr. Chairman, if I may, we were advised that NATO told you you could not provide us the information, which really lit my fire.

Dr. HAMRE. Sir, I can understand that.

Because this is a coalition operation, we really do have to operate within general framework that we have worked out with our allies.

I still believe we have an obligation to respond to you as an elected member of the Congress and in your oversight responsibilities. And, again, I will get back to you and try to work through that, sir.

And, Senator Harkin, I am unaware of the study the General Accounting Office (GAO) has done about our stewardship. I am to meet with the head of GAO this afternoon on a courtesy call, and I will raise it with him and find out more about this study that you are alluding to. So I will follow up on that, sir.

Senator, thank you very much for hosting the hearing and for inviting me to participate in it. I will be very brief.

PREPARING THE SUPPLEMENTAL REQUEST

If I might just relay: When we were building the supplemental and you ask a number of questions about "How could you anticipate it?" and things of that nature, we worked in probably an unusual relationship this year with the Office of Management and Budget (OMB), because things were moving fast, and we knew the magnitude was such and occurring so late in the fiscal year that it would have very serious readiness problems if we could not get funded.

We had an unusual cordial and cooperative working arrangement in building this supplemental. To my knowledge, anything that we could identify as being tied to the war and would make a difference in fighting the war, we got what we asked for. It was not an issue.

There was a test that was applied to us, which is if it is a nice thing to do, for example a new runway, in some place in Europe, but it was not immediately tied to the war effort, they said, "That is—that might be a perfectly legitimate issue, and you ought to pursue that in the normal authorization and appropriation process. It is not something for the supplemental."

But anything that we needed to fight this fight and to be able to carry out this operation, we were given. And so I—and that is one thing I would ask you to think about as you are looking at the extra supplemental funding if you want to provide it to us is that, we will take what you feel we need, and we will be very open with you about our needs.

We think the test is probably the same that OMB imposed on us, which is: It has to be tied to the war, or it has to be tied to this conflict, and it has to be something we can really execute in the time frame of our supplemental. Otherwise, it really belongs in the normal authorization and appropriations process.

Now, Senator Byrd raised, I think, a very tough question. And that question was, "Should we anticipate the costs of this operation and budget for it in advance?"

Now, I was on the receiving end of a very sharp lecture from Senator Byrd about three years ago when it came to budgeting in advance for operations. And I remember he read for me a book—it was a parliamentarian during the Revolutionary War on the British side, who was complaining about how the Royal Army was hiding away little pots of money and doing all sorts of duplicitous things.

I was the comptroller at the time. And I—he was giving me lots of good ideas, which I have not been able to execute on. [Laughter.]

And—but this gets to be one of those very real problems. Do we budget in advance for something we do not know if it is going to occur or not occur?

And there are no funds that we are asking for now to continue operations past the 30th of September. I think that is a very important policy question.

But I do not know what I would ask you for right now. I do think that we have to ask for your resources for a supplemental, that we be able to undertake our current operations through the rest of this fiscal year. And I hope that Milosevic and others come to their

senses and try to reach an accommodation and we do not need to spend all this money.

But I cannot tell you with good conscience that we will not need to spend the money through at least this fiscal year. So we have asked for that. And we have only asked for the things that we currently have agreed—agreement that we are going to do.

We have not asked for money for ground operations, because we are not contemplating ground operations in a hostile environment.

I do recognize if you get into what is the longer term questions—Senator Specter, you raised that, "Where is this going?" Senator Byrd asked that "Should we be budgeting for it?" I really do not know how to do that right now.

But I do recognize it is a very important question for us all to be contemplating. But nothing that we have asked for here is being denied us ability to carry the operation out that we are currently directed to carry out through this fiscal year.

READINESS CONCERNS

I think the third issue that was put before us is, you know, is our readiness broken? And do we have to add extra funds because we are a broken military? I do not think we are a broken military. We are under stress. We are working awfully hard.

We have got people deployed in many places, and we had not anticipated that. And there is a lot of strain that comes with that.

But we have been able to carry out these missions in the time lines the President gave us. And I think—our underlying readiness, while we are stretched, I think we are OK.

But if we do not get this supplemental, we are going to be broken. And we are going to need this supplemental really before the Memorial Day recess, because we really only have six months left in this fiscal year. And without the additional resources now, we are going to have to fundamentally just shut down operations in order to cover these bills.

So I would ask for your help. And I know you are committed to doing that. You have put this on a fast track. Had it not been for your leadership, I am not sure it would be this fast. So I thank you for it, sir.

Thank you very much. And I would be glad to answer any questions.

Chairman STEVENS. Thank you very much, Doctor.

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

STATEMENT OF HON. J. BRIAN ATWOOD, ADMINISTRATOR

Chairman STEVENS. Mr. Atwood, I have a dilemma. You see the number of people we have at this table and the primary issue this morning is military.

You are coming up Thursday morning, I understand it, to the Foreign—for our Foreign Assistance Subcommittee. Unless, there is a serious objection, I would like to ask you to make your statement and let us have questions of you at that time rather than now, because I—we are just not going to get through by 12:30.

And all of us are going to conferences. This is going to be one of the subjects of those conferences on military aspects.

So would you mind, sir, if we asked you to make your statement and we will address questions to you on Thursday morning?

Mr. ATWOOD. Absolutely—I would be delighted, actually. [Laughter.]

Chairman STEVENS. Is there any objection? Any objection?

[No response.]

Chairman STEVENS. Therefore, give us your statement, Mr. Atwood. So we get—in relevance to this other——

Mr. ATWOOD. OK.

Chairman STEVENS. It—it is really one-eighth or one-sixteenth of the total by the time we are through here and—but it is a very important portion. I do say that.

But I do not see any reason to be redundant. We will be questioning you on Thursday morning also.

Thank you.

Mr. ATWOOD. Mr. Chairman, let me be very brief, because Jack Lew has covered the International Affairs account request that we made of you today, but I do want to share some thoughts about my recent trip to Albania and Macedonia and reflect a bit on your comments as well.

I do appreciate very much the fact that you were recently there. I would say this, that even since I was there—and I have come back only a few days ago—the situation has changed. This is a situation that changes on an hourly basis.

We now have 365,000 refugees in Albania. When I was there, it was about 340,000. There are 138,000 in Macedonia, and when I was there, it was 122,000.

So we really continue to be under tremendous pressure to handle these refugees. I have to give great credit to the host families who are taking in people. It is clear that we cannot build camps fast enough to handle the flow of refugees that are coming.

If I had a central message, Mr. Chairman, for this committee as it considers the supplemental request, I hope you will understand that this—the refugees and the humanitarian aid that we are requesting—is an integral part of this entire NATO undertaking.

The refugees are not a byproduct of the war. They are the central fact of the war. And Milosevic has cruelly forced these people from their homeland. And when it suits his purpose, he turns the spigot off and on.

There was evidence when I was there that he was taking people from various quadrants. His military would surround a section of Kosovo and just drive everyone out either by train or forcing them out through fear to the borders of Macedonia and Albania.

There is no question in my mind that one of the goals that he has is not only to ethnically cleanse Kosovo, but possibly to destabilize Macedonia and Albania as well.

And this request that we have made of you includes assistance for those countries, so that he will not be successful in that goal.

The refugees themselves are coming out in very poor shape physically. The camps, I think, have been run well. But as Senator Mikulski indicates, we are talking about finite organizations. The Catholic Relief Service has a number of people that it has on its payroll.

The person that was running the camp in Brazde, the camp that you saw, is a person that was taken from the Phillippines to move quickly into the breach.

We have people from both CARE and Catholic Relief Services and the International Rescue Committee that are working on Hurricane Mitch, or working on the situation in Sierra Leone.

There are a finite number of so-called humanitarians in the world that are working on these crises, and a finite number of people, I might add, from the U.N. High Commission for Refugees Office (UNHCR).

We need desperately to augment what UNHCR is doing in this situation. We need to augment what the NGOs can do. And the resources we have requested are partially going to help solve that problem.

I say partially, because I want to make it clear that other nations are also contributing. Our traditional contribution to U.N. appeals for these kinds of situations is 25 percent, and that is the basis for our request.

I agree with the comments made about our military. They have performed heroically. They have also performed very well on the humanitarian side and, frankly, we would not be able to handle these numbers of refugees if the military had not been there to build some of these camps.

But I also want to say a word for some of these relief workers that are performing with exceptional courage in conditions of great personal danger.

When I was in Albania, the relief community was deeply saddened by the death of two Americans, David and Penny McCall, who were Board members of Refugees International, who were killed in an automobile accident on the road to Kukes.

I cannot tell you how many times I have said to members of Congress and other groups that I have spoken to since I took on this job that this road to Kukes is very dangerous. And it is deteriorating rapidly, and we need to do something about fixing it.

Well, this is exactly the road where these people went off a cliff, fell about 4,000 meters and were killed instantly.

Their dedication, it seems to me, is representative of thousands of relief workers around the world who place themselves in harm's way in order to relieve human suffering.

Mr. Chairman, just to briefly sum up again, we are requesting $386 million directly for support of the humanitarian situation that we face today.

This is money for disaster relief, with commodities, tents, medical kits, the like, for food, for the refugees themselves, in support of the U.N. operations there; and also for support to the countries so that they can fix some of the infrastructure that relates directly to the humanitarian operation, and also give some support to the host families that are taking a great deal of this burden.

There is also support for the frontline states, or I prefer to call them the neighboring states, who are under tremendous budgetary pressure.

The government of Macedonia, some 30 percent of its trade was with Belgrade, with Serbia. That country is in very bad shape economically now. They had expected to see economic growth. The same is true of Albania, and even as far away as Bulgaria and Romania.

These countries are suffering because of this war. The World Bank has done a very good assessment on what their needs are.

We want to contribute some ten to eleven percent of the overall effort to provide balance of payments and economic assistance support to them so that those countries will not be destabilized and so that our $3 billion investment in the support—the support for Eastern European democracy over the years is not threatened by this war.

We also want resources for police training and I would relate this again directly, if we can—if we can train refugees to do police work, it will enhance the effort once we get into Kosovo, and it will be part of the exit strategy for our military as well. We need obviously to do this.

There is $5 million for the war crimes tribunal, to assist in documentation of atrocities and other war crimes. There is $25 million for State Department operations to support U.S. diplomatic facilities operating under crisis conditions. We are in desperate shape. I visited, as you did I believe, our embassy in Macedonia. It was attacked some three weeks, four weeks ago now.

Our embassies are really stretched very thin. People are working around the clock, and we really need the operating expense resources that we have requested here, so that we can maintain these operations.

Mr. Chairman, I will cease and look forward to answering your questions on Thursday.

PREPARED STATEMENT

Chairman STEVENS. Thank you very much. You should be alerted, we think you need a little bit more money there too, based on our visit. We will talk to you about that on Thursday.

[The statement follows:]

PREPARED STATEMENT OF J. BRIAN ATWOOD

Mr. Chairman and Members of the Committee: It is a pleasure to be here to speak in support of the President's supplemental request for humanitarian assistance to the Kosovo refugees and for support of the frontline states of the region.

I have just returned from Albania and Macedonia, where I met with refugees, relief workers, diplomats, officials of the frontline states, representatives of nongovernmental organizations, and leaders of NATO. On the basis of what I saw and heard, I feel strongly that the refugee crisis must be seen in the context of the entire military and political crisis in the Balkans. The humanitarian aid we propose is an integral part of the total NATO undertaking.

The refugees are not a byproduct of the war. They are the central fact of the war. Slobodan Milosevic has cruelly forced these people from their homeland, and when it suits his purpose he cynically turns their exodus on and off like a spigot. He is attempting not only to seize their homeland but also to use their plight as a weapon to destabilize other countries in the region. His actions are ruthless and criminal and cannot be permitted to succeed. That is why the funding we propose is intended not only to meet the urgent needs of the refugees but to strengthen this entire region as it confronts this unprecedented challenge.

It is difficult to convey the scope of this disaster and the horror that has been inflicted on these innocent people. Something like 700,000 men, women and children have been forced from their homes and have crossed the borders into Albania, Macedonia and Montenegro. No one knows how many are still in hiding in Kosovo—estimates go as high as 800,000 or more—or how many have been executed.

The refugees are in bad shape, physically and psychologically. They have been traumatized by the brutality of Serb military forces. Many have seen their friends and loved ones killed and their homes burned to the ground. They have been herded onto trains, or forced to flee on foot, and deported from their country. Many have been tortured. Parents are desperately concerned about the fate of their children, and thousands of children have become separated from their parents. By some estimates, two-thirds of those in the camps are children. To see these people's courage in the face of such adversity is to realize that we must pursue our humanitarian mission just as vigorously as we pursue the military actions that will end this aggression and bring these people home.

I cannot say enough about the heroic performance of the aid workers I met. Some are American, others are from many other nations, and all are working tirelessly to bring life and hope to the refugees. I'm particularly proud of USAID's two Disaster Assistance Reponse Teams that are in the area, one in Albania and one in Macedonia. These teams serve as our eyes and ears on the ground, gathering invaluable information in support of our relief efforts.

Throughout the region, relief workers are performing with exceptional courage in conditions of great personal danger. When I was in Albania, the relief community was deeply saddened by the death of two Americans, David and Penny McCall, board members of Refugees International, who were killed in an auto accident on the road to Kukes, along with the organization's European representative, Yvette Pierpaoli. They died as they had lived, while helping those in need. Their dedication was representative of thousands of relief workers around the world who place themselves in harm's way every day to relieve human suffering.

Before outlining the supplemental request, I should note that the United States government has been active in meeting the present crisis since it began early last year. Since March 1998 our government has provided more than $184 million in humanitarian relief to deal with the crisis, including about $77 million from USAID, $48 million from the Department of Defense and $59 million from the Department of State. USAID's Bureau for Humanitarian Response has provided more than $31 million in commodities and grants to NGOs and over $46 million in Title II food aid to meet humanitarian needs in Albania and Macedonia. Since March 24, we have sent to Albania 700 tents, 20,000 five-gallon water jugs and 15,000 hygiene kits; during those same weeks we have sent to Macedonia 94,000 blankets, 2,260 tents, 1,630 rolls of plastic sheeting, 33,600 five-gallon water jugs, 300,000 humanitarian daily rations, and 35,000 hygiene kits. And yet the flood of refugees demands an even greater response.

Mr. Chairman, the President's supplemental request includes $591 million to be used for Function 150 humanitarian assistance for the refugees and for urgent economic support to the frontline states during the remainder of this fiscal year. This funding will support programs carried out by both the Department of State and USAID. The $591 million includes $386 million for humanitarian assistance; $150 million for assistance to the frontline states; $30 million for security assistance; and

$25 million for diplomatic operations of the Department of State and other agencies in the region.

HUMANITARIAN ASSISTANCE

We do not know how many refugees will ultimately need our help. In addition to those who have already crossed the borders, there are a great many more men, women and children in Kosovo who have been driven from their homes but are still in hiding in Kosovo and must be assumed to be in urgent need of assistance. Our plans are based on care and maintenance for up to a million or a million and a half refugees and internally displaced persons for the rest of this fiscal year.

The $386 million for humanitarian assistance includes $220 million for refugee assistance. This comprises $125 million for the Department of State's Migration and Refugee Assistance Account and $95 million for State's Emergency Refugee and Migration Assistance account to respond to urgent refugee needs by supporting programs carried out by international and nongovernmental organizations. The funds will be used for life-sustaining assistance to people uprooted by the Kosovo crisis, to support the multilateral effort to transport Kosovar refugees to temporary shelter in other countries, and to provide resources should additional refugee needs arise.

This humanitarian assistance also includes $71 million to USAID for International Disaster Assistance. Of this amount, $68 million will both replenish the disaster assistance account for help already provided in the region and also provide additional funds to assist Kosovo refugees for the remainder of the fiscal year. The basic relief assistance provided for includes emergency shelter, adequate water and sanitation, food, clothing, and medical care. In addition, many of the refugees have been traumatized by the brutality that has been directed against them by the Serb aggressors and are in urgent need of counseling.

A large percentage of the Kosovo refugees are not in traditional refugee camps supported by the United Nations High Commissioner for Refugees, but are in private homes and other facilities. These kinds of unconventional arrangements are likely to continue and expand as refugees continue to grow. The humanitarian assistance requirements for refugee communities living in these unconventional arrangements are substantial. USAID's Office of Foreign Disaster Assistance, working through private voluntary organizations, will provide prompt and crucial support to the affected communities and will provide essential assistance within the more traditional refugee camps.

USAID expects to be called upon to support a variety of programs for the air, sea and land distribution of food, medicine and other supplies. USAID also expects to play a role in short-term infrastructure support, such as repairing roads and local water and sanitation systems that are overwhelmed by the influx of refugees. Such assistance is essential to maintain current and future relief efforts. When it is possible for the refugees to return to their homes, we intend to have the people, programs and supplies pre-positioned to address needs in Kosovo. These funds will also support the work of USAID's two Disaster Assistance Response Teams (DART) in the region, which are playing an extremely important role in assessing needs in the frontline states and refugee camps and advising and coordinating the U.S. relief operation.

This $71 million also includes $3 million to support the Federal Emergency Management Agency's role in the crisis, including its operation of a 24-hour, toll-free phone bank for private donations. This phone bank has thus far received 41,000 phone calls and has referred these potential donors.

Finally, the humanitarian assistance includes $95 million humanitarian assistance to frontline states and Kosovars funded by the SEED (Support for Eastern European Democracy) account. The $95 million is for assistance for countries in the region affected by the crisis and to address regional requirements for the safety, well being, and return of Kosovar refugees in Albania, Macedonia, Bosnia and Montenegro. These funds would be used for such activities as repair or strengthening of host-community water wells, roads, power systems, schools and clinics that are used to serve the refugees; assistance for traumatized victims of the refugee crisis; support for local nongovernmental organizations that assist the refugees; job creation in host communities; and support for voluntary organizations started by the refugees in the camps.

ECONOMIC ASSISTANCE TO THE FRONTLINE STATES

The requested $150 million includes $100 million for balance of payments relief and $50 million of bilateral assistance to the frontline states. These funds are intended to counter the destabilizing effects, both political and economic, that the refugee crisis is having on the states around Serbia. Because of the crisis, these states'

commerce and tax revenues are falling while the demand for their services is skyrocketing. These funds will be used to provide stability in countries that are in the midst of difficult transitions from communism to free-market democracies and are offering vital support to the NATO coalition. In addition to the proposed U.S. assistance, the International Monetary Fund, the World Bank and the European Union will supply a larger amount of funding to help these countries survive the pressures that now beset them.

Of the proposed $150 million, $100 million from the Economic Support Fund account will support a campaign largely carried out by international financial organizations to close the balance of payments gap for the independent countries of Albania, Bosnia, Bulgaria, Macedonia and Romania, and for Montenegro, which is part of Yugoslavia. (The tentative breakdown is Albania, $7 million; Bosnia, $22 million; Bulgaria, $25 million; Macedonia, $22 million; Romania, $14 million; and Montenegro, $10 million.) The World Bank, IMF and the Department of the Treasury believe this is an effective way to bolster these counties, all of which are supporting the NATO war effort and the international effort to assist the refugees. For Montenegro, whose independence within Yugoslavia is threatened, our approach is bilateral because the World Bank and IMF cannot work with the Yugoslav government.

Additionally, the administration is requesting $50 million in SEED assistance to the frontline states to strengthen friendly and reform-minded governments; to address several economic and social pressures caused by the crisis; and to protect the $3 billion SEED investment already made in this region. (These SEED funds have gone for strengthening the rule of law, developing financial institutions and free markets, supporting elections and a free media, and developing local governments and nongovernmental organizations.) Initiatives would include training law enforcement officers, providing financial advice to governments and financial credit to small entrepreneurs, and supporting public health projects in areas serving refugees.

SECURITY SUPPORT

$30 million is requested for security programs, including $25 million for preparations to establish a local police force in Kosovo so that such a force will be available as soon as possible after the Kosovars are able to return to their homes. Additionally, $5 million is requested to support the documentation of war crimes and other atrocities by the International Criminal Tribunal for the Former Yugoslavia. The Tribunal has been charged by the international community with investigating alleged war crimes and bringing offenders to justice. U.S. policy strongly supports such action.

DIPLOMATIC OPERATIONS

The requested $25 million would help meet the diplomatic and security requirements arising from the crisis, including increased operations and protection of personnel stationed in the region.

Mr. Chairman, these outlays make up the $591 million that the President has requested for Function 150 humanitarian purposes. We are not alone in taking action to meet the crisis that has been caused by the Serb aggression and its massive violation of the basic human rights of the ethnic Albanians in Kosovo. A larger amount of assistance is being provided by the European Union and other countries, and it is important that all developed nations join forces against the Serb aggression. But it is also important for the United States to provide its traditional "fair share" of twenty to twenty-five percent of major international humanitarian assistance programs, both to maintain our historic leadership role and because of our strategic interests in this part of the world. There will be need for a major reconstruction program in Kosovo once the refugees have returned to their homes. We expect that the European community would take the lead in such an effort, though we should be prepared to contribute.

Thank you, Mr. Chairman, that concludes my formal statement.

Chairman STEVENS. Ladies and gentlemen, Senator Byrd has concurred with my suggestion that we limit questions to seven minutes per person.

That will take us roughly an hour and a half to get through the first round and even more than that, as a matter of fact, but we will have more than one round if we have to do that.

Let me start off, Mr. Lew and Mr. Hamre—and Mr. Atwood, if you do not mind, we will excuse you if you do not want to stay,

not that we do not want you to stay and listen, be my guest, but I will see you Thursday morning.

Mr. ATWOOD. Thank you.

Chairman STEVENS. I brought back a series of the papers we had briefings on. I am going to just pass it along here. I cannot mention some of those numbers in there, but I want members on each side to see what we were briefed on.

This is to both of you. Even at the time we were there, we had roughly one-fifth of the deployment of aircraft that are anticipated to be on station there by the end of next month.

IS FUNDING SUFFICIENT TO MEET THE EVOLVING SITUATION ON THE GROUND?

This supplemental was given to us at a time when—if you will recall, Mr. Lew, our conversation—that many people thought this was going to be a short war. As a matter of fact, you and I talked about just maintaining the image of having enough money to take us to October because we did not want Milosevic to think that we were not going to stay there for the long haul.

Our conclusions after the trip we took, the 21 of us, is the long haul goes way beyond October. Now, we may be wrong, just as the original suggestion that it might be short of October by the time we got out of there was wrong.

But from my point of view, listening to the things we heard over there, I came to the conclusion that this is going to be a lot more expensive.

So let me just ask you a basic question to start with. We are paying for all of the costs of our military deployment over there, are we not?

Mr. LEW. Yes. We are.

Chairman STEVENS. NATO is not contributing at all to our deployment.

Mr. LEW. Well, Mr. Chairman, the—the division of responsibilities is that—each of the NATO allies takes their responsibilities, and we each pay for our share.

Dr. Hamre knows the details of this better than I do, but overall we are undertaking roughly 60 percent of all the sorties. And we pay for that. But we do not pay for the other share that our allies are undertaking.

Chairman STEVENS. Well, that may be true of the 60 percent of the sorties. This document does not show that.

Mr. LEW. Yes.

Chairman STEVENS. But it is—90 percent of the total effort over there is U.S. supported right now.

Mr. LEW. Well, if—if I can try and respond to the first part of your question in terms of what we have funded, I cannot speak to the exact number of aircraft that are deployed.

Chairman STEVENS. I can. I can tell you what they told us were there.

Mr. LEW. No.

Chairman STEVENS. And I know now what General Clark told us he is going to ask, which is 1,000 at least.

Mr. LEW. I could discuss privately with you some numbers that we cannot discuss in an open hearing, but just to give you a sense——

Chairman STEVENS. OK.

Mr. LEW [continuing]. We have budgeted for considerably more aircraft than are in theater now.

Chairman STEVENS. If you budgeted for two and a half times the amount that is on that sheet, you still would not be 50 percent of what Clark told us he needs.

Mr. LEW. Well, we have budgeted for everything that General Clark has requested and we anticipate that the requests are comprehensive.

So to the extent that there are additional requests that we have not seen, I cannot comment on those.

The number of aircraft that are funded is over 750. The number of uniformed personnel we have funded is just under 30,000. We have a carrier battle group and support ships, and a marine amphibious ready group.

It is a very robust level of funding and a very strong and sustained level of continued military operations.

I would defer to Dr. Hamre in terms of the technical detail of what is contained within the 750 aircraft, but I will say that is considerably more aircraft than are in theater right now.

Chairman STEVENS. Well, because of the apparent, probable partisan nature of this debate, I may have to call a secret hearing so we can get to these numbers and people can understand them as they were given to us.

Now, the numbers that were given to me do not accord with what you have just said. They are in that briefing that was given to us at the time and that is just seven, eight days ago.

But—but beyond that, if you look at the situation when you and I first talked, it was with——

Mr. LEW. It was right before your trip, Mr. Chairman.

Chairman STEVENS. Yes. At the time, we were operating two bases that were not in use for Bosnia, that were associated with Kosovo. Today, that chart shows 16.

Now, when you look at the massive buildup that is coming there, I do not see—you got a good crystal ball, but I just do not see that what you have asked for carries out our original intent to maintain the support for what we have got there through October, at least.

So let me ask you this: What about the systems that they say they want? What about the electronic warfare priorities they gave us? What about their recognizance priority that they gave us?

You did not have that until we got there, and I did not have it until we got there. Now, are you going to objective if we fund what they told us they need?

Mr. LEW. Well, Senator——

Chairman STEVENS. I am just asking that one question now. Are you going to object if we fund what those military leaders told us they need to protect their people?

Mr. LEW. We have endeavored to fund fully the request that they have made. It is hard for me to respond to requests that we have not seen, so if I could, let me respond in a way that reflects the objectives of the funding package.

In my opening remarks and all the conversations that we have had, in all of my public statements, I made very clear that some of the costs of this operation can be estimated with precision, and some of the costs of this operation require flexibility because there are demands that cannot be fully anticipated.

We have endeavored to construct a package that gives, I think, unprecedented flexibility to the Department of Defense to deal with upward pressures, so that they will not be mission constrained, because of resources.

To the extent that we are in a course of working on this package, in discussions where additional flexibility consistent with that principle would be appropriate, we have made clear that we have exercised some subjective judgments. What we have done in exercising subjective judgments, frankly, is we have gone high, not low.

I think you have to distinguish those kinds of issues from non-Kosovo-related funding matters. And Dr. Hamre in his opening remarks, I think, drew a very useful distinction. We think it would be unwise to proceed into the broader defense matters that are not related to Kosovo and——

Chairman STEVENS. Now, wait a minute. I have got only seven minutes. I heard him, but he was not talking about the things they requested of us.

Dr. Hamre, let me ask you.

Dr. HAMRE. Sure.

FUNDING FISCAL YEAR 2000 ITEMS

Chairman STEVENS. The Department of Defense has taken assets from South Korea, right? I know they have taken the F–15s from Alaska, which were backups to South Korea. You have taken assets from Kuwait and from Saudi Arabia. They are over there now, right?

Dr. HAMRE. We——

Chairman STEVENS. In the 2000 budget, you have requested additions in both of those categories. Again, we are under some classification here. But you have requested—I think you know what I am talking about—in three categories really.

Dr. HAMRE. Sir——

Chairman STEVENS. Why can we not pull those things that you got in the year 2000 up now and start now? If you start them—if you—if we wait for the bill that is going to pass sometime in September or October—God knows when; you know how that develops—you will not be ordering those until next January.

Now, if they are to be there in time to help this thing, if we have to go beyond October, why not advance those things that they told us they need now and get them under contract and get them delivered before October?

You can do that. You know you can do it. The lines are out there. They are running in the items you have requested for the year 2000.

Why do you disagree with us but when we—on that list I have given out, we are accelerating the request that you have already given us for the year 2000? Now, what is wrong with that?

Dr. HAMRE. Sir, I—I am—I am not trying to be disputatious. I—I honestly think that—again, our ground rule was to buy some-

thing in the supplemental. The supplemental is to supplement the fiscal year 1999 funding.

Chairman STEVENS. But you may need these in this fiscal year.

Dr. HAMRE. Yes, sir. And that was a question we do not—I do not know how to forecast what our operations are going to be after this fiscal year.

Chairman STEVENS. Well, I do not like the way you forecast these.

Senator Byrd.

Dr. HAMRE. Sir, may I——

Chairman STEVENS. You only get seven minutes. It is seven minutes, Mr. Hamre.

Dr. HAMRE. May I take 30 seconds, though, to say one thing, sir? If I can sit down with you and your staff to look at what you have and to try to reconcile it—I do not believe that Wes Clark would ask you to fund something he would not ask us to fund.

Chairman STEVENS. Well, that——

Dr. HAMRE. And if he has——

Chairman STEVENS. I am going over my time. I will have time later. Do not worry.

Dr. HAMRE. Yes, sir.

Chairman STEVENS. We are going to stay here until we get the answers that we need to determine this bill.

IMPACT OF CRUISE MISSILE FUNDING ON SECURITY WORLDWIDE

Senator BYRD. Dr. Hamre, I agree with you that it is not possible to foresee all the things that you may be faced with. The coming events do cast some of their shadows before them.

You ran out of cruise missiles. Surely someone must have been in the position to foresee a possible shortage of those cruise missiles. And as the Chairman has just said, you are withdrawing assets from Alaska and various other areas.

And it seems to me that there could be better foresight shown than has been. It is easy, I understand, to be critical.

TWO WARS STRATEGY AND READINESS

But let me ask you: I have heard it said that we have the resources to fight two wars simultaneously. Do you believe that? And does it make any difference where those wars are fought and with what countries?

Dr. HAMRE. Senator, we—the—first to—to the second question, the bigger question, we have never said we can fight two wars simultaneously.

What we have said is that we would want to structure our resources in a manner so that we could unequivocally fight one major regional contingency, a war, and be able to have enough resources to deter our opponent from accomplishing their objectives in a second theater until we can clean up the operation in the first and move resources over to take care of the second, very much the same swing strategy we had in World War II.

And that is our strategy. And I think we do have the resources for it, but right now we are committing the equivalent of one major regional conflict (MRC) worth of air assets for this operation. This is a—this is a major activity for us.

So as to your second question and that is on cruise missiles, first, we have not really run out. We are—we are constrained in our resources. And we have asked for an acceleration for our modification program to supplement those that we have—that we have used.

What we really found is that we are in a transition point in our precision munitions. The new generation of precision munitions are one to three years away. We have funded them as fast as we can, and we really cannot accelerate them very much. And we had, frankly, thought we could live with the resources we had before. And we found out we could not. We now need to supplement them with your help.

Senator BYRD. Well, I think we all agree that the fighting in Kosovo is having very serious effect on U.S. military readiness in other parts of the world, particularly Iraq and North Korea.

Are you confident in our ability to handle a flare up in Iraq and/or North Korea?

Dr. HAMRE. Sir, the very opening days of the Kosovo operation, we did divert aircraft from the northern fly zone—no fly zone area in Turkey, but we have since returned those aircraft. So the assets that we have had for the last year maintaining the—the Northern Watch and Southern Watch mission in—around Iraq are intact today, even with the ongoing operation in Kosovo.

We did divert an aircraft carrier from Korea, and the reason is that is an asset that you can move to a theater. There is very limited terrain and geography in the Balkans to operate a—an air campaign, and so we frankly needed another aircraft carrier.

But we were able to supplement that by bringing land-based air into Korea and that is what we are doing. We thought that was actually a fairly prudent step to take.

Senator BYRD. Well, I have to say that it is with a considerable amount of incredulity that I hear you state we—perhaps you have not—have never said that we are prepared to fight two wars simultaneously.

I have been under that impression for a long, long time, not just under this administration, but under previous administrations——

Dr. HAMRE. Well, I——

Senator BYRD [continuing]. That we are prepared to do that, that they have the resources.

Dr. HAMRE. Well——

Senator BYRD. I suppose it would depend, of course, on where and with whom.

Dr. HAMRE. Yes, sir. But I am trying to be very precise in answering your question, sir.

ECONOMIC RECONSTRUCTION IN THE BALKANS

Senator BYRD. You have certainly taken me by a little bit of surprise.

Mr. Lew, I am concerned about who is paying the bills here. I read with interest, as we all did, the announcement that NATO nations plan to implement a major reconstruction program in the Balkans once the conflict is resolved.

Is the administration planning to seek funds at a later date? I presume there are no funds in this supplemental for that purpose.

Mr. LEW. That is correct, Senator. There are no funds in this supplemental to proceed with reconstruction. There are funds that will permit us to engage in discussions and planning, but not to commit to the reconstruction.

Senator BYRD. Is the—let me ask another question. Again, then, is the administration planning to seek funds at a later vote, at a later date to help rebuild Kosovo and shore up the economy of the Balkans?

Mr. LEW. We have no immediate plans to submit additional supplemental funding requests.

With regard to reconstruction, the President has spoken to the issue. Secretary Albright has spoken to the issue. We are very concerned, as are the Europeans, that there is an enormous need for reconstruction, but we share the view that there needs to be a very substantial involvement of the European allies in any such efforts. The conversations have led us to believe the Europeans will take considerable responsibility.

I cannot sit here today and tell you that we would not at some point in the future perhaps have a proposal in this area. But we do not today have a proposal that we are putting before you or any immediate plans.

And we are very cognizant of the fact that efforts after the conflict is over would require very, very substantial European participation.

I am encouraged by the reports I have had of conversations to that effect, and I do not think that we are alone in that view.

Senator BYRD. Well, I believe—I believe that Europe has the greatest stake in a rebuilt and revitalized Balkan economy. And I would trust that the administration would not get out too far ahead of the Congress in contemplating a large share or the lion's share of the costs of rebuilding the Balkan economy.

It seems to me I read somewhere that the President was advocating that we—that the United States would belly up with 25 percent.

Mr. LEW. No, I do not believe he has ever indicated that.

WHAT SHOULD BE THE U.S. SHARE OF THE COST OF THE MISSION?

Senator BYRD. OK. Well, what do you believe that the U.S. share of such an effort should be if there have been any discussions along that line?

Mr. LEW. It is very difficult for me to respond to where we should go after the conflict. The conversations there are ongoing, and there is not a comprehensive plan. So to suggest what the U.S. participation would be is premature.

The United States has played a very important role throughout this operation in providing leadership. We continue to provide leadership both militarily and in terms of the humanitarian effort.

The portion of this supplemental request, the $150 million of assistance for frontline states, we think is a part of that leadership. We need now, in a moment of crisis, to shore up some of the young democracies, the nations that are struggling, that were struggling prior to the conflict.

Senator BYRD. Mr.—my time is about to run out. The leadership does not require that we pay—pay all the bills or most of the bills

or that we furnish most of the manpower. The leadership does not require that.

And it seems to me that inasmuch as the United States is—is paying—is providing the major share of the costs of this war so—so far, that the European nations should contemplate having to restore the economy and rebuild and do whatever rehabilitation of the infrastructure that has to be done following the close of the—of the conflict.

Well, the United States should not—the taxpayers of this country should not have to do that. And I think the—I think the administration has gotten out a little ahead of the Congress with respect to where we are over there now.

I hope it will not get too far out in front when it comes to the rehabilitation of the areas that we are having to—to bomb and destroy.

Thank you, Mr. Chairman.

Chairman STEVENS. Senator Campbell.

Senator CAMPBELL. Thank you, Mr. Chairman. I just would like to associate my comments with Senator Byrd's. There is no question in my mind that——

Chairman STEVENS. See, if you can pull that mike over towards you.

HOW ARE THE KOSOVO MISSION COSTS PAID FOR?

Senator CAMPBELL. Yes, sir.

They got out ahead of themselves. They got us into somebody else's civil war, and I guess they expected to get us out in a couple of months without any cost. It is not going to work out that way. I have heard, as my colleagues have, that this is just the first—the down payment. I really—I really believe that.

And if—I think we are being naive if we think that this is going to be the last time we are asked for emergency money as the cost goes up.

But I wanted to direct my—a couple of questions about the comments I keep hearing about how this—it is my understanding that the administration plans to take this requested money—"borrow," I guess is a better word—out of the Social Security trust fund.

Could you—would you like to elaborate on that a little bit?

Mr. LEW. Senator, the President proposed that this funding be emergency funding without offsets.

We have long held the view that the Budget Enforcement Act of 1990 provided this emergency authority for very good reason, that when a military conflict or a natural disaster occurs, it is simply impossible to go back on each occasion and make the reductions in other areas in the short time necessary to respond to the urgent need. So this is not a new view for the administration.

Senator CAMPBELL. The answer is yes.

Mr. LEW. No, I would not agree with that. I think that we might disagree as to what the nature of emergency funding is.

We think emergency funding comes before you calculate the surplus. It is something that does not come against the surplus. It does get to the bottom line that there is a smaller surplus, but the emergency authority was provided for that reason.

Senator CAMPBELL. OK. Well, let me go on a bit, because we are already getting calls, and I am sure the other Senators are too, from seniors who know we have been talking the last two months on how to make sure we keep the Social Security trust fund solvent, how we are going to make sure people get the money that they have paid in when it is their turn.

Maybe, you can give us an idea about how we go home and tell the seniors now that we have been doing our best to protect Social Security, how we are now going to use the money to fight a war.

Mr. LEW. Senator, I would say that being prudent, our use of the emergency authority is the first step. Showing that we are going to use the emergency authority to fund emergencies is the way to have credibility in using the emergency authority.

So I would urge the committee as it looks at its requests for additional funding that it be kept in mind, because I think that the American people understand that Kosovo is an emergency. They understand that there is a need when there is a humanitarian crisis, whether it is in Central America or in Europe, for us to respond. They do not understand when we use the label for things that do not look like emergencies.

Now, as far as the funding for Social Security goes——

Senator CAMPBELL. I think they understand the humanitarian effort, but if you think you can go down to the senior Senator center—senior Senator—[laughter]—senior center and explain to them that we are going to use their Social Security money for it, you are wrong. You have not been out there much. But let me go on.

Mr. LEW. Senator, if I might——

Senator CAMPBELL. I only have seven minutes, so I do not want to take all the time just on that one thing.

But you said there will not be any offsets to this, is that correct?

Mr. LEW. We have proposed it as an emergency without offsets, that is correct.

Senator CAMPBELL. All right. As I also understand the testimony, we are paying about 50 percent of all the sorties and 90 percent of the total cost. Is that——

Mr. LEW. Well, I cannot confirm the 90 percent of total cost. We were flying somewhat higher than 50 percent of the sorties, but the 90 percent of the total cost is a number that I am not familiar with.

Senator CAMPBELL. Well——

Dr. HAMRE. I am not either, sir.

Senator CAMPBELL. Then in an event that Milosevic does not yield to the NATO forces beyond September—and it looks to me like he is getting more support and stronger, in my own opinion—is the administration going to continue to rely on the Social Security trust fund to sustain this beyond September?

Mr. LEW. I need to take a step back and respond to the Social Security portion of the question, because the Social Security fund will continue to have all of the resources it needs to pay all of its bills.

This really gets to the question of the difference between the on-budget and the off-budget surplus. It does not get to the question of funds being available to pay benefits.

So I would hope that none of us would cause the kind of fear among senior citizens that is unwarranted in terms of funds being available to pay benefits.

With regard to future requirements for Kosovo operations, sitting here today I can tell you with confidence that we have fully funded what we anticipate to be the costs of the operation for the rest of this fiscal year.

I cannot sit here today and project what the costs for 2000 are. What we need is to give this air operation time and to have a policy for the subsequent period after we have succeeded with the air operation in order to estimate the cost of it. I cannot estimate an operation that does not yet exist.

Senator CAMPBELL. Well, I—-as for one Senator, I am sure glad you are thinking about some policy finally, because I have—I do not—maybe some other Senators have seen some design in this from the beginning, but it seems to me that we have been pretty lacking on policy about what the long-range——

Mr. LEW. We have a very clear policy, Senator. Our policy is to continue this air operation and to accomplish the objective of enabling the Kosovo Albanians to return to their homes. And we are going to succeed in that operation.

You are asking what is the funding required after we succeed? And I am responding that we first have to succeed and then see the shape of the operation that succeeds in order to put a cost estimate on it.

WHAT SHARE OF THE KOSOVO MISSION COSTS SHOULD THE UNITED STATES PAY FOR?

Senator CAMPBELL. Well, we have a dispute about whether we are paying 90 percent or not, but one of the Senators—perhaps it was Senator Byrd—mentioned that the administration or President had said something about rebuilding—the American part of that obligation of rebuilding what we are now blowing up will be about 25 percent of the cost. But do you think that that is a realistic number?

Mr. LEW. As I responded to Senator Byrd, there are discussions going on right now. They took place to some extent over the weekend at the NATO summit and they will continue. There is serious consideration being given to what it will require to rebuild the region and to bring the economy of the region back to where it should be.

The question of what the U.S. role in that is, is something that will be determined in the future. We will work together with the Congress, in terms of defining that role.

We concur that there is a very serious need for European leadership and responsibility in this area. I cannot sit here today and say there is no role for the United States. I cannot say that it is 25 percent. That is going to have to be determined.

I think it is fair to say that looking at the costs associated with the military and the humanitarian operation is probably not a terribly effective way to determine what the costs should be for any subsequent operations.

But I think we will have to discuss that as the policies evolve.

Senator CAMPBELL. Well, in your opening statement, as I understood you—you alluded to some rather successful NATO summit, that there was some solid support or seemed to be solid support, but the Washington Post report said that during the summit at least three NATO countries stated they would not support the introduction of ground forces, and France stated they would not support the use of ships carrying oil to Yugoslavia to stop—to be stopped for inspection at sea.

So it would seem to me that Milosevic gets the same kind of reports, and that he would see that there is not a solid support in at least some areas of NATO that you seem to think there is.

But let me ask this: If fighting does escalate, including ground peacekeeping forces, some of the numbers I have heard is that it might cost as much as $300 million a month to deploy and sustain each increment of 27,000 troops and that it may cost $1 billion a month or more to sustain an air campaign. Is that an accurate projection?

Mr. LEW. Senator, we do not have a policy for ground troops. We have not estimated what the costs would be. We have fully accounted for all the costs associated with the air operation.

When all of the adjustments for one-time costs are done, it is about $700 million a month, not $1 million a month right now.

Senator CAMPBELL. $700 million, not——

Mr. LEW. $700 million, yes.

Senator CAMPBELL. Thank you, Mr. Chairman. I appreciate it.

Chairman STEVENS. OK.

Senator Specter is next.

U.S. CAPACITY TO FIGHT TWO WARS

Senator SPECTER. I, like Senator Byrd, was concerned to hear you say that we are not prepared to fight two wars. The Congress has the responsibility under the Constitution to raise the Army's and Navy's military forces.

We are now fighting an occasional war against Iraq. We have major treaty obligations with South Korea, and we find an enormous menace posed on the North Korean issue, so that when we consider this supplemental budget as to what we are going to do in Kosovo, it seems to me we really have to pick up the issue as to what are our obligations worldwide, and I think the Department of Defense, you are the number two man there, is going to have to tell us what it takes to discharge the obligations we have undertaken around the world, which certainly to me seems to be a commitment to fight two wars, if not more. I think it is a very significant statement that you have made here that we are not prepared to fight two wars.

We are husbanding the missiles, but we are firing the missiles periodically at Iraq. We are undertaking acts of war as to Iraq, in defense of Kuwait. So I think that is an issue which this committee has to take up.

When you make the statement, Dr. Hamre, that the United States is not contemplating ground operations in a hostile environment, I accept what you say, and the key word is "contemplating." That is obviously subject to change.

President Clinton said over the weekend that he would follow the lead of the Secretary General of NATO in reassessing the issue of ground forces, and we see that Great Britain and France have advocated ground forces, and that is a very open question, and it may not be far around the corner.

There are some in the Senate who have urged that the Congress pass a resolution authorizing the President to use whatever force the President deems necessary. I personally am not prepared to give the President a blank check to use whatever the force deemed necessary. It seems to me that there are questions which have to be answered, and only the President is in a position to give the answers as to what effect the airstrikes have had in degrading the military strength of Serbia, the Federal Republic of Yugoslavia.

If we are to think about ground forces, what is it going to take? What will the contribution of NATO be? What is the projection as to how long we are going to be there?

We started in Bosnia with a time limit of a year. That was extended. That was re-extended. Now, it has been extended without any time limit at all, so that notwithstanding your statement that, "Not contemplating ground operations in a hostile environment," I think we need to know a lot more.

This is a very difficult question which we have asked the Secretary, Secretary Cohen, and we have asked the Chairman of the Joint Chiefs of Staff, but do you have any new light to shed on the subject? Will the escalated airstrikes solve the problem against President Milosevic?

Is it realistically calculated to bring him to the table or to achieve the military objective, and if not, can consideration of ground forces be far away? What is the answer to that this morning, Dr. Hamre? We will hear it from the President tomorrow, but let us hear it from you today.

Dr. HAMRE. You have asked three very hard questions, so if I might try to answer first to Senator Byrd's issue, which is about two wars at the same time.

TWO WAR STRATEGY AND IRAQ OPERATIONS

I have learned to never be sloppy in my thinking or words around Senator Byrd, so I was trying to be very precise that we do not have a strategy to fight two simultaneous wars around the world. We have never advertised that. We have advertised that we want to have the resources to be able to fight and deter in two separate theaters, and we have——

Senator SPECTER. Do we have a strategy to fight one war?

Dr. HAMRE. Yes, sir, absolutely, and to be able to engage in a second theater really at the same time in order to deter that opponent from accomplishing his or her——

Senator SPECTER. Are we fighting a war against Iraq today?

Dr. HAMRE. We are maintaining the air operations that we have maintained for four years in Northern Watch and Southern Watch, and it is really with no change. We had drawn it down temporarily for about a week, as we——

Senator SPECTER. We are fighting an occasional war against Iraq.

Dr. HAMRE. Sir, we are maintaining the operations in both Southern Watch and Northern Watch, as we have for the last four years.

Senator SPECTER. How is our missile supply with respect to what we need to do as to Baghdad, Iraq, and at the same time, Belgrade, and the Federal Republic of Yugoslavia.

Dr. HAMRE. You know, because we have submitted to you and your committee was very quick in responding, gave us supplemental funding to augment especially the one area where we are short right now, and that is in conventional air-launched cruise missiles.

You have given us the resources, we have already started the factory working, it is producing, and we will get those out here in several months.

Senator SPECTER. Dr. Hamre, let me move to a couple of other topics, because my time is about to expire, too. If you could supply written answers, it would be very helpful, because time is very limited.

Dr. HAMRE. Of course.

Senator SPECTER. When you talk about 60 percent of the sorties and the question is raised as to whether we are providing 90 percent of the costs, and that is a figure which is in the public milieu, I think we need to know what it is that we are paying.

If 90 percent is not the figure, Mr. Lew, Dr. Hamre, I think we ought to know, and I think we ought to know what the other NATO forces are providing, because these are hard questions that we get understandably from our constituents, aside from the Social Security issue, which is a big one, when we have, as Senator Campbell has outlined, the funds coming out of the surplus, which is, in a public relations context, talked about solely for Social Security.

FUNDING OF WAR CRIMES TRIBUNAL

Let me come to the question of the war crimes tribunal, and I know that Administrator Atwood will take this up in some greater detail, and the figure of $5 million is used. I believe it is very important when we are talking about $6 billion or more that we keep in very sharp focus what the needs are of the war crimes tribunal.

Justice Arbour, who is directing that operation, has submitted a conservative estimate of the need now for $18 million, more than $8 million for full-scale investigations in Kosovo, some $3 million on exhumations costs, some $2 million on a center to correlate all the available information.

There has been a lot of tough talk about treating President Milosevic as a war criminal. This goes back to 1992, when then Secretary of State Eagleburger pretty much branded him a war criminal, but those investigations cannot be conducted unless financed.

They have a very effective hard-hitting prosecution team over there in The Hague at the present time, and Ambassador Scheffer has been there. The team is taking a look at what is necessary on the ground, so I urge, Mr. Lew, that you take a very hard look and not shortchange the war crimes tribunal.

Dr. HAMRE. Senator Specter, we agree that those investigations need to be financed. To my knowledge, we have funded every request that we have received in that area. If there are other needs that we have not seen, we would look very seriously at them.

Senator SPECTER. Well, there is a pending request which has not been funded.

Chairman STEVENS. Your time has expired. I am sorry. Senator Burns.

EXPLAINING THE MISSION TO THE AMERICAN PEOPLE

Senator BURNS. Thank you, Mr. Chairman.

Mr. Lew, I have contended for some time that it would make our job a little bit less painful if President Clinton would have gone to the American people and addressed them that we have a humanitarian operation underway in the Balkans, which includes food, medicine, shelter, relocation, and this type of thing, for what has become over a million people. Go to the American people and say this is in the interest of the country, number one, and it is going to cost real dollars, and then we could come to a setting in which we could talk about the priorities and allocations.

It has been very difficult to work under these conditions where the President has not stepped forward and gotten prime time on television to tell the American people just what our objectives are, and what we could expect after the operation is over.

We have spent a lot of time this morning talking about the relocation and, of course, the humanitarian needs of the displaced people. I am wondering if we should not spend a little time on talking about how do we take care of this cancer, because I have the feeling from the conversation around this table of Senators who are much closer to the situation than I, and am getting the feeling that we are low-balling a very cancerous situation, and we are doing it at a time that would exacerbate the conditions there rather than to take care of them. I would ask you, is that your opinion?

Mr. LEW. Senator Burns, I think in almost every regard this package is uncharacteristic of past supplementals, in that it has gone high rather than low, because of the uncertainty in the operations. On the humanitarian side, we are very aware of the urgent needs of people that we cannot get to right now.

We have built in funding in at least three different ways so that regardless of whether we can provide funding directly or indirectly through other foreign countries, through private voluntary organizations, or through individuals, that we have funds in all the necessary accounts for the United States to bear a very substantial share of the costs associated with not just the relief of the roughly 650,000 refuges who are out of the country already, but with the fact that that number could double.

I would not say that there is a precise estimate on the cost, because it is very difficult, I would say it is impossible, to put a precise estimate on costs that are going to come about under circumstances that are not yet clear. We erred on the side of asking not once, but twice, or three times, for assistance, so that we will be prepared to meet the need when it arises. I think that is prudent.

I feel that that is something we can defend in terms of fiscal policy and humanitarian policy, but I do not think that there is any aspect of this package where we artificially tap down the request to try and save a few dollars.

Senator BURNS. Well, I guess what I am contending is, it does no good to deal with the immediate humanitarian side of this, without curing the cancer. I think it is important that we take care of the cancer. That has to be dealt with. And, we have to deal with the humanitarian needs of relocation or whatever.

I am very uncomfortable in this public setting of talking about perceived weaknesses that we may be incurring because of the military operation. I think that we all need to sit down in a more secure setting and honestly discuss the needs of this administration, based on its policy, and then deal with the humanitarian situation as American people would like it to be dealt with.

I think the American people respond to these kinds of situations. What I am trying to do is try to get a handle in some way. How do we stop and cure the cancer, and still maintain our readiness, our retention, and our modernization, and the ability to defend our country? That is what I am wrestling with.

Mr. LEW. Senator Burns, I think the way you just articulated the goals is almost exactly the way I presented the President's program. Our goal in putting this package together was focused equally on maintaining readiness around the world and providing all the resources needed so that this operation can proceed until it is successful.

As you say, attacking the cancer means winning, it means succeeding in the air effort that we are undertaking right now. We cannot wait until afterward to deal with the humanitarian crisis. There are people who simply will not be there afterward if we do not deal with their immediate needs now. So we need to do both. I do not think we can do them sequentially, but we propose the funding necessary to do both.

Senator BURNS. Well, I will not ask any more questions, but I think the Chairman is exactly right. I think this is a time when a little forthcoming, but in a different setting——

Mr. LEW. I would be delighted.

Senator BURNS [continuing]. In a more honest approach about what we are dealing with here would help enlighten a lot of us who have to provide the funding for an administration that is running a war. I thank the Chairman.

Chairman STEVENS. Senator Shelby.

Senator SHELBY. Mr. Chairman, thank you.

Senator BURNS. Mr. Chairman, may I submit the letter to Mr. Cohen for the record?

Chairman STEVENS. Without objection.

Senator BURNS. Thank you.

[The information follows:]

LETTER FROM SENATOR CONRAD BURNS

UNITED STATES SENATE,
Washington, DC, March 9, 1999.

The Honorable WILLIAM COHEN,
Secretary of Defense, United States Department of Defense, Pentagon, Room 3E880, Washington, DC.

DEAR MR. SECRETARY: Last month I raised with you my concern about the relationship between the decline in our nation's military readiness and the cumulative impacts from the repeated use of our military forces overseas. I asked for information on past as well as planned costs for both Iraq and Kosovo. To date that information has not been forthcoming.

The American public deserves an explanation about why our national defense capabilities are in a downward spiral with no upturn in sight. Morale is low at all levels and recruitment in both quantity and quality is down. The shortages are also across the board, in regular forces, reserves and the guard. The Navy reportedly was short 7,000 recruits last year. The Secretary of the Army recently projected a shortfall of as many as 10,000 recruits this fiscal year. Even the Montana Army National Guard suffered a 20 percent reduction in full time employees over the past decade. Common sense tells us that our military personnel are over extended. The deficiencies in equipment are equally serious. And yet no halt is on the horizon.

The particular focus of this letter is on our military interventions in Iraq and Kosovo. But a wider public debate on the Administration's high risk interventionist strategy is required. What happened to our national strategy of defending against armed aggression as in World War II, Korea and Vietnam? Without any effort to persuade Congressional representatives of the merits—and certainly with no immediate emergency at hand—we drifted into a pattern of intervening in internal ethnic conflicts. These are civil wars and our national military forces are acting as international policemen. If this radical transformation in strategy has merit, the Administration ought to be happy to talk about it in detail with Congress, well before we plunge deeper into the quagmire. We must husband our dwindling military forces.

Roughly every other day for the past ten weeks, we have bombed mostly radar interception sites in Iraq with no discernible results. If our goal was to topple Saddam Hussein, why not bomb targets to achieve that end? Our current bombings may in fact be strengthening this despot's grip on power. If we were to bomb the Republican Guard, results worth supporting might be visible.

In Bosnia, we inherited a mess after the United Nations got in over its head. Are we now stuck with a European problem where we carry the lion's share of the burden while European nations slash their armed forces? Why do we show more political will than the Europeans? Bosnia may be a U.N. problem; it may even be a European problem but the Administration has not made the case that it is an American problem.

Kosovo is, of course, a part of a long festering Balkan problem. The Administration's credibility is strained to the limit when it proceeds on the naive belief that we can impose peace before the parties themselves are ready for it. What qualifies us to intervene in these ancient rivalries? Even if it were our business, is it worth the costs in terms of the adverse impacts on our readiness elsewhere? Even superpowers have limits. What is our exact military mission and what is our exit strategy? The Administration told Congress that we would be in Bosnia for one year and that was over three years ago. Can we now believe that American forces will only occupy Kosovo for three years as represented in the purported agreement? What are realistic objectives? Are we really facing an open ended commitment? Are U.S. interests served by promoting a new independent state of Kosovo? Will Serbia give up its sovereignty? Are we comfortable backing the Kosovo Liberation Army? How much money and how many American lives is Kosovo worth? Will we cut and run if our forces sustain heavy losses? We have more questions than answers.

The President acts as if he can make open-ended commitments on the use of our military forces without accounting to either the American people or to the elected representatives in the Congress. I challenge that attitude and that pattern of Executive conduct. The Administration has an obligation to justify its military interventionist strategy well before our ground troops are deployed to Kosovo. At least that lesson should have been learned from Vietnam. The brave men and women in our armed forces are still willing to put their lives on the line for this great country. But they must only be asked to do so when our national interests are clearly established. They and we deserve an explanation about Kosovo and related interventions. And even with a strong rationale for the repeated use of our military forces overseas, the continued decline in our nation's readiness cannot be tolerated. Something has to give.

Bill, I appeal to you as one of my most respected and thoughtful former colleagues. Talk to us. Persuade us that what the Administration is doing is best for our country.

Sincerely,

CONRAD BURNS.

MODEL OF APACHE HELICOPTER FOR KOSOVO

Chairman STEVENS. Senator Shelby.

Senator SHELBY. Dr. Hamre, it is my understanding that we are deploying what they call the "A" model Apaches to Albania, not the Longbows. Why not deploy the more capable, as a lot of the military people think, Longbows? Why are they not going there?

Dr. HAMRE. Sir, I think the main thing is the difference between the two capabilities.

Senator SHELBY. That is why I asked the question.

Dr. HAMRE. One is, of course, the fire-and-forget capability, and that is the Longbow, and in this kind of environment where you really want to avoid civilian casualties, you want to be able to know exactly what it is that you are aiming at and trying to hit, and being able to keep a laser beam located on that target. It probably gives us a little higher assurance that we are going to be able to avoid civilian casualties.

Senator SHELBY. But we are also trying to win the conflict, are we not?

Dr. HAMRE. Yes, sir. Yes, sir. I am just going to have to defer, if they have asked to have "D" models, we would send "D" models. I mean I do not think anybody——

Senator SHELBY. If General Clark asked for it, would you send it?

Dr. HAMRE. Sir, we did not direct one way or the other what they had to have or had to live with. I mean if that is what they had asked for, I am pretty sure we would send them.

Senator SHELBY. Was there any political decision in——

Dr. HAMRE. None that I know of, no, sir. None that I know of.

Senator SHELBY. Could you check that?

Dr. HAMRE. I sure will. That is an important question, and I know absolutely nothing, and I will find out.

Senator SHELBY. It sounds more like a political decision than military.

Dr. HAMRE. Sir, I do not think so, because I do not know what the margin would be for us to do that, to tell a commander-in-chief (CINC) that he cannot have what he thought he needed to carry out that war. I will find out.

Senator SHELBY. Find out. We would like to know.

Dr. HAMRE. Absolutely.

DEALING WITH TWO NEARLY SIMULTANEOUS CONTINGENCIES

Senator SHELBY. Dr. Hamre, Senator Byrd alluded to this, Senator Specter did, it is my understanding that as of now that we have a policy of having the military force structure to fight and win two major regional conflicts, is that correct?

Dr. HAMRE. Yes, sir, but Senator Byrd's question——

Senator SHELBY. Is that the policy?

Dr. HAMRE [continuing]. Was at the same time.

Senator SHELBY. At the same time.

Dr. HAMRE. He had never indicated simultaneity.

Senator SHELBY. But not two big wars.

Dr. HAMRE. Well, a major regional contingency. I mean that is like fighting on the Korean Peninsula or fighting again in Southwest Asia.

Senator SHELBY. OK. For example, if during the current crisis we have in the Balkans, if the North Koreans launched an attack across the thirty-eighth parallel, could we respond effectively in defense of our South Korean allies?

Dr. HAMRE. Yes, sir, I think we can. I really do.

Senator SHELBY. Do you know we can or you think we can?

Dr. HAMRE. I am pretty sure we can. That is why we have had to move in some supplementary aircraft for ground based, after we took the aircraft carrier.

Senator SHELBY. Have we taken forces out of that area?

Dr. HAMRE. We diverted an aircraft carrier.

Senator SHELBY. That is right. A whole group?

Dr. HAMRE. Well, yes, sir, it has supplementary ships that go with it, but we diverted an aircraft carrier, but then we put replacement aircraft on the ground to complement that, or to——

Senator SHELBY. How long would it take to get a carrier battle group to the Western Pacific?

Dr. HAMRE. Well, it would depend on—I would have to get back to it officially for the record, but it depends on what state of workup a replacement carrier—I am assuming you mean one that is not already deployed, but that would depend on where they are in their workup——

Senator SHELBY. Where they are, and so forth.

Dr. HAMRE [continuing]. And that varies from month to month, but I will find out.

[The information follows:]

Using a 20-knot Speed of Approach (SOA), it would take a West Coast-based carrier battle group (CBG) 14 to 17 days to respond to the Sea of Japan for a contingency in Korea, assuming all training requirements were accomplished and replenishments completed. Using the same high SOA, it would take 13 to 16 days to redeploy a CBG from the Arabian Gulf in the U.S. Central Command (CENTCOM) area to Korea.

Senator SHELBY. Do we have the military airlift and sealift capacity to get reinforcements to the battle in time, if there were a battle in the thirty-eighth parallel area?

Dr. HAMRE. We are very much paced by airlift capability. We do not have enough airlift capability to do two at the same time major theater contingencies.

Senator SHELBY. That would really strain us, would it not?

Dr. HAMRE. That would really strain us. We cannot do it at the same time. That is why partly it is not a simultaneous operation, it has to lag, because we do not have the airlift resources to be able to do that. Sealift is not so much the pacing problem as much as it is airlift, and that is where we have just never had the resources to do it at exactly the same time, but because they are airplanes, we roll them over to a new role and a new mission.

Senator SHELBY. What if, in addition to North Korea, we had a breakout there at the same time an escalation in the Iraqi area,

and with the Balkan situation going on, what would that do, as far as straining our forces? It would certainly strain them.

Dr. HAMRE. It would be very stressful, yes. I mean, again, we have not committed so many ground forces here, and we do have pre-positioning for our ground forces both in the Korean Peninsula and in Southwest Asia, but because we have committed fairly significant air assets, and especially what we call the low-density air assets, the J-Stars, the U2s, the early-warning aircraft, the AE6Bs, the electronic jamming——

Senator SHELBY. Make no mistake about it, it would really strain our military capabilities.

Dr. HAMRE. I am assuming your question is if we were to continue the entire air operations in the Balkans, and do something in Korea, and then have Southwest Asia happen on top of it, would be stressful? You are darn tootin'.

ESTIMATE OF COSTS FOR RECONSTRUCTING THE BALKANS

Senator SHELBY. It has been talked about here about the reconstruction of Kosovo and perhaps Serbia. Has anybody put any numbers on that?

Mr. Lew?

Mr. LEW. Senator, there have been discussions, I would say it is not yet something that has been assigned a number. I cannot say that I know what the number is. One has to define what you mean by reconstruction in order to even come close, because there could be a very small or a very large number.

I think the importance of restoring the economic position prior to the conflict in the region is very clear. The question of the U.S. role in that is something we have to work our way through, what it costs, how quickly it is done. That is something that would have to be undertaken after very extensive discussions with all of our allies. I have read numbers in the newspaper, frankly, that do not bear much resemblance to numbers I have heard speculated about, and I think it just suggests how early that discussion is.

Senator SHELBY. It is early, but if there is such a plan down the road, and the President is certainly alluding to it, this money too would come out of the Social Security fund, would it not?

Mr. LEW. Well, it is very difficult for me to say, not knowing what the total cost is, what the U.S. share is, or under what terms we might be seeking it, where the funds would come from. I hope we have the luxury of being here very shortly discussing what we will do after we have succeeded in the conflict. We are not at that point yet.

Senator SHELBY. I do not believe you are going to have a lot of luxury with the Chairman here. Thank you.

Chairman STEVENS. Senator Inouye.

Senator INOUYE. Thank you. Dr. Hamre, the budget request before us is based upon certain assumptions, and one is that we will be participating in this conflict at least until October 1 at its current pace.

I personally believe that it will go beyond that, but even assuming that the conflict abruptly ends on October 1, our personnel will still be there for at least six months, if not in increased numbers, because of occupation assignments, our equipment will still be

there, because aircraft will be flying around at least to monitor the situation.

ROTATION OF DEPLOYED TROOPS

Now, having said that, I have a couple of questions. When members of this Defense Subcommittee visited the desert about a year ago, Kuwait and Saudi Arabia, the first question asked of us was, when do I go home, and it was rather apparent at that time that we did not have an articulated rotation policy. There was uncertainty, and I believe this played a major role in our problems with retention and recruiting. Now, do we have a rotation policy established for this conflict?

Dr. HAMRE. Sir, we do have a rotation policy, I believe, as it relates to reservists, who we will be calling, but I do not believe we have a rotation policy in the sense that someone who is in the air combat unit is guaranteed of a date that he is departing right now. I do not know. I will find out officially the answer, but I do not think so.

Senator INOUYE. If we do not have one, why not?

Dr. HAMRE. Well, sir, because we are in the middle of a transition period with the air force towards the air expeditionary forces, and we will, indeed, be able to do that once that is in place, but that has just been started. We do not have that in place, so we still will operate under the previous resourcing policies of the air force that we have been using in Southwest Asia, because we have not yet stood up fully the air expeditionary force concept.

Senator INOUYE. As you know, with the air force we are suffering from this low-retention policy, and we are still having problems with retention and recruiting, especially among pilots.

Dr. HAMRE. Sir, the last two months have been pretty encouraging. I mean the sign-up rate for the bonuses dropped as low as 25 percent, and that really worried us when it fell that low. It is now up to about 45 percent. It is a good development. We think that frankly your early endorsement of a pay raise for the troops and for retirement benefits has had a big effect on that.

REPLACEMENT AND RECOVERY COSTS

Senator INOUYE. Then another question on the assumptions. You have funds requested for munitions replacement——

Dr. HAMRE. Yes, sir.

Senator INOUYE [continuing]. But you have no funds for additional repair work caused by over-utilization of equipment, aircraft and otherwise, and you know very well we are going to be using them.

Dr. HAMRE. Yes, sir, and both you and Senator Stevens have raised this with me, and it is this question—I think we do a pretty good job of capturing direct operating costs. I mean our models now are good enough, we have been at this a while.

I am not sure our models are as good at capturing kind of the longer-term wear-and-tear sorts of costs, and that is something that I have asked Bill Lynn, who is the comptroller, to try to tackle, so we do not have an allocation in this request for, for example, a long-term overhaul if we expect that there is greater wear and tear. We are assuming that is in the program depo rates and we

have budgeted for those, but I understand your question and I will try to get a better answer for you over time.

TARGET APPROVAL

Senator INOUYE. Following the events as closely as I can I have this conclusion, that you may have targets that you wish to bomb, but they all have to be cleared by a committee, the NATO council. Are we fighting this war by committee action?

Dr. HAMRE. Sir, first of all, I hope that Senator Stevens would, indeed, schedule a classified hearing so that we can answer more fully a question like this.

I do not want to get into specifics of targeting and that sort of thing in this hearing, but we are fighting as a coalition, and that does mean that we have to have a consensus for how we are undertaking things, but as to specifics on how that is applied on a targeting basis, if you would let me defer and talk to you about that in a classified hearing I would be delighted to do that, but I also think that our forces really—I have heard Wes Clark in a number of our VTCs, our video-teleconferences, he has a full agenda and he has more than enough things that he could act on. I do not believe he is being held up by committee votes, as it were.

Senator INOUYE. And my final——

Chairman STEVENS. Senator Byrd.

Senator INOUYE. Yes, please.

Senator BYRD. The newspapers have been full of this. This is being done by a committee. You have to run by everybody to get their approval on the targets, that is what the press has been saying.

Dr. HAMRE. What did you say, Senator Byrd?

Senator BYRD. I am sorry. I hope this will not come out of Senator Inouye's time. I said the newspapers have been full of this. Everybody has heard that the targets are agreed upon by the full group, so it is a committee. Why is it classified? We all know that is the case.

Dr. HAMRE. Sir, I do not want you to conclude that I am trying to be evasive in answering this question. If I might, sir, what NATO is doing, as a coalition, because we are fighting this together as a coalition, is to determine the policy parameters around which General Clark and his staff will design an air operation, and I believe that they are doing that. Is that a committee operation on picking targets? I do not think it is. I think it is a coalition process of determining the policies that would guide the ongoing campaign.

Now, as to specific targets, if we want to get into that I would be happy to get into that. I would frankly like to bring my military counterparts to join in on that discussion, but I do not think it is the case of a committee saying, well, I like that one, or I like that one, that does not happen.

I think it is the political councils are deciding what are the policy parameters around which we must guide the air operation, and that is a coalition operation, but as to specific targeting, I believe that is being done very much by General Clark directly with his war staff.

Chairman STEVENS. Senator Domenici, I am constrained to take a minute of my next time, but Dr. Hamre, the trouble is that we

met with the ambassadors, we met with them when we were in Brussels, and the Senator is right, it is a coalition, and they must approve any targets. Our people submitted to them a list of targets, that is true, that is true, but we only hit the ones they approve. We have 90 percent of the assets there, and we have one out of the nineteen, as far as the people are meeting at that table. As a matter of fact, the President himself said that Clark was like, you were there, Mr. Lew, a majority leader trying to get a bill through the Senate to get approval of any targeting. So I do not know why it is classified.

Mr. LEW. Senator Stevens, if I may, the President was commenting on a situation that had been resolved, that it was not being conducted that way, and I think Dr. Hamre——

Chairman STEVENS. Well, I do not think he was. That was before it was resolved. I was there at the White House at the time he made the statement, but as a practical matter, NATO is a facade. They are doing business with Yugoslavia.

Many of the people at that table represent countries who are doing business with Yugoslavia right today. That is what bothered us when we were there.

Senator SHELBY. I was there with Senator Stevens. He is absolutely right. It is a committee.

Senator BYRD. May he have a couple of minutes extra?

Senator INOUYE. No, no, no. That is all right.

Chairman STEVENS. You can have 15 seconds.

DURATION OF KOSOVO OPERATION

Senator INOUYE. One final question, sir. Would it be safe to extend the assumption and say that this conflict will go beyond October 1, at this current pace?

Dr. HAMRE. Senator Inouye, we have talked about this countless times on what should we do in building this proposal. In large measure it is guided by the fact that we are asking for a fiscal year 1999 supplemental, what it takes to do it in fiscal year 1999. We do not want a signal to Milosevic or anyone else that we are going to stop on the 30th of September or that we are automatically going to continue. In so many ways what we are doing with this request is reflecting a bit of the artificiality of the way we put together budgets, where it is an annual appropriation, so we are asking for the increment that we know we need to get through this fiscal year. Maybe in a couple of months it will be clearer, or a month it will be clearer what we have to past the 30th of September.

I may harbor the same sorts of suspicions that you have that this could very well go beyond that, but I do not know what I would absolutely do as a policy decision now. I do not want to send the signal to the world, and I do not intend to, that we are going to stop if we have not accomplished our goals at that time, but that is going to be in a much broader policy debate that we are going to have to have in this country, and that is I know exactly what you are expecting from the administration, is to come over and talk about the longer-term directions for this.

Chairman STEVENS. I only have to interject before Senator Domenici. We have one supplemental in conference now, we have

this supplemental we have to get through, and the leaders want us to get the regular defense bill out of committee before the end of May. Now, we cannot stand another supplemental. That is what we are trying to tell you.

Dr. HAMRE. Yes, sir.

Chairman STEVENS. You have to err on the side of caution and put in this bill what you might need. If you do not need it by October, we will carry it over and we will apply it to the next year, but this idea that suddenly it becomes a political mechanism, we are not trying to embarrass the Administration——

Dr. HAMRE. Oh, no, no, no.

Chairman STEVENS [continuing]. We are trying to make sure the administration is not embarrassed. That is the problem. Senator Domenici.

Senator DOMENICI. Mr. Chairman, thank you so much for these hearings and for your personal attention to this cause. Mr. Lew, I remain convinced that the President made a very wise choice in selecting you, and whatever I said about not getting enough information about future costs have no bearing on your authenticity and the way you run your office.

Mr. LEW. Thank you.

IS THERE A COST ESTIMATE FOR A GROUND WAR?

Senator DOMENICI. I would like to say to everyone, I am very, very pleased that even on a discussion of a war we are talking about the Social Security trust fund. We would not think about that for the last 25 years, at least 15 of which we spent the Social Security trust fund as if it was going out of style for anything and everything. At least we are going to be very cautious, and it is going to have to be legitimate emergencies.

Now, having said that, let me say to the witnesses, it is very difficult for this Senator to understand how you can come before us and the President can keep going before the American people, and, in fact, over the weekend talk to his best allies so that the words "we may need to go in on the ground with ground forces" just will not be used. Now, that is an amazing sleight of hand.

Everybody is suggesting, well, 90 percent of the military people are suggesting it is probably going to happen. It looks like it is creeping into place; for example we are moving 5,000 soldiers to protect helicopters.

Now, why in the world cannot the committee, who has to pay for this, ask them to tell us what a ground war will cost in general terms. It should not be the beginning and the end of what we do, but if there is one thing that Senator Byrd has said, that I have said, can we not be better prepared for what it is going to cost us to do something?

Now, having said that, I believe it is preposterous for the budget people for the administration, when asked questions about a war on the ground, to spout a political slogan. The political slogan is, we are not going in on the ground, but the question is, what if we have to? Should we not have some estimate of what the manpower and everything with it will cost? Do you want to use the Congressional Budget Office as the only source?

Senator BYRD. Would the Senator yield?

Senator DOMENICI. I will be pleased to yield.

Senator BYRD. These people are doing exactly what the President tells them to do.

Senator DOMENICI. That is right.

Senator BYRD. I have been down to that White House three times recently, and I have heard the President on television, I have read what he says in the press, he is the one who is saying that, I have no intention, we have no intention, we have no intention, we have no intention.

We cannot expect these people to come up here and say—they are not going to get out ahead of him, and I am not criticizing the Senator for asking that question.

Senator DOMENICI. Well, actually, we could ask them just for estimates, and whether the President is for it or not, the military has to give us some estimates.

Senator BYRD. Well, I would hope that we would get a little better direction from the top.

EMERGENCY FUNDING FOR HUMANITARIAN DISASTER RELIEF IN CENTRAL AMERICA

Senator DOMENICI. Well, having said that, I want Mr. Lew to know that this Senator understands what emergencies are, and I want to remind all the Senators here that we have an emergency pending, speaking of refugees and civilians that need our assistance.

Honduras and Nicaragua had a gigantic hurricane flood that killed people and left them without houses, and we got a supplemental to take care of that human tragedy, and we have not passed it yet. We are wondering about how to pay for it, when it is just as much of an emergency as the refugees from Kosovo, let me tell you. They happen to be closer to us.

They are all Spanish-Americans and Mexicans from this hemisphere, and we have not yet provided emergency assistance to them. I for one think they are just as much in need as the refugees from Kosovo, and we ought to take care of that, and take care of it quick.

Mr. LEW. Senator Domenici, I could not agree with you more. The urgency with which the need in Central America should be addressed is greater even at this season than when we proposed it. As you know, the planting season is a short one there. The rainy season comes.

There either will be the opportunity to provide assistance when people can make the decisions to provide for themselves and take care of their economic livelihood, or it will simply be too late. So the urgency is great, and we believe it should be done as an emergency without offsets.

If I could perhaps respond at least generally to the first part of your remarks. We obviously could get involved in theoretical discussions of unit costs of troops. I do not know how much that would inform a discussion until you have a policy, because the policy would dictate what the real costs would be.

Senator DOMENICI. I understand.

Mr. LEW. Until you have a policy, there is not something to estimate, and I think it would be inappropriate for a budget exercise to take a lead on what is a military and a diplomatic decision.

The question of what the environment is, what portion of an undertaking would be shared with which partner, these are very difficult questions, and we have not made a decision to proceed, but it would be inappropriate to suggest that we have by coming forward with numbers that would respond to that.

Senator DOMENICI. Well, I wonder if you could tell us, would the administration object to Congress conditioning the request for appropriation by requiring that the President obtain congressional authorization prior to the use of ground troops in the kind of environment we are in? Since you-all do not want to talk about it, it is like it disappeared, you should not object to us conditioning it.

Mr. LEW. We have made it very clear, Senator, that we will come back if there should be a decision and work with the Congress. We have not included in this request funds that would permit us to proceed, but we think it is a very different question to come for funding than it is to have the kind of condition you described, which you know we do object to for a number of reasons.

Senator DOMENICI. Senator, let me just say, Senator Stevens and I last year signed a joint letter to the GAO, because we wondered if the Pentagon was asking our military men why the morale was low and why they were leaving.

GAO got a preliminary report out, and I would like everybody to know, the principle reason for dissatisfaction is not what we have been debating in terms of pay, in terms of pensions. Actually, it has to do with the very basic issue of readiness, that they do not have sufficient equipment, spare parts, munitions; they are running out of munitions; they do not have the right kind of personnel filling in when somebody is gone. These are the number one concerns.

Now, the reason I think we ought to go high rather than low on this bill is because we were suffering from readiness, and we are not going to come out of this war in better shape on readiness. We are going to come out worse, and six months after it the military are going to be more dissatisfied than they are now if we do not begin to take care of those kinds of problems. Some of those can be fixed in this supplemental, and it is in that context that I think we ought to be asking some questions beyond the ones here about what would be some readiness issues.

I am absolutely convinced that our situation with reference to our equipment is going to come out worse, with reference to moral, it is going to come out worse, and we ought to do something to take care of it, if we can, now.

Thank you very much, Mr. Chairman.

Chairman STEVENS. Senator Hutchison.

Senator HUTCHISON. Thank you, Mr. Chairman. I share the concerns just stated by Senator Domenici. I was on the same trip with Senator Domenici, the Chairman, and Senator Inouye, and when you said, Dr. Hamre, that we are stretched, but not broken, I am telling you, we were stretched before this, including our Guard units and our Reserve units. I think we must address that issue from a retention and recruitment standpoint, and what we are

going to do to keep these people from the overdeployment and mission fatigue that many of our guardsmen and reservists are feeling, and now we are calling up 20,000 more. So this is a major issue, I think, for our own readiness.

ALLIED BURDEN SHARING

Senator Byrd opened the line of questioning on the sharing issue. He was discussing the rebuilding, which surely will come, and talking about the European's fair share. I would like to address the next six months, the next three months, and this ongoing operation. The air attacks are quite expensive, we know that. We have stated that 90 percent of that is American costs.

Because of the way NATO operates, we are, I assume, taking care of our own expenses when it is our part of the operation, as opposed to Desert Storm, where there was more of a sharing of the total expenses, is that correct?

Dr. HAMRE. Senator Hutchison, it is not comparable to Desert Storm, where there was a large international contribution to help defray our costs. We are paying a hundred percent of our costs, but I do not know what this 90 percent figure is. I do not recognize that. We are flying about 60 percent of the sorties, and I would guess——

Chairman STEVENS. John, I will get you that secret briefing that I passed around the committee.

Dr. HAMRE. OK.

Chairman STEVENS. You look at that and you will see where we got the 90 percent.

Dr. HAMRE. OK. I mean all I know is we are flying about 60 percent of the sorties.

Senator HUTCHISON. Well, everything that I have seen says 90 percent. Now, I think it is pretty important that the Department of Defense be testifying to the same number that the committee is using.

Dr. HAMRE. Oh, I agree. Absolutely.

Senator HUTCHISON. There is a gap between 60 and 90.

Dr. HAMRE. Oh, absolutely. I will be glad to try to reconcile it.

Senator HUTCHISON. I think you need to come forward——

Chairman STEVENS. Senator, Mr. Kochese has pointed out to me, we were looking at strike sorties, you are talking about air hours. The patrol over the area in non-combat conditions is not a sortie under that briefing. We are talking about 90 percent of the war sorties.

Dr. HAMRE. Of the actual strikes-on-the-ground sorties. That could be. I do not know what that number is, but I know from the total sorties on a daily basis, we fly about 60 percent of them.

Senator HUTCHISON. Well, let me just ask what the administration's position is on a fair sharing of the cost, when it is clear that the United States is bearing the greatest share of a very expensive air operation. Is there any plan to try to get more of a fair share in ongoing operations and perhaps offsetting some of the costs of our air operations by asking the rest of NATO to take the lion's share of any kind of further operation, whatever it may be?

Dr. HAMRE. I do not mean to be flip about it, in all honesty, he would not give a direction like that to General Clark, to say we

want you to constrain it, because we do not want to pay any more than 50 percent or 60 percent.

I mean we have not, to my knowledge, ever told him what he could or could not ask us, and he is designing an air campaign to undertake a set of military objectives consistent with the political guidelines that have been laid out in the NATO councils.

Senator HUTCHISON. My question was not what are you going to direct General Clark to do. The question was: What is the administration's position on asking the other NATO allies about taking over more of a fair sharing arrangement, considering that we have taken the lion's share of the air operations?

Dr. HAMRE. I do not know if there were private discussions during the weekend that may change what currently has been going on. If you look at the air contribution of each of the countries as a percent of what they have in their respective air forces, actually, we are at roughly the same percent across the board, NATO, United States, and the other countries of NATO.

Now, maybe there is another method for calculating that we ought to look at, and I will talk to the Secretary, I will raise with him the question you have asked me and find out if we have discussed that, but I am personally unaware of any plan on our part to suggest an alternate allocation of commitments on the part of our allies.

Senator HUTCHISON. Well, when Secretary Cohen was discussing a peacekeeping mission where we would not fight our way in, he was talking about a 15 percent American——

Dr. HAMRE. Yes. Yes.

Senator HUTCHISON [continuing]. Force. Is that a realization that there is perhaps a sharing that would be fair, where we are taking the lion's share of an air operation, and if there were ground operation, it would be in the opposite percentage, which is what Secretary Cohen had suggested in a——

Dr. HAMRE. I honestly think that there has been a calculus that traded off what we would do in the air and what we would do in the ground. I think that the Secretary said that he felt, while we should participate, it ought to be a relatively smaller percentage of ground contribution in a permissive environment for a peacekeeping operation. I do not believe that that was in any sense tied to a decision on how we would resource an air campaign. I am not aware of that.

Senator HUTCHISON. Well, Dr. Hamre, I hope that we are not talking about taking from our surplus in Social Security, and I would hope you would perhaps look at what would be a fair sharing for the American taxpayers.

Dr. HAMRE. Yes, ma'am.

Chairman STEVENS. Senator Bennett.

KOSOVAR REFUGEES COMING TO THE UNITED STATES

Senator BENNETT. Thank you very much, Mr. Chairman. Mr. Lew, let us talk about the 20,000 refugees coming to the United States. How were they chosen?

Mr. LEW. The process by which individuals are being chosen is underway now, but the objective was to select people with some ties to either relatives or others in the United States. That process

is underway now. I wish I could answer in more detail, but it really has just begun, and I cannot.

Chairman STEVENS. Senator, we are going to have Mr. Atwood before us on Thursday morning. We excused him. I just wanted to point that out to you.

Senator BENNETT. OK. Maybe these questions are more appropriate for him. I am wondering how many people will be coming over in the next five years, because I am assuming that the 20,000 will be eligible to bring their immediate families, so what is the total going to be? Do you have any feel for that, or should I hold it for Mr. Atwood?

Dr. HAMRE. I think it would be better to ask these questions to Mr. Atwood, but my understanding is that the 20,000 is 20,000, and what that means in the long term, I mean our objective is for people to be able to return to their homes, so we would certainly hope that it is not in any way deviating from that as the real objective.

Senator BENNETT. I find a slight disconnect between that and your first answer if they are being chosen because they have a connection in the United States with relatives. It sounds to me that they are coming to the United States permanently.

Dr. HAMRE. No. I think it actually has more to do with the form in which emergency refuge will be provided. The preference would be to have people come to an environment that is somewhat more desirable than a barracks or other kind of situation like that.

We have not in any way deviated from our objectives that refuges should be able to return to their homes, and do not intend for a policy to bring some of the refuges here for emergency relief to be seen as a change in that policy.

Senator BENNETT. Well, I will follow the Chairman's admonition and wait for Mr. Atwood, but I—well, I will wait for Mr. Atwood.

We are in a war. It is turning into a major war. It is threatening the surplus with diminution, if not elimination, and it shows no end in sight. I will not go into all of the ramifications of that, because that is a separate issue, but there are all these consequences when you go into a war, and one of them clearly is our relationship—one of the consequences is clearly a major deterioration of our relationship with Russia.

U.S. RELATIONS WITH RUSSIA

Dr. Hamre, there are a number of things the Russians have canceled by virtue of their dissatisfaction with our decision to move ahead in Kosovo. Would you be open to pursuing any effort to try to maintain or increase ties to Russia around this conflict? Do you think it is important for us to try to do that?

Dr. HAMRE. Sir, we do. We think it is very important not to have those relationships just shattered, and frankly, I think it is very important for Russia to realize that it should not seek a future where its allies in the world are Milosevic, and Kadafi, and Saddam Hussein, and those are the only buddies they have. I mean that would be a very serious mistake for Russia.

We do not think it is in their long-term interest to simply identify in the passions of the moment with some flawed leaders that are leading very flawed causes. By that I think we ought to con-

tinue to keep an open hand, be willing to engage. I think that is a very important dimension.

Senator BENNETT. I will send you a letter about a parochial issue, where I think we are sending the Russians the message that we do not want to deal with them. I will not raise it with the full committee here.

Dr. HAMRE. I think I am aware of it, and I would be happy to meet with you and talk with you about it.

Senator BENNETT. All right. We can talk about that. Well, Mr. Chairman, most of the questions and comments that I would have about the war in particular have already been raised by other members of the committee, so I shall wait for Mr. Atwood to pursue this question of the refuges. I find it interesting that we are talking about 20,000 refuges, how were they chosen?

Were they picked by lottery? Well, if they are picked—we have many, many times 20,000 refuges who probably would like to come to the United States and get medical attention, and so on, and we are picking them, and we are—I am not quite sure anyway. I will raise all those issues with Mr. Atwood.

Chairman STEVENS. Well, thank you very much, Senator. I am sorry about that. We just felt that we would not be able to take care of Mr. Atwood.

Senator BENNETT. Well, I think you were right.

Chairman STEVENS. I feel we are still heading for a collision. Tomorrow, in the afternoon, we are going to do our best to have a classified hearing. We will be in touch with you. The staff is out looking for space and to make certain that we clear out enough time for that space so we can have that meeting.

I am concerned. I certainly do not want to leave the impression that the military commanders in the field were in any way breaching any chain of command consideration in telling us what they told us. We asked them direct questions as to what they needed, and they gave us answers. I am sincerely worried. I guess it is generational for Senator Byrd and me. We lived through one world war.

This, if it kept going, might well be the prelude to another one if we are not very careful, because all we need to know is see North Korea and Iraq join in some sort of axis with this madman and we have ourselves another real, real problem.

It would be like a calliope. They would set off one in one place and another in another place, and we cannot take care of that. We have to get this done and done as quickly as possible.

KOSOVO OPERATIONS STATUS

The conditions that I saw these people flying in are overwhelming. When we were there it was a rain so hard you could not even hardly drive a car, but they were flying, and the mud was so thick you could not believe it. The Apaches had to wait for pads to be brought in so they could land on the pads. They just could not land on the ground, they would sink right in the mud. These are conditions that are unbelievable for that area.

Now, they are going to get good weather in another two weeks, three weeks, we hope, and we will see a change in the pace of this war, but my problem is, I think they have some real deficiencies

in what they need to conduct a war and try to assure minimum, minimum casualties. With the Apaches going in there at low level this next week, I think that is going to raise the level of my fear perceptively.

I do believe that we do need a lot more money in this pipeline to bring these items that the administration has asked for in the next year, and one of them I know is even in 2001. They are needed now. We lost an Apache yesterday. We have already lost one of the Predators. That is not classified. We are going to start having an attrition on these planes that we have, particularly if it turns into a real shooting war.

According to my information he has really not used his missiles yet and we really have not had a real severe attack yet to deal with. We urged that the television station be taken down, we took it down all right, but it is back up in less than 24 hours from what I understand.

Dr. HAMRE. We took off the antenna last night.

Chairman STEVENS. You took it again last night.

Dr. HAMRE. Yes, sir.

Chairman STEVENS. Well, there is no reason for him to send propaganda to the world about how he is not feeling the impacts of this war, and I congratulate whoever signed off on that one. I do hope, though, that we get down to talking about numbers.

If we really have a thousand airplanes there in some 16-plus fields, bedding those airplanes down is a considerable expense. We have just taken 30 more tankers from the United States over there. Every one of those planes has to fly a real long distance to get to the war zone.

The main thing that bothers me about this is there are 20 million people in Yugoslavia, there are 780 million people in the 19 countries that are a part of NATO. Now, certainly we ought to find some way to devise a policy to terminate this engagement a lot sooner than it looks like it is going to happen.

As a pilot from World War II, I hope that we find the first time that this will be an air war that we can win the whole engagement from the air. It has never happened before, but let us pray to God it can happen now, but it will not happen if we do not give those people everything they need.

My feeling is we should overreact to what they need. If they say they need two, I would give them four of the planes that I know that they need. We know what they need and you-all know what they need. They are in short supply in the world, as far as we are concerned, and one of them is no longer being made any more.

In our bill part of the money will be to attempt to convert some other planes so that they can perform that mission. Now, I do not know whether we will classify that or not, but we certainly have a great need over there to get this money there, and I trust—whether we put it up or not you are going to spend it. That is what bothers me. We are now paying for two things that we did not get budgeted for, both in Bosnia and for this, and we are going to be behind the curve.

The one thing we absolutely cannot stand is another supplemental during this year if we are going to get the 2000 bill out and get it to you as we should without any wrangling about any attach-

ments or having it become a Christmas tree, because people know it is going to be signed quickly.

I urge you not to contemplate another supplemental. It is just not in the cards. This is it. Whatever you need to fight the war between now and the end of this calendar year, it ought to be in here, because you are not going to get the other money until sometime in October, and you will not get that process until January. October 1 was a bad date, is what I am saying.

In my opinion, we ought to be dealing with a full calendar year funding, what is needed to win this war, and God save us, I think we can win if we do it right.

Senator Byrd.

Senator BYRD. I just want to thank Mr. Lew and Dr. Hamre and their staffs. What is our timetable, as you see it, Mr. Chairman, on this bill and the other supplemental?

Chairman STEVENS. If we have this classified hearing tomorrow I would anticipate that we would try to take up the bill and mark it up on Tuesday. Is that too soon? Tuesday or Wednesday. We believe the House will be taking it up next week. It will be taken up on the floor on Wednesday or the committee. The House is taking it in their committee tomorrow, and they are going to take it on the floor by next Wednesday, we understand.

We have been waiting for them so we are not going to have any argument about what is going on until they finish their committee action, and then we will have ours as soon as possible. I think that will be Tuesday, if we can get the classified hearing tomorrow. We would hope that we would be finished with our bill on the date we start the markup, and if that is so, we should be ready for subsequent action by Wednesday, which is the day the House will take up the bill.

Mr. LEW. Mr. Chairman, I am speaking for the Defense Department and ourselves, we will make ourselves available for any classified briefings that are necessary for the committee.

Chairman STEVENS. Well, I will ask Mr. Cortese to contact you and make sure who comes. I do not think there will be any classified questions for Mr. Atwood, so we will be looking for you, OMB, and for the Department, and we will have to have a representative of the Chairman of the Joint Chiefs tomorrow——

Mr. LEW. Of course.

Chairman STEVENS [continuing]. I assume. Do you have any further comments, Senators? Well, we do thank you. Incidentally, I have just been looking over your suggestion. Air operations to the end of fiscal year 1999, and this supplemental is $3.01 billion. At the rate they are going—we were told, by the way, that they contemplated a thousand aircraft to cost about $1 billion a year. Yours is based on 750 and you said $700 million a year. Even $700 million a year is more than you have in here.

Mr. LEW. I do not believe that the number you just referred to included the munitions replacements.

Chairman STEVENS. Munitions is another $850 million, right. We are not going to get in an argument about numbers. As the Senator said, we do not want you to use a credit card, we want you to draw it from a bank account when you fight this war.

Mr. LEW. We appreciate that.

Chairman STEVENS. Thank you very much.

Senator LEAHY. May I ask a question now?

Chairman STEVENS. Oh, my God.

Senator LEAHY. I have been waiting for three hours. I keep getting passed over, Mr. Chairman. Am I just a potted plant? I have been here all along.

Chairman STEVENS. Senator Leahy, you did not have a seat at the table.

Senator LEAHY. I was sitting under the table.

Chairman STEVENS. I understand.

ASSISTANCE TO MACEDONIA

Senator LEAHY. Mr. Chairman, we did have, as you know, the other hearing I was at. I was going to ask Dr. Lew, and I will make this quick, but Dr. Lew, your request includes budget support for the government of Macedonia. In 1994 Macedonia signed the convention relating to the status of refugees, and the parties of that convention pledged not to expel refugees to countries where their safety would be at risk.

Should we condition our funds to the Macedonian government on its compliance with the convention? Is that unrealistic?

Mr. LEW. Senator, I must say that I am not familiar with the convention, so I prefer to answer it more generally rather than specifically. We have looked at the needs of the surrounding states with an eye towards dealing with the very immediate need to make sure that none of them collapse at the worst possible moment, and that has really guided both the humanitarian and the front-line——

Senator LEAHY. I did not expect an answer, but I did want to have that at least in people's minds.

Mr. LEW. I appreciate that.

Senator LEAHY. I think we have a total mess over there from the reports I have read. I hate to fault the planning, but I am very concerned that not enough planning was given to prepare for the steps that Milosevic might take.

I think when he was given initially the view that there would be no ground troops, I think it emboldened him to do what he did, and we were not prepared. We, NATO, all of us, were not prepared for the number of refugees.

The most terrible part about this is to look at the suffering of those refugees. I think of the children who will die, the elderly who will die, of everything from dysentery, on through, unless we do a lot more. Your request has $50 million for assistance to the front-line states, Albania, Macedonia, Bulgaria, Romania, Bosnia, and Croatia. I suspect $50 million is just the opening gamut.

Mr. LEW. Are you asking me to respond to that?

Senator LEAHY. Yes.

Mr. LEW. Well, there is additional assistance to the front-line states in the form of the $150 million that is being requested for economic and stabilization assistance. The needs are immediate. We are bearing just a share of the responsibility, but certainly in the time frame, during the conflict, there are urgent steps that need to be taken.

Looking ahead to post-conflict reconstruction is a very complicated proposition. A number of Senators asked questions about it, and there will be a very heated debate over what the appropriate role for the United States is. I do not think there can be any dispute that there is a need for reconstruction and a need for economic assistance. The question is what the U.S. role is, and we will continue to have that discussion both with the allies and with the Congress.

REIMBURSEMENT TO THE UNITED STATES FOR SOME COSTS OF MISSION

Senator LEAHY. Well, in fact, I think there should also be some kind of discussion with the allies about repayment for part of these expenses. We have been doing a very large percentage of the air war, and Dr. Hamre, I do not recall which part of those numbers are classified and which are not, so I will just put it in broad terms and refer to what has been in the press, that we have done a very large part of the air war, because we have the equipment with the stealth bombers, and fighters, and so on. That ultimately means we are picking up an enormous part of that cost.

If ground forces are used, I would hope that we would not also have to pick up both the personnel and other costs, because I think that our NATO allies should fulfill their obligations.

If they are not, then I question whether some of those allies are in there for just the political comfort the alliance gives them and not for the responsibilities that come with it.

Dr. HAMRE. Senator Leahy, I think that is what is operative when it comes to the ground forces is what we were prepared to do, had there been a peace agreement and a permissive environment, which is we are prepared to go in, and our view at that time, our contribution would be roughly 15 or 16 percent, not a disproportionately large one.

Senator LEAHY. If we have to fight our way in, what would it be?

Dr. HAMRE. We do not have plans to fight our way in.

HANDLING REFUGEES COMING TO THE UNITED STATES

Senator LEAHY. Well, if we wait long enough there will not be anyone left there anyway. We are going to bring 20,000 Albanians here?

Chairman STEVENS. You said 25,000 once today. Is it 20,000 or 25,000.

Mr. LEW. If I said 25,000, I misspoke. Twenty thousand is the number. I thought I said 20,000.

Chairman STEVENS. I understood it was supposed to be 20,000.

Mr. LEW. It is 20,000. Correct.

Senator LEAHY. Is it 20,000 coming here?

Mr. LEW. Correct, Senator.

Senator LEAHY. Interestingly enough, if somebody had their I.D. papers stolen from them by Milosevic's people as they were murdering part of their family, and that person escaped, and came here, we can then deport them right back without a hearing under the immigration law that this administration signed and this Congress passed.

Dr. HAMRE. There are going to be extraordinary demands on a number of fronts, and dealing on a case-by-case basis with the applicants, with the potential refugees to come here will be one of those. I know there are many people who are working hard to make sure that we have the ability to deal on a case-by-case basis in a fair way, and we are dealing with circumstances that are quite unusual.

I need to find out more myself as to where we are. This is a relatively new commitment, and I am confident that we will do it in a way that we will treat people fairly as possible.

ADEQUACY OF PROPOSED SUPPLEMENTAL

Senator LEAHY. Last, Mr. Chairman, Dr. Hamre said they had the money needed for the operation, if I am correct in your——

Dr. HAMRE. Pardon me, sir?

Senator LEAHY. You have had the resources needed so far.

Dr. HAMRE. Well, we have been borrowing them for the last three months of the fiscal year, but we are going to be in extremes if we do not get supplemental funding here by the end of May.

Senator LEAHY. I am glad to see the supplemental funding. I just would hope that if we go beyond what supplemental funding is needed for this operation in the defense budget, we might look at some of the foreign operations programs. We know by the year 2000 the number of people infected with HIV worldwide is going to top 40 million. It is the number one health problem of our time.

We have very little money in foreign operations to do anything about it. I suggest that part of our security is there, too, and we should look at that, if we are going to go beyond what is needed for this operation, as someone suggested, a wish list of defense programs. I am not picking you out, Dr. Hamre——

Dr. HAMRE. Somebody has to——

Senator LEAHY. No, I like you, and I think you are doing a superb job, and I think we are darn lucky that we have both you and Dr. Lew, but if we are going to be increasing the Defense budget from people's wish lists, I have a few items in the foreign ops area that we ought to take a look at, too.

Thank you, Mr. Chairman.

Chairman STEVENS. I am going to put in the record a sheet that I asked for, it is called "Responsibly Sharing Report." It shows defense spending of all of our allies in NATO, the Pacific, and the Gulf Cooperation Council. It shows that the United States is still spending more than 50 percent of all the defense spending in the world, and this was before we had the Bosnia, and before Kosovo. It is something to keep in mind, where is the end to our involvement.

[The information follows:]

TABLE E–4.—DEFENSE SPENDING

(1998 Dollars in Billions—1998 Exchange Rates)

	1990	1994	1995	1996	1997	1998		
						Percent change	1997–98	1990–98
United States	379.2	313.6	297.9	283.8	282.3	269.8	−4.4	−28.9

TABLE E–4.—DEFENSE SPENDING—Continued

(1998 Dollars in Billions—1998 Exchange Rates)

	1990	1994	1995	1996	1997	1998		
						Percent change	1997–98	1990–98
NATO Allies:								
Belgium	4.9	3.7	3.6	3.6	3.6	3.6	.4	−26.9
Canada	10.5	9.6	9.0	8.2	7.7	7.1	−8.1	−32.7
Denmark	2.8	2.7	2.7	2.7	2.7	2.8	.8	−3.3
France	44.1	42.6	40.6	39.8	40.2	39.2	−2.4	−11.1
Germany	46.1	34.0	33.3	32.8	32.0	31.9	−0.3	−30.7
Greece	4.5	4.4	4.5	4.7	5.0	5.4	+8.9	+20.9
Italy	25.5	24.9	22.4	22.6	22.4	22.4	.....	−12.1
Luxembourg	.1	.1	.1	.1	.1	.1	+6.2	+32.2
Netherlands	7.8	6.9	6.6	6.8	6.7	6.5	−2.2	−16.4
Norway	3.3	3.4	3.0	3.2	3.1	3.2	+2.4	−3.7
Portugal	2.3	2.2	2.3	2.3	2.3	2.3	−0.3	+1.2
Spain	8.4	7.3	7.6	7.4	7.5	7.2	−3.8	−14.7
Turkey	6.1	6.7	7.1	7.2	7.6	8.0	+4.9	+30.6
United Kingdom	51.3	42.7	39.3	39.0	37.0	37.1	+.3	−27.7
Subtotal	217.7	191.2	182.2	180.6	177.8	176.7	−0.6	−18.8
Pacific Allies:								
Japan	33.7	36.1	36.6	37.7	38.6	38.0	−1.4	+12.8
Republic of Korea	7.0	8.0	8.3	8.8	9.7	9.5	−2.1	+36.1
Subtotal	40.7	44.0	44.9	46.6	48.3	47.6	−1.6	+16.8
Gulf Cooperation Council:								
Bahrain	.2	.3	.3	.3	.3	.4	+38.3	+101.3
Kuwait	[1] 14.0	3.4	3.5	4.1	4.0	4.0	−0.8	[1] −71.7
Oman	1.7	2.0	2.0	1.9	1.8	1.8	−0.4	+9.2
Qatar	.3	.4	.8	.8	1.4	1.2	−10.3	+390.3
Saudi Arabia	34.3	13.4	13.3	17.3	18.1	18.4	+2.0	−46.3
United Arab Emirates	4.0	2.4	2.3	2.3	2.5	3.7	+49.4	−5.6
Subtotal	54.4	21.8	22.2	26.6	28.0	29.6	+5.4	−45.7
Grand Total	692.0	570.6	547.2	537.5	536.5	523.6	−2.4	−24.3

[1] Figures for 1990 reflect severe distortions due to the Gulf War.

Yearly data rounded. Percent changed calculated using non-rounded figures.

ADDITIONAL COMMITTEE QUESTIONS

Chairman STEVENS. I agree with the Senator about finding some way to make the Europeans understand that this is truly a NATO war, we certainly are not to paying the share of the war that we are paying.

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

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

COST TO SUSTAIN AND/OR EXPAND MILITARY OPERATIONS

Question. In the April 19 White House briefing on this supplemental, both Mr. Hamre and Mr. Lew made clear that the funding in this supplemental for military operations and munitions for the Balkans region, which appears to be $5.1 billion, is intended to pay for all these costs through the end of September. Mr. Lew also stated that the cost of the first month of operations was $985 million ($287 million for operations; $698 million for munitions). In its cost estimate, CBO agreed that the first month of bombing cost about $1 billion.

However, General Clark has asked for an additional 84 aircraft, and then an additional 300. Clearly air operations will intensify—and become more expansive. There are five more months to go. How can $5.1 billion pay for six months of air operations at a cost of $1 billion per month?

Answer. The cost of $1 billion for the first month of operations cannot be used to estimate the cost of the air campaign for the remainder of the fiscal year. The $698 million for munitions is not a monthly figure. Rather, it is for specific munitions that have been or may be expended in both Southwest Asia and Kosovo. The Supplemental request includes $3.3 billion to fund the operating costs for the air campaign through the end of fiscal year 1999. This estimate includes the additional aircraft requested by General Clark.

Question. How can this same $5.1 billion pay for five months of expanded air operations?

Answer. When we were building the supplemental request, we included costs for all known assets that General Clark had formally requested. Thus, the $3.3 billion requested for the air campaign covers known operating costs of U.S. Forces participating in Allied Force through fiscal year 1999, to include the approximately 300 additional aircraft requested by USCINCEUR.

Question. Were the costs of the Apache helicopter deployment to Albania included in the original cost estimate? What are these costs?

Answer. Yes. The Supplemental request includes $678 million for Task Force Hawk, the Apache helicopter deployment to Albania. This amount covers Operation & Maintenance and Military Personnel costs associated with deployment, OPTEMPO, and sustainment of the task force through fiscal year 1999.

Question. Were the costs to blockade Yugoslavian imports of petroleum included in your initial estimate? What are these costs?

Answer. [Deleted.]

Question. What are your initial estimates of a deployment of significant ground forces, if such a decision were to be made? Do you have reason to disagree with CBO's estimate of $200 million per month per 27,000 man increment, with an additional $100 million if combat occurs?

Answer. Based on first-year Bosnia experience, the CBO estimate of $200 million per month per 27,000 man increment seems too low. The CBO estimate equates to $2.4 billion for a full year. In comparison, the first-year Bosnia costs for a 20,000 man force totaled approximately $3 billion (not adjusted for inflation).

INCREASED READINESS NEEDS

Question. GAO is competing the first phase of its retention/Quality of Life study for myself and Senator Stevens. GAO briefed our staffs last week. They found that across all military services, both enlisted personnel and officers, the number one complaint and stated reason to leave military service is lack of needed equipment—meaning spare parts, munitions, and other support equipment. Another major reason was "manning"—meaning undertrained, misassigned, or simply missing personnel.

What information has been made available to you about the seriousness of spare parts and equipment shortages and the impact to morale?

Answer. Due to the seriousness of these issues, I routinely review and discuss spare parts and personnel shortages, mission capable and cannibalization rates, and key munitions shortages with our Service Chiefs as part of our monthly deliberations in the Senior Readiness Oversight Council. In addition, I have reviewed a number of trip reports from my readiness staff members on the issues, including spare parts shortages, that they have encountered in their readiness assessment visits. Finally, I hear these issues "first hand" from our men and women in the field during my travels.

We take these shortages and their impact on morale very seriously. With your help, we have added billions of dollars to buy more spare parts and support equipment. We have already seen some improvement in the parts situation and expect a continual improvement over the next several years.

Question. Especially for the type of combat aircraft being used in the Persian Gulf and the Balkans, what is the status of War Reserve stocks for maintenance and munitions?

Answer. The expenditure of munitions in the Balkans and Persian Gulf is being carefully monitored and evaluated by the Joint Staff and the Services. Shortages exist of some preferred munitions due to the fact that they are currently in low rate initial production status (JDAM, JSOW), or production lines are cold and conversion of old weapons (TLAM, CALCM) is required to replenish the inventory. This has required both resupply from available world-wide inventories and acceleration of pro-

duction contracts. The Joint Requirements Oversight Committee (JROC) is currently evaluating production priorities of those weapons being produced to better meet the task force commander's requirements.

Question. How do cannibalization rates for fighters and fighter-bombers compare to one year ago.

Answer. Cannibalization, or the procedure of removing a part from one aircraft to make another aircraft operational, is normally accomplished due to mission expediency or lack of a specific spare part. As the average age of our aircraft fleet has risen, and the utilization of these aircraft increases, our aircraft are experiencing increased wear and tear and failure of aircraft components. This, in turn, has manifested itself in increased cannibalization rates. For instance, the USAF "cann" rate in fiscal year 1995 was 7.8 "canns" per 100 sorties. That number grew to a 12.4 rate in fiscal year 1998, and reached a 13.8 canns per 100 sorties for the 1st Quarter, fiscal year 1999.

Question. For personnel not yet deployed overseas, how does pilot experience compare to that for forces in the U.S. one year ago? How does it compare for deployed pilots? (b) Please answer the same questions for aircraft maintenance and munition personnel.

Answer. As you are aware, we have experienced troubling retention rates in our pilot force for the past several years. Though the reasons for pilot separations are numerous and complex, the impact on our experience levels is somewhat easier to capture. As we lose pilots with 9–14 years experience, and replace those pilots with recent graduates from undergraduate pilot training (UPT), our overall experience levels decrease. Over the past year, we have seen a gradual decline in fighter and bomber pilot experience levels, but we still remain above the overall experience metric for most weapon systems (fighter aircraft metric is to have 50 percent of pilots experienced with more than 500 flying hours). For example, the F–16 experience level dropped from 74 percent in March 1998 to 64 percent in March 1999. Loss of experience due to separations, assignments, etc. has always been a planning factor in managing our overall experience levels, but the current low pilot retention rates contributes to the decline in our overall experience levels. Moreover, the planned increases in UPT production (to 1,100 per year) are expected to lower the overall experience levels of the pilot force due to the increased number of new UPT graduates in our squadrons.

(b) In addition to our pilot shortfalls, we have experienced retention problems in our enlisted force as well, particularly in the 2d term re-enlistments of specialized, high demand fields such as aircraft maintenance. The impact of missing 2nd term reenlistment goal (75 percent) is declining mid-grade manning and expertise, key to successful flightline operations. Recent initiatives to improve reenlistment rates, to include reenlistment bonuses, have achieved some degree of success. For instance, 2nd term reenlistment for F–16 crew chiefs improved from 64 percent in fiscal year 1997 to 76 percent in fiscal year 1999 (as of February 28). F–16 avionics specialist reenlistment rates improved from 67 percent to 71 percent over the same time period. However, overall USAF 2nd term reenlistment rate in fiscal year 1998 was 69 percent, down from 71 percent in fiscal year 1997 and below goal of 75 percent. We still face significant reenlistment and experience challenges, and monitor reenlistment status carefully.

Question. How do stocks of laser guided bombs compare to 1990 (the year before Desert Storm)?

Answer. Stocks of laser guided bombs (LGBs) are 30 percent higher than they were in 1990 prior to Desert Storm. Several LGB variants are currently in production. Suitable substitutes exist for most preferred munitions in the near-term. In the long term, as the Kosovo conflict continues, use of less preferred munitions will be required.

Question. Where are our biggest problems for the human and material readiness of ground forces? Please specify types of military specialties and types of hardware.

Answer. For our ground forces, personnel shortfalls are our most pressing concern. Specifically, the Army continues to report in the Joint Monthly Readiness Review a shortage of available leadership (insufficient numbers of NCOs and Captains) as well as shortages in specialty MOSs, particularly in the combat support, combat service support, and military intelligence specialties. These personnel shortfalls add risk to a two-MTW scenario.

For material readiness, the most critical concerns are shortages in our prepositioned equipment sets, medical supplies, and Army War Reserve Secondary Items (WRSI). Prepositioned equipment is critical to the early stages of an MTW as CONUS-based Brigades are required to "fall-in" and fight on this equipment and supplies. Currently, these CINC brigade sets need additional parts to be considered

fully fightable. We are working to rectify an estimated $1.8 billion shortfall in WRSI, critical to sustainment of the warfight.

ALLIED CONTRIBUTIONS

Question. Please specify the percentage of combat aircraft and air to ground sorties being performed by non-U.S. NATO forces.

What is the number and percentage of non-U.S. NATO forces now in the Balkan region, or supporting forces there?

Answer. The current share of military personnel and assets committed by the United States and NATO are broken out as follows (as of May 12, 1999): [deleted].

Question. (a) What is the dollar cost of non-U.S. NATO operations up to this point in time? (b) Is the U.S. paying for any non-U.S. operations or forces? (c) Is non-U.S. NATO paying for any U.S. operations or forces?

Answer. (a) The cost of non-U.S. NATO operations is not available. (b) and (c) Each NATO participating country is paying its own way for its forces engaged in operation Allied Force. Specifically, the NATO plan for Allied Force specifies that logistics support is the responsibility of each troop contributing nation from their national sources to the most forward operating area. The logistics annex states, "All requirements for logistic support including logistic support units, formations, supplies, services, transportation, movement control, maintenance, medical, and personnel administration or adequate support agreements are a national responsibility." These NATO support procedures, which are similar to those in effect in Bosnia, require nations to finance their participation in the operation.

Question. According to the CRS, appropriations to DOD for U.S. Peacekeeping and Other Military Operations since 1991 are the following:

	1991–1999	2000 request
Iraq	6.9	1.1
Bonsia	9.4	1.8
Haiti	1.0	.....
Somalia	1.5	.....
Others	2.0	.....
Kosovo	6.0	???
Total	26.9	2.9 + ???

Is it correct that these data do not reflect all costs? Aren't some of the costs hard to quantify but very real? (For example: costs for canceled training, equipment worn out faster, munitions consumed, stressed out troops, and separated families are not included in the table above).

Answer. The CRS data reflects the incremental cost of contingency operations. We measure the cost of contingency operations in terms of incremental costs or costs that are incurred only because we have undertaken the operation. Tangible costs such as fuel, repair parts, supplies, transportation, food, lodging, contract services, etc. are included. Intangible costs such as psychological stress on troops and families are not included since they are very difficult to quantify in dollar terms.

Question. Please submit an estimate for the deployment related costs of: accelerated equipment usage; increased consumption of spare parts; rescheduling all canceled training; retention losses due to "opstempo"; and replacing all munitions consumed in combat operations since 1992.

Answer. We capture in our contingency cost estimates any incremental cost related to a contingency. This includes additional maintenance required because of a higher operating tempo, additional spare parts, and refresher training if these costs would not have been incurred if we had not undertaken the operation. We cannot measure retention losses due to the operating tempo of contingency operations. Our supplemental request identifies the munitions requirements for Southwest Asia and Kosovo, but we do not have data for other combat operations since 1992.

QUESTIONS SUBMITTED BY SENATOR LARRY CRAIG

ALLIED CONTRIBUTIONS

Question. 800 U.S. aircraft are planned for deployment to the Balkans. This deployment reportedly will tie up seven combat air wings out of 20. Please explain

how our current expenditure of forces for Operation Allied Force will impact our ability to respond to war in other regions, the Pacific (Korea), or the Gulf.

Answer. [Deleted].

GROUND TROOPS

Question. Also, please explain how the deployment of U.S. ground troops in Kosovo will impact on the U.S.' ability to respond to war in other regions, the Pacific or Gulf, where our national interests are at stake.

Answer. [Deleted].

Question. The administration is asking for $6 billion to pay for a continued air campaign against Yugoslavia. How much money will be required, and over what period of time, if U.S. ground forces are deployed to Kosovo:

(a) In a peacekeeping role (with 8,000 to 10,000 Americans involved)

(b) To expel Yugoslavia's forces in Kosovo (with 20,000 to 30,000 U.S. troops involved?)

(c) To secure a liberated zone in Southern Kosovo (with about 10,000 American troops involved?)

Answer. We do not know specifically how much money will be required or over what period of time it will be required since the decision to send in ground troops is dependent upon numerous factors to include the success of the air campaign and the Serbian peoples' continued support for Milosevic.

As a point of comparison, I can tell you what we spent in Bosnia. The cost of the Bosnia implementation force (IFOR) for the first 12 months (December 1996-November 1997) was $3 billion. This was for a U.S. force of 20,000 troops. In fiscal year 1999, the Bosnia security force (SFOR) of approximately 6,900 troops will cost about $1.4 billion.

ALLIED FORCES

Question. What percent of the cost of the current air war against Yugoslavia will our allies pay?

Answer. NATO does not provide data on the cost of each member nation to carry out operation Allied Force. However, the NATO plan for Allied Force specifies that logistics support is the responsibility of each troop contributing nation from their national sources to the most forward operating area. The logistics annex states, "All requirements for logistic support including logistic support units, formations, supplies, services, transportation, movement control, maintenance, medical, and personnel administration or adequate support agreements are a national responsibility." These NATO support procedures, which are similar to those in effect in Bosnia, require nations to finance their participation in the operation.

GROUND TROOPS

Question. If NATO ground troops are deployed, what percentage of that cost will our allies pay?

Answer. Each nation will pay for its own deployed forces.

PAYING FOR FUTURE NATO MISSIONS

Question. Newspapers are reporting that NATO leaders on Saturday (April 24, 1999) approved a new "strategic concept" embracing military operations in volatile regions beyond NATO's borders. How do you expect the United States to pay for such operations?

Answer. First, the Department must dispel any misperceptions about NATO's new Strategic Concept. The current Strategic Concept is an update of the 1991 version, not a radically-changed text. The 1999 version has been carefully crafted to uphold NATO's "policy of preserving peace, preventing war, and enhancing security and stability". Its purpose is not to serve as a blueprint for ad hoc adventurism by the Alliance; rather, its stated purpose is to "maintain collective defense and reinforce the transatlantic link", ensuring "a balance that allows the European allies to assume greater responsibility" in defense missions. The 1991 version stated, "In the event of crises * * * the Alliance's military forces can complement and reinforce political actions within a broad approach to security * * *".

This theme has been picked up and amplified in the 1999 update, most notably in adding a new fundamental security task that charges the Alliance "* * * case-by-case and by consensus * * * to engage actively in crisis management, including crisis response operations". The new Strategic Concept, while clearly and carefully acknowledging security risks and threats that could arise within and on the periph-

ery of NATO's borders, will ensure that NATO maintains a defense posture that contributes to regional peace and stability, not detract from it.

Thus, from the Department's perspective, the new Strategic Concept, which states NATO's political-military intentions, is far removed from the carte blanche document "embracing military operations in volatile regions" implied in the question.

That said, the United States must stand prepared to meet any mission NATO (as a body) decides to undertake. Should NATO embark on a specific mission that falls within the terms of its Strategic Concept, the United States will pay the costs of such an undertaking in two ways. As with Bosnia and more recently, Kosovo, responsibility for NATO and national costs will be established under terms of funding principles agreed by all members. Any agreed NATO mission would cause the United States to pay between 20–25 percent of the common military costs of such an operation. At the same time, it is likely that the United States would pay its own operating costs for whatever military contingents might be assigned or provided to participate in or support the NATO operation.

Since the Department cannot predict when or if such a situation might arise, it is premature to project how the Department would pay for such an operation.

KOSOVO

Question. Your Administration claimed that one of the reasons for U.S. involvement in Bosnia was to prevent that war from spreading. It appears that the U.S. mission in Bosnia was unsuccessful in this regard, given the current crisis in Kosovo. Furthermore, U.S. air strikes appear to have exacerbated the humanitarian crisis in Kosovo, jeopardized stability in neighboring Macedonia, allowed the Yugoslav forces to target ethnic Albanians in Montenegro, caused an increase in the Yugoslav's security presence in Kosovo, and created conditions for that Army to dig in. Please explain how the current situation in the Balkans comports with U.S. national security objectives.

Answer. Regional stability in Eastern Europe has long been a primary concern of the United States and the NATO alliance. We have clear national security interests at stake in Kosovo. The United States has an interest in preserving NATO's credibility as a guarantor of European stability and our credibility as the leader of NATO. NATO's involvement in Kosovo serves to further enhance regional stability and the leadership role of the United States in the Alliance, as it has in Bosnia. We have an interest in preserving Bosnia's significant progress toward peace under the Dayton Peace Accords, for which our soldiers, diplomats, and humanitarian workers have given so much. We are constantly faced with difficult decisions on our potential involvement in an international crisis. We clearly cannot help every country in every situation. Thus, we are forced to be as selective as possible, and must base our decisions on a determination of our national interests. As noted above, United States involvement in the Balkans clearly meets this criterion. We can take great pride in the fact that U.S. involvement adds both credibility and conviction to the NATO mission in Kosovo, as it has in Bosnia. As is true throughout the world, we bring to this mission unique capabilities and, in our estimation, leadership that cannot be exercised from afar. We must maintain the resolve of the NATO Alliance if we are to successfully achieve a lasting peace settlement.

President Milosevic is clearly responsible for the humanitarian crisis we are facing today. The Serb campaign of repressive operations and ethnic cleansing began well before the NATO air campaign commenced. Even as the talks were continuing in Rambouillet and Paris, we witnessed a tremendous build-up of Serb forces in and around Kosovo. We have clearly outlined the military objectives of the NATO air operations: to demonstrate resolve on the part of the NATO alliance; to deter President Milosevic from carrying out his campaign of ethnic cleansing; and failing that, to make him pay a serious and substantial price for doing so and to take his military down as best we can through air power. To realize an end to the bombing campaign, President Milosevic must:

—Ensure a verifiable stop to all military action and the immediate ending of violence and repression in Kosovo;
—Withdraw from Kosovo his military, police, and para-military forces;
—Agree to the stationing in Kosovo of an international military presence;
—Agree to the unconditional and safe return of all refugees and displaced persons, and unhindered access to them by humanitarian air organizations; and
—Provide credible assurance of his willingness to work for the establishment of a political framework agreement based on the Rambouillet accords.

It should be clear that NATO is united and determined to achieve its stated goals.

QUESTIONS SUBMITTED BY SENATOR BYRON L. DORGAN

MUNITIONS

Question. If we've expended $521 million in munitions in the first 30 days of the air war, what confidence do you have that $850 million will be sufficient for the rest of the fiscal year?

Answer. Based on current inventory levels and expenditures to date in both Kosovo and Southwest Asia, we feel that $850 million is a reasonable estimate to ensure that inventories for critical munitions remain adequate for future operations. This amount will also ensure readiness levels remain high for U.S. forces worldwide. These funds are in addition to the $698 million included in the Supplemental request for specific munitions—Conventional Air Launched Cruise Missiles (CALCMs), Tomahawk Land Attack Missiles (TLAMs), Joint Direct Attack Munition (JDAM), and Air Force towed decoys.

KOSOVO FUNDING

Question. If the funding for the direct costs of Kosovo effort were provided to the DOD on an incremental basis, perhaps after a monthly report that specified costs and replenishment needs, how would it affect your ability to prosecute the air war?

Answer. We would not allow funding decisions to inhibit our execution of the air campaign in Kosovo. Lack of timely funding would have a significant impact on planned execution of training and maintenance requirements during the fourth quarter, particularly in the Air Force. Some of these planned activities would have to be deferred or canceled which could impact the readiness levels of the non-deployed forces.

KOSOVO

Question. What is your assessment of the transfer of intelligence information pertaining to war crimes in Kosovo to the International Tribunal? Is the United States providing all it can, and are there still concerns among our allies which are delaying or prohibiting the transfer of such information?

Answer. The ICTY was established under a U.N. Security Council resolution and has been functioning since 1991. Any investigations, prosecutions or decisions about war crimes in the former Yugoslavia would be determined by the ICTY. Their investigations will follow the evidence and go where it leads them. The U.S. and NATO will continue to work closely with the ICTY. We have been cooperating with the Yugoslav Tribunal through an accelerated and intensified information-sharing program. Many hundreds of documents pertaining to Kosovo alone, classified and otherwise, have been provided to the Tribunal since March of 1998; hundreds have been provided since mid-March of this year alone and many more are in the pipeline. These documents are provided pursuant to rule 70 of the Tribunal Rules. We not only support the Tribunal's mandate to investigate wherever the evidence leads it but we also look forward to the day when a democratic Serbia with a strong independent judiciary brings other perpetrators of crimes in Kosovo to credible justice.

NATO ALLIES

Question. What are the contributions by NATO allies in terms of cost for Kosovo operations? Has there been any discussion about a cost sharing arrangement like that used for the Gulf War?

Answer. NATO does not provide data on the cost of each member nation to carry out Operation Allied Force. However, our NATO allies provide a significant contribution to Kosovo operations. For Operation Noble Anvil, the current air campaign, allied aircraft fly approximately 40 percent of all sorties flown. In addition, other NATO countries committed and deployed over 11,000 troops to Macedonia in anticipation of supporting KFOR, NATO's Peace Implementation Force, and the extraction force for OSCE Kosovo Verification Mission.

I am not aware of any discussion about a cost sharing arrangement similar to that used for the Gulf War.

CONCLUSION OF HEARING

Chairman STEVENS. We will recess this until we convene again tomorrow at sometime. We will notify you, and hopefully we will get that behind us so that we can have a markup next Tuesday.

Thank you very much.

Dr. HAMRE. Thank you very much.

Mr. LEW. Thank you, sir.

Chairman STEVENS. Thank you.

[Whereupon, at 12:45 p.m., Thursday, April 27, the hearing was concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]

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